Stock Code:1476

ECLAT TEXTILE CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2019 and 2018

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Independent Auditors' Review Report

To the Board of Directors of ECLAT TEXTILE CO., LTD.:

Introduction

We have reviewed the accompanying consolidated balance sheets of ECLAT TEXTILE CO., LTD. ("the Company") and its subsidiaries (together referred to as "the Group") as of June 30, 2019 and 2018, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2019 and 2018, as well as the changes in equity and cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of 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 Standard 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 $3,832,078 thousand and $2,395,925 thousand, constituting 2.66% and 10.84% of consolidated total assets at June 30, 2019 and 2018, respectively, total liabilities amounting to $598,242 thousand and $778,723 thousand, constituting 7.26% and 10.46% of total consolidated liabilities at June 30, 2019 and 2018, respectively, and total comprehensive loss amounting to $309,614 thousand, $310,798 thousand, $581,660 thousand and $582,392 thousand, constituting (28.13)%, (22.54)%, (28.88)% and (26.63)% of consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2019 and 2018, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2019 and 2018, and of its consolidated financial performance for the three months and six months ended June 30, 2019 and 2018, as well as its consolidated cash flows for the six months ended June 30, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Hui-Chih Kou and Hsin-Yi Kuo .

KPMG

Taipei, Taiwan (Republic of China)
August 6, 2019

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 The Generally Accepted Auditing Standards As Of June 30, 2019 And 2018

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2019, December 31, 2018, and June 30, 2018

(Expressed in Thousands of New Taiwan Dollars)

	Assets	June 30, 2019 Amount	%	December 31, 2018 Amount	%	June 30, 2018 Amount	%
	Current assets:						
1100	Cash and cash equivalents(note 6 (a))	$ 5,457,613	23	2,905,110	13	2,977,709	14
1150	Notes receivable, net (including related parties) (notes 6 (b) and 7)	8,305	-	2,065	-	7,629	-
1170	Accounts receivable, net (note 6 (b))	3,189,108	13	3,807,473	17	3,838,119	17
1200	Other receivables, net	49,140	-	86,072	-	66,708	-
1310	Inventories, net(note 6 (c))	4,119,789	17	4,264,587	19	4,170,120	19
1460	Non-current assets classified as held for sale (note 6 (d))	10,290	-	11,257	-	12,618	-
1470	Other current assets(notes 6(f) and 8)	394,161	2	316,941	2	398,763	2
	Total current assets	13,228,406	55	11,393,505	51	11,471,666	52
	Non-current assets:						
1550	Investments accounted for using equity method	10,329	-	26,083	-	27,159	-
1600	Property, plant and equipment(notes 6 (e), 7 and 8)	10,202,075	42	10,037,149	46	9,909,473	45
1755	Right-of-use assets	105,427	1	-	-	-	-
1780	Intangible assets	22,147	-	20,547	-	20,224	-
1840	Deferred tax assets	20,381	-	20,381	-	71,454	-
1975	Net defined benefit asset, non-current	-	-	-	-	10,137	-
1990	Other non-current assets, others (note 6 (f))	579,462	2	643,217	3	590,646	3
	Total non-current assets	10,939,821	45	10,747,377	49	10,629,093	48
	Total assets	$ 24,168,227	100	22,140,882	100	22,100,759	100

	Liabilities and Equity	June 30, 2019 Amount	%	December 31, 2018 Amount	%	June 30, 2018 Amount	%
	Current liabilities:						
2100	Short-term borrowings (note 6 (g))	$ 1,879,405	8	1,629,979	8	1,567,776	7
2120	Current financial liabilities at fair value through profit or loss	-	-	-	-	5,603	-
2150	Notes payable	288,156	1	262,688	1	315,173	2
2170	Accounts payable	1,415,763	6	1,354,199	6	1,498,455	7
2180	Accounts payable to related parties (note 7)	2,754	-	1,926	-	1,208	-
2200	Other payables	3,796,206	16	1,107,364	5	3,367,818	15
2230	Current tax liabilities	566,769	2	732,541	3	539,374	2
2280	Current lease liabilities	48,396	-	-	-	-	-
2399	Other current liabilities, others	172,177	1	105,691	1	145,916	1
	Total current liabilities	8,169,626	34	5,194,388	24	7,441,323	34
	Non-current liabilities:						
2570	Deferred tax liabilities	5,946	-	5,946	-	432	-
2580	Non-current lease liabilities	60,252	-	-	-	-	-
2640	Net defined benefit liability, non-current	1,454	-	2,016	-	-	-
2645	Guarantee deposits received	2,109	-	1,488	-	1,920	-
2670	Other non-current liabilities, others	3,900	-	6,014	-	4,411	-
	Total non-current liabilities	73,661	-	15,464	-	6,763	-
	Total liabilities	8,243,287	34	5,209,852	24	7,448,086	34
	Equity(Note 6 (j)):						
3110	Common stock	2,743,671	11	2,743,671	12	2,743,671	12
3200	Capital surplus	3,769,547	16	3,769,547	17	3,769,437	17
	Retained earnings:						
3310	Legal reserve	2,756,589	12	2,318,613	11	2,318,613	11
3320	Special reserve	6,862	-	104,100	-	104,100	-
3350	Unappropriated retained earnings	6,612,380	27	8,001,961	36	5,734,762	26
	Total retained earnings	9,375,831	39	10,424,674	47	8,157,475	37
3490	Other equity, others	35,891	-	(6,862)	-	(17,910)	-
	Total equity	15,924,940	66	16,931,030	76	14,652,673	66
	Total liabilities and equity	$ 24,168,227	100	22,140,882	100	22,100,759	100

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

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2019 and 2018

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

		For the three months ended June 30				For the six months ended June 30			
		2019		2018		2019		2018	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (note 6 (l))	$ 6,939,327	100	6,921,411	100	13,183,624	100	13,501,580	100
5000	Operating costs (notes 6 (c)(e)(h)(m), 7 and 12)	4,902,661	71	4,923,073	71	9,418,636	71	9,729,819	72
	Gross profit from operations	2,036,666	29	1,998,338	29	3,764,988	29	3,771,761	28
	Operating expenses(notes 6(e)(h)(m), 7 and 12):								
6100	Selling expenses	347,893	5	367,170	5	666,910	5	691,182	5
6200	Administrative expenses	264,433	3	243,980	4	533,290	4	493,206	4
6300	Research and development expenses	35,683	1	37,126	1	67,194	1	72,183	-
	Total operating expenses	648,009	9	648,276	10	1,267,394	10	1,256,571	9
	Net operating income	1,388,657	20	1,350,062	19	2,497,594	19	2,515,190	19
	Non-operating income and expenses (note 6 (n)):								
7010	Other income	10,383	-	6,834	-	18,064	-	9,967	-
7020	Gains and losses	36,673	1	191,240	3	68,386	-	139,299	1
7050	Finance costs	(17,674)	-	(12,570)	-	(35,373)	-	(22,184)	-
7060	Share of loss of associates accounted for using equity method, net	(1,245)	-	(2,184)	-	(4,347)	-	(3,487)	-
	Total non-operating income and expenses	28,137	1	183,320	3	46,730	-	123,595	1
7900	**Income before income tax**	1,416,794	21	1,533,382	22	2,544,324	19	2,638,785	20
7950	Less: Tax expenses (note 6(i))	344,292	5	323,811	5	570,300	4	536,906	4
	Profit (loss) from continuing operations	1,072,502	16	1,209,571	17	1,974,024	15	2,101,879	16
8100	Loss from discontinued operations, net of tax (note 12)	(2,192)	-	(534)	-	(2,780)	-	(1,155)	-
	Profit	1,070,310	16	1,209,037	17	1,971,244	15	2,100,724	16
8300	**Other comprehensive income:**								
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**								
8361	Exchange differences on translation of foreign financial statements	30,369	-	169,531	3	42,753	-	86,190	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
8300	**Other comprehensive income, net of income tax**	30,369	-	169,531	3	42,753	-	86,190	-
8500	**Total comprehensive income**	$ 1,100,679	16	1,378,568	20	2,013,997	15	2,186,914	16
	Earnings per share (note 6(k) and 12)								
9750	**Basic earnings per share (in dollars)**								
	Basic earnings per share from continuing operations	$ 3.91		4.41		7.19		7.66	
	Basic loss per share from discontinued operations	(0.01)		-		(0.01)		-	
	Total basic earnings per share	$ 3.90		4.41		7.18		7.66	
9850	**Diluted earnings per share (in dollars)**								
	Diluted earnings per share from continuing operations	$ 3.91		4.41		$ 7.19		7.66	
	Diluted loss per share from discontinued operations	(0.01)		-		(0.01)		-	
	Total diluted earnings per share	$ 3.90		4.41		$ 7.18		7.66	

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

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity	
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity
Balance at January 1, 2018	$ 2,743,671	3,769,437	2,013,408	-	6,649,830	8,663,238	(104,100)	15,072,246
Profit	-	-	-	-	2,100,724	2,100,724	-	2,100,724
Other comprehensive income	-	-	-	-	-	-	86,190	86,190
Total comprehensive income	-	-	-	-	2,100,724	2,100,724	86,190	2,186,914
Legal reserve appropriated	-	-	305,205	-	(305,205)	-	-	-
Special reserve appropriated	-	-	-	104,100	(104,100)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,606,487)	(2,606,487)	-	(2,606,487)
Balance at June 30, 2018	**$ 2,743,671**	**3,769,437**	**2,318,613**	**104,100**	**5,734,762**	**8,157,475**	**(17,910)**	**14,652,673**
Balance at January 1,2019	$ 2,743,671	3,769,547	2,318,613	104,100	8,001,961	10,424,674	(6,862)	16,931,030
Effects of retrospective application	-	-	-	-	(2,049)	(2,049)	-	(2,049)
Balance at January 1, 2019 after adjustments	2,743,671	3,769,547	2,318,613	104,100	7,999,912	10,422,625	(6,862)	16,928,981
Profit	-	-	-	-	1,971,244	1,971,244	-	1,971,244
Other comprehensive income	-	-	-	-	-	-	42,753	42,753
Total comprehensive income	-	-	-	-	1,971,244	1,971,244	42,753	2,013,997
Legal reserve appropriated	-	-	437,976	-	(437,976)	-	-	-
Reversal of special reserve	-	-	-	(97,238)	97,238	-	-	-
Cash dividends of ordinary share	-	-	-	-	(3,018,038)	(3,018,038)	-	(3,018,038)
Balance at June 30, 2019	**$ 2,743,671**	**3,769,547**	**2,756,589**	**6,862**	**6,612,380**	**9,375,831**	**35,891**	**15,924,940**

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

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

		For the six months ended June 30	
		2019	2018
Cash flows from (used in) operating activities:			
Profit from continuing operations before tax	$	2,544,324	2,638,785
Loss from discontinued operations before tax		(2,780)	(1,155)
Profit before tax		2,541,544	2,637,630
Adjustments:			
Adjustments to reconcile profit			
Depreciation expense		420,360	396,357
Amortization expense		12,129	6,847
Net loss on financial assets or liabilities at fair value through profit or loss		-	5,603
Interest expense		35,373	22,184
Interest income		(13,202)	(5,106)
Share of loss of associates accounted for using equity method		4,347	3,487
Loss on disposal of property, plant and equipment		1,045	7,436
Gain on disposal of investments		(217)	-
Total adjustments to reconcile profit		459,835	436,808
Changes in operating assets and liabilities:			
Decrease (increase) in notes and accounts receivable		612,125	(434,333)
Decrease in inventories		144,738	125,517
Increase in other current assets		(54,638)	(7,134)
Decrease (increase) in other financial assets		36,932	(50,638)
Increase in other operating assets		(9,562)	(85,181)
Increase (decrease) in notes and accounts payable		87,860	(42,733)
Decrease in other payable		(197,974)	(262,343)
Increase in other current liabilities		66,486	58,582
Decrease in net defined benefit liability		(562)	(137,444)
Total adjustments		1,145,240	(398,899)
Cash inflow generated from operations		3,686,784	2,238,731
Interest received		13,202	5,106
Interest paid		(35,373)	(22,184)
Income taxes paid		(736,072)	(419,046)
Net cash flows from operating activities		2,928,541	1,802,607
Cash flows from (used in) investing activities:			
Proceeds from disposal of associate		12,459	-
Acquisition of property, plant and equipment		(549,194)	(303,277)
Proceeds from disposal of property, plant and equipment		36	5,937
(Increase) decrease in refundable deposits		(456)	974
Acquisition of intangible assets		(8,042)	(1,677)
Increase in prepayments for business facilities		(76,160)	(100,496)
Net cash flows used in investing activities		(621,357)	(398,539)
Cash flows from (used in) financing activities:			
Increase in short-term loans		249,425	86,621
Increase in guarantee deposits received		621	-
Payment of lease liabilities		(22,669)	-
Decrease in other non-current liabilities		(2,114)	-
Net cash flows from financing activities		225,263	86,621
Effect of exchange rate changes on cash and cash equivalents		30,346	59,680
Net increase in cash and cash equivalents		2,562,793	1,550,369
Cash and cash equivalents at beginning of period		2,905,110	1,439,958
Cash and cash equivalents at end of period	$	5,467,903	2,990,327
Components of cash and cash equivalents			
Cash and cash equivalents reported in the statement of financial position	$	5,457,613	2,977,709
Reclassification to non-current assets held for sale		10,290	12,618
Cash and cash equivalents at end of period	$	5,467,903	2,990,327

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

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2019 and 2018

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

(1) Company history

ECLAT TEXTILE CO., LTD. (the "Company") was incorporated in November 1977. The Company has established the Tashan Plant, Miao-li Plant and Hsichou Plant in Miao-li, and Dayuan Plant in Taoyuan. The Company and its subsidiaries (the " Group") have mainly been involved in the manufacturing and marketing of knitwear. Please refer to note 4(b) for more details about the operation of the Group.

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

On August 6, 2019, the board of directors approved and noted the consolidated financial statements as of and for the six months ended June 30.

(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 following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2019.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 16 "Leases"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019
Amendments to IAS 28 "Long-term interests in associates and joint ventures"	January 1, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019

Except for the following items, the Group believes that the adoption of the above IFRSs would not have any material impact on its consolidated financial statements. The extent and impact of signification changes are as follows:

(i) IFRS 16"Leases"

IFRS 16 replaces the existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

(Continued)

The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings on January 1, 2019. The details of the changes in accounting policies are disclosed below:

1) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 4(c).

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

2) As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

- Leases classified as operating leases under IAS 17

  At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at either:

  — their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee' s incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or

  — an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach to all other lease.

  In addition, the Group used the following practical expedients when applying IFRS 16 to leases.

  — Applied a single discount rate to a portfolio of leases with similar characteristics.

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

— Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

— Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

3) Impacts on financial statements

On transition to IFRS 16, the Group recognised additional \$109,120 thousands of right-of-use assets and \$111,169 thousands of lease liabilities, recognising the difference in retained earnings. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 1.95%.

(b) The impact of IFRS endorsed by FSC but not yet effective

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2020 in accordance with Ruling No. 1080323028 issued by the FSC on July 29, 2019:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020

The Group assesses that the adoption of the abovementioned standards would not have any material impact on its consolidated financial statements.

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

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

(Continued)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies:

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Guidelines) and IAS 34 "Interim Financial Reporting" endorsed by the FSC. These consolidated financial statements do not include all disclosures required for annual financial statements under the Guidelines and IFRSs, IASs, IFRIC Interpretations and SIC Interpretations as endorsed by the FSC (hereinafter referred to as IFRS as endorsed by the FSC).

Except as described below, the significant accounting policies adopted in the consolidated financial statements are the same as those adopted in the consolidated financial statements for the year ended December 31, 2018. Please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2018 for related information.

(b) Basis of Consolidation

(i) The subsidiaries in the consolidated financial statements:

Investor	The name of subsidiaries	Business activity	June 30, 2019	December 31, 2018	June 30, 2018	Note
The Company	GRAND ELITE HOLDING INC. (Grand Elite)	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	Note 1
The Company	ECLAT CAYMAN ISLAND HOLDINGS (Eclat Cayman)	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	
Grand Elite	ECLAT TEXTILE (CAMBODIA) CO., LTD. (Eclat Textile (Cambodia))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 1
Eclat Cayman	Unison (Wuxi) Textile and Garment Inc. (Unison)	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 1 Note 2
Eclat Cayman	ECLAT TEXTILE CO., LTD. (Vietnam) (Eclat Textile (VN))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	
Eclat Cayman	ECLAT FABRICS (VIETNAM) CO., LTD. (Fabrics)	Knit fabric mills, printing, dyeing and finishing mill	100.00 %	100.00 %	100.00 %	
Eclat Cayman	E-TOP (VIETNAM) CO., LTD. (E-TOP (VN))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	
Eclat Cayman	COLLTEX GARMENT MFY CO., LTD. (VN) (Colltex)	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 1
Eclat Cayman	ECLAT ENTERPRISE LTD. (Eclat Enterprise)	Investments in securities, real estate, and manufacturing industry	100.00 %	100.00 %	100.00 %	Note 1
Eclat Cayman	TAI-YUAN GARMENTS CO., LTD. (TAI-YUAN (VN))	Design, manufacture, processing and sale of clothing	100.00 %	100.00 %	100.00 %	Note 1

Note 1 : One of the nonsignificant subsidiaries whose second-quarter financial reports as of 2019 and 2018 were not reviewed.

Note 2 : There is no longer any advantage in investing due to the raise in labor, material and supply cost in Mainland China, consequently, the BOD approved the dissolution and liquidation of Unison on December 7, 2016. Please refer to Note 6(d) for further information.

(ii) The subsidiaries are not included in the consolidated financial statements: none.

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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(c) Leases (applicable from January 1, 2019)

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

– the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

– the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

– the Group has the right to direct the use of the asset. The Group has the right to direct the use of the asset when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of an asset if either:

  - the Group has the right to operate the asset and suppliers have no right to change the operation; or

  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

(ii) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate;
- there is a change in the Group' s estimate of the amount expected to be payable under a residual value guarantee;
- there is a change of its assessment on whether it will exercise a purchase.
- there is a change of its assessment on whether it will exercise a extension or termination option and change in assessment of lease term.
- there is any lease modifications.

(iii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor' s net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(d) Income taxes

The Group evaluates and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting".

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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Income tax expense is best estimated by multiplying the pretax income for the interim reporting period by the effective annual tax rate as forecasted by the management. All income tax expense should be recognized as current tax expense.

The impact on deferred income tax resulted from changes to the tax rate for the interim reporting period, if any, shall be recognized in the period when the change of tax rate occurs.

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 recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

The pension cost for an interim period is calculated on a year to date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant onetime events.

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

The consolidated financial statements are prepared in conformity with IAS 34 " Interim Financial Reporting" as endorsed by the FSC, under which, management 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.

Preparing consolidated financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those in Note 5 of the consolidated financial statements for the year ended December 31, 2018.

(6) Explanation of significant accounts:

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from those in the consolidated financial statements for the year ended December 31, 2018. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2018, for more details.

(a) Cash and cash equivalents

		June 30, 2019	December 31, 2018	June 30, 2018
Cash	$	11,151	7,833	9,467
Bank deposits		5,395,666	2,026,374	2,213,662
Term deposits		50,796	870,903	754,580
Cash and cash equivalents	$	5,457,613	2,905,110	2,977,709

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(b) Notes receivable and accounts receivable

		June 30, 2019	December 31, 2018	June 30, 2018
Notes receivable—operating activities	$	8,305	2,065	7,629
Accounts receivable		3,213,194	3,831,559	3,862,205
Less：allowance for doubtful accounts		(24,086)	(24,086)	(24,086)
Total	$	3,197,413	3,809,538	3,845,748

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on June 30, 2019. 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 incorporated forward looking information. The loss allowance provision as of June 30, 2019 was determined as follows：

	June 30, 2019			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$	3,118,644	0.51%	15,713
1 to 30 days past due		89,268	1.16%	1,034
31~120 days past due		11,895	47.47%	5,647
More than 121 days past due		1,692	100%	1,692
	$	3,221,499		24,086

	December 31, 2018			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$	3,711,713	0.49%	18,067
1 to 30 days past due		117,174	3.22%	3,771
31~120 days past due		4,223	41.05%	1,734
More than 121 days past due		514	100%	514
	$	3,833,624		24,086

	June 30, 2018			
		Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$	3,726,732	0.58%	21,571
1 to 30 days past due		138,614	1.15%	1,593
31~120 days past due		4,039	11.71%	473
More than 121 days past due		449	100.00%	449
	$	3,869,834		24,086

(Continued)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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The movement in the allowance for notes and accounts receivable was as follows:

	For the six months ended June 30	
	2019	**2018**
Balance at January 1, 2019 and 2018 (Balance at June 30, 2019 and 2018)	$ 24,086	24,086

The aforementioned notes and accounts receivable of the Group had not been pledged as collateral for long-term borrowings.

The Group has signed accounts receivable factoring contracts without recourse with financial institutions. As stated in the contract, the Group doesn't have to bear the risks of uncollectable accounts receivables but the loss incurred due to commercial arguments, and hence meets the criteria of derecognition of financial assets. Factored accounts receivables which are not due as of the report date are as follows:

June 30, 2019

Counterparty	Factored amount	Line	Amount collected in advance	Interest rate	Pledged items
E.sun Bank	$ 561,463	1,397,770	561,463	2.97%~3.13%	None
SHANGHAI Bank	$ 95,786	503,172	95,786	2.66%	None

December 31, 2018

Counterparty	Factored amount	Line	Amount collected in advance	Interest rate	Pledged items
E.sun Bank	$ 240,600	1,506,571	240,600	2.87%~3.44%	None

June 30, 2018

Counterparty	Factored amount	Line	Amount collected in advance	Interest rate	Pledged items
E.sun Bank	$ 103,582	767,592	103,582	2.37%~2.75%	None

(c) Inventories

	June 30, 2019	December 31, 2018	June 30, 2018
Raw materials	$ 2,313,596	2,458,806	2,366,780
Supplies	456,642	527,431	477,258
Work in progress	1,164,582	1,135,855	1,149,765
Finished goods	184,969	142,495	176,317
	$ 4,119,789	4,264,587	4,170,120

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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As the net realizable value of inventories has increased due to the recovery of the inventory devaluation in the prior period. The Group recognized a gain from recovery in the value of inventories and a loss on inventories from the write-down of the book value for the three months and six months ended June 30, 2019 and 2018, respectively. The loss and gain (which is the difference between the cost and the net realizable value) was reported as cost of goods sold as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Loss on decline of inventory market price (gain from recovery in the value of inventories)	$ 140	579	246	(114)

None of inventories held by the Group were pledged as of June 30, 2019, December 31 and June 30, 2018.

(d) Non-current assets classified as held for sale

The Company's board of directors approved a resolution of Unison's dissolution on December 7, 2016. Unison commenced the liquidation procedure in 2017, and would expect to complete the dissolution within 1 year. The details were as follows:

	June 30, 2019	December 31, 2018	June 30, 2018
Cash and cash equivalents	$ 10,290	11,257	12,618

(e) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group are as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Construction in progress	Total
Cost:								
Balance at January 1, 2019	$ 4,817,823	4,065,638	4,840,509	107,383	218,809	1,180,089	298,900	15,529,151
Additions	-	61,884	6,976	1,015	2,039	38,665	438,615	549,194
Disposals	-	-	(16,850)	(506)	(253)	(30,924)	-	(48,533)
Reclassification	-	7,668	62,763	-	376	4,053	(96,208)	(21,348)
Effect of exchange rates changes	311	32,442	33,805	714	1,181	10,963	1,151	80,567
Balance as of June 30, 2019	$ 4,818,134	4,167,632	4,927,203	108,606	222,152	1,202,846	642,458	16,089,031
Balance at January 1, 2018	$ 4,816,961	3,497,333	4,449,568	100,014	203,330	1,039,316	433,780	14,540,302
Additions	-	3,358	103,806	2,281	2,903	31,883	159,046	303,277
Disposals	-	-	(18,801)	(1,546)	-	(5,544)	-	(25,891)
Reclassification	-	289,904	10,741	-	4,536	501	(295,576)	10,106
Effect of exchange rate changes	632	63,393	64,295	1,394	2,399	20,429	5,936	158,478
Balance as of June 30, 2018	$ 4,817,593	3,853,988	4,609,609	102,143	213,168	1,086,585	303,186	14,986,272

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	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Miscellaneous equipment	Construction in progress	Total
Depreciation:								
Balance at January 1, 2019	$ -	1,189,508	3,286,446	72,409	175,026	768,613	-	5,492,002
Depreciation	-	88,722	232,543	5,386	8,134	70,414	-	405,199
Disposals	-	-	(15,769)	(506)	(254)	(30,923)	-	(47,452)
Effect of exchange rate changes	-	7,447	21,402	467	875	7,016	-	37,207
Balance as of June 30, 2019	$ -	1,285,677	3,524,622	77,756	183,781	815,120	-	5,886,956
Balance at January 1, 2018	$ -	1,005,556	2,786,154	61,189	154,813	615,885	-	4,623,597
Depreciation	-	78,870	240,778	5,977	9,218	61,514	-	396,357
Disposals	-	-	(10,972)	(1,546)	-	-	-	(12,518)
Effect of exchange rate changes	-	13,756	40,101	871	1,661	12,974	-	69,363
Balance as of June 30, 2018	$ -	1,098,182	3,056,061	66,491	165,692	690,373	-	5,076,799
Carrying amounts:								
Balance at December 31, 2018	$ 4,817,823	2,876,130	1,554,063	34,974	43,783	411,476	298,900	10,037,149
Balance as of June 30, 2019	$ 4,818,134	2,881,955	1,402,581	30,850	38,371	387,726	642,458	10,202,075
Balance as of June 30, 2018	$ 4,817,593	2,755,806	1,553,548	35,652	47,476	396,212	303,186	9,909,473

The property, plant and equipment are pledged or mortgaged as collateral for loans as of June 30, 2019, December 31 and June 30, 2018, please refer to Note 8.

(f) Other current or non-current assets

Current:

	June 30, 2019	December 31, 2018	June 30, 2018
Tax refund receivables	$ 176,801	130,912	158,956
Payment in advance	126,275	65,065	61,484
Prepaid expense	26,056	71,805	132,636
Prepaid sales tax	42,985	24,736	5,640
Other financial assets	3,067	4,113	3,848
Others	18,977	20,310	36,199
	$ 394,161	316,941	398,763

Non-current:

	June 30, 2019	December 31, 2018	June 30, 2018
Prepayments for equipment	$ 220,490	281,507	154,037
Prepayments for land purchase	-	-	80,895
Long-term prepaid rents	354,953	357,916	339,595
Refundable deposits	3,617	3,161	-
Others	402	633	16,119
	$ 579,462	643,217	590,646

(Continued)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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Long-term prepaid rents is the contract for right of use of land for constructing factories and dorms. This contract was signed among the Group, and local authorities of Vietnam.

(g) Short-term borrowings

Details of short-term borrowings of the Group are as follows:

	June 30, 2019	December 31, 2018	June 30, 2018
Unsecured bank loans	$ 1,879,405	1,629,979	1,567,776
Unused quota	$ 5,831,760	6,150,541	6,166,931
Range of interest rates	1.8%~3.44%	1.8%~3.65%	1.8%~3.019%

None of the Group's assets were pledged as collaterals to secure bank loans.

(h) Employee benefits

(i) Defined benefit plan

Subsequent to December 31, 2017 there was no apparent evidence of any material market volatility, material curtailment, reimbursement and settlement, or other material onetime events. Therefore, pension costs in the interim consolidated financial statements is measured and disclosed according to the respective actuarial report for the years ended December 31, 2018 and 2017.

Employee's benefits liabilities of the Group are as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Operating cost	$ 92	209	191	434
Selling expense	138	305	274	624
Administrative expense	165	348	325	718
	$ 395	862	790	1,776

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(ii) Defined contribution plan

The pension costs that were contributed to Bureau of Labor Insurance or local relevant authorities were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Operating cost	$ 16,219	13,232	31,514	25,695
Selling expense	5,039	4,741	9,992	9,290
Administrative expense	4,578	4,083	9,089	8,175
R&D expense	416	408	810	818
	$ **26,252**	**22,464**	**51,405**	**43,978**

(i) Income tax

(i) Income tax expense

The details of income tax expense were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Current tax expense	$ 344,292	323,811	570,300	547,559
Deferred tax expense				
Change of income tax rate	-	-	-	(10,653)
Total income tax expense	$ **344,292**	**323,811**	**570,300**	**536,906**

(ii) Income tax approved

The Company' s income tax returns through 2017 have been examined by the R.O.C. tax authority.

(j) Stockholders' equity

Except for those described below, there was no material change in equity for the six months ended June 30, 2019 and 2018. Please refer to Note 6(j) of the consolidated financial statements for the year ended December 31, 2018 for other relevant disclosures of equity.

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(i) Retained earnings

According to the Company' s articles of incorporation, 10% of annual net earnings (net of income taxes), after deducting accumulated deficits, must be set aside as legal reserve. The remaining portion is to be distributed upon a proposal by the board of directors and approval in an annual shareholders' meeting.

The Company is now in the growth stage and has a plan to expand the product line. Due to the need for capital to fulfill the plan, the policy for dividend distribution should reflect factors such as investment planning, financial structure, future fund requirements, and status of earnings. In a normal consideration, the percentage of earnings distribution shall not be less than fifty percent of the net earnings of the current year after compensating for accumulated deficits, if any. The board of directors shall make the distribution proposal, and it is then approved at the shareholders' meeting. The ratio for distributing cash dividends shall not be lower than 20% of the total distribution.

1) Earnings appropriation and distribution

Earnings distributions for 2018 and 2017 were decided via the annual general meeting of the shareholders held on June 18, 2019 and June 14, 2018, respectively. The relevant dividend distributions to shareholders were as follows:

	2018		2017	
	rates(dollars)	amount	rates(dollars)	amount
Dividends distributed to common stock shareholders:				
Cash	$ 11.00	3,018,038	9.50	2,606,487

As mentioned above, please browse through the relative information approved during the board of directors' and shareholder' s meeting on Market Observation Post System website of the Taiwan Stock Exchange.

(ii) Other equity (net of income tax)

	Financial statements translation differences from foreign operations
Balance, January 1, 2019	$ (6,862)
Exchange differences on translation of foreign financial statements	42,753
Balance, June 30, 2019	$ 35,891
Balance, January 1, 2018	$ (104,100)
Exchange differences on translation of foreign financial statements	86,190
Balance, June 30, 2018	$ (17,910)

(Continued)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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(k) Earnings per share

The basic earnings per share were calculated as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	**2018**	**2019**	**2018**
Basic earnings per share				
Net income attributable to common stockholders	$ 1,070,310	1,209,037	1,971,244	2,100,724
Weighted average number of ordinary shares outstanding (in thousands)	274,367	274,367	274,367	274,367
Basic earnings per share(in dollars)	$ 3.90	4.41	7.18	7.66

	For the three months ended June 30		For the six months ended June 30	
	2019	**2018**	**2019**	**2018**
Diluted earnings per share				
Net income attributable to common stockholders	$ 1,070,310	1,209,037	1,971,244	2,100,724
Weighted average number of ordinary shares outstanding (basic) (in thousands)	274,367	274,367	274,367	274,367
Effect on employee's profit sharing bonus (in thousand)	6	24	6	24
Weighted average number of ordinary shares outstanding (diluted) (in thousands)	$ 274,373	274,391	274,373	274,391
Diluted earnings per share (in dollars)	$ 3.90	4.41	7.18	7.66

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(l) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2019		For the three months ended June 30, 2018	
	Clothing	**Knitted**	**Clothing**	**Knitted**
Main market：				
Americas	$ 3,702,079	192,769	3,564,099	94,875
Asia	368,601	1,682,752	443,809	1,989,153
Europe	555,422	613	458,382	606
the Middle East	21,159	141,444	14,995	131,388
Africa	6,836	153,424	4,369	157,352
Others	69,424	44,804	52,336	10,047
	$ 4,723,521	**2,215,806**	**4,537,990**	**2,383,421**
Main product：				
Knitted fabrics	$ 2,215,806		2,383,421	
Clothing	4,723,521		4,537,990	
	$ 6,939,327		**6,921,411**	

	For the six months ended June 30, 2019		For the six months ended June 30, 2018	
	Clothing	**Knitted**	**Clothing**	**Knitted**
Main market：				
Americas	$ 7,551,335	263,364	7,762,039	153,533
Asia	736,121	2,950,398	825,075	3,245,185
Europe	908,286	2,650	820,096	1,317
the Middle East	28,225	261,439	24,732	295,368
Africa	8,380	212,920	9,134	246,613
Others	118,192	142,314	96,203	22,285
	$ 9,350,539	**3,833,085**	**9,537,279**	**3,964,301**
Main product：				
Knitted fabrics	$ 3,833,085		3,964,301	
Clothing	9,350,539		9,537,279	
	$ 13,183,624		**13,501,580**	

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(m) Employees' profit sharing bonus

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 0.1% will be distributed as employee profit sharing bonus which is to be decided upon a proposal by the board of directors, and then approved at the shareholders' meeting. Qualified employees are entitled to stock and cash distribution of the Company.

For the six months ended June 30, 2019 and 2018, the employee profit sharing bonuses were calculated based on the Company's income (excluding tax, as well as employee profit sharing bonus) and earnings allocation percentage as stated under the Company's articles of incorporation. We did not estimate the liabilities due to the minor estimated expense for the six months ended June 30, 2019 and 2018. The differences between the amounts approved in the shareholders' meeting and those recognized in the consolidated financial statements, if any, are accounted for as a changes in accounting estimate and recognized as profit or loss in the following year.

The estimated employee's profit sharing bonuses each amounted to 6,000 thousands for 2018 and 2017.

There were no difference between the estimated and distributed employee's profit sharing bonuses approved by the BOD for the year ended December 31, 2018 and 2017, related information can be obtained from the Market Observation Post System website of the Taiwan Stock Exchange.

(n) Results from non-operating activities

(i) Other income

The Group's other income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Interest income-bank deposit	$ 7,959	4,411	13,202	5,106
Other	2,424	2,423	4,862	4,861
	$ 10,383	6,834	18,064	9,967

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(ii) Other gains and losses, net

The Group's other gains and losses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Foreign exchange gain	$ 36,809	191,526	66,680	138,802
Loss on transaction for property	-	(62)	(1,045)	(7,436)
Others	(353)	(224)	2,534	7,933
Gain on disposal of investments	217	-	217	-
	$ 36,673	191,240	68,386	139,299

(iii) Finance costs

The details of finance costs were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Bank borrowings	$ 16,517	9,496	32,774	16,298
Others	1,157	3,074	2,599	5,886
	$ 17,674	12,570	35,373	22,184

(o) Financial instruments

There were no material changes of financial instruments for the six months ended June 30, 2019 and 2018 except for the mention as follows. Please refer to Note 6 (p) of the consolidated financial report of 2018 for further information.

(i) Exchange rate risk

1) Exposure to currency risk

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

	June 30, 2019			December 31, 2018			June 30, 2018		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 160,466	31.06	4,984,074	188,341	30.715	5,784,894	185,345	30.46	5,645,609
Financial liabilities									
Monetary items									
USD	46,398	31.06	1,441,122	39,572	30.715	1,215,454	39,620	30.46	1,206,825

ECLAT TEXTILE 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, accounts receivable, bank borrowings and accounts payable. A 1% depreciation or appreciation of the TWD against the USD as of June 30, 2019 and 2018 would have increased or decreased the net income after tax by $28,343 thousand and $35,510 thousand respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is based on the same basis.

3) Foreign currency gain or loss on monetary items

The realized and unrealized exchange gain amounted to $66,680 thousand and ($138,802) thousand, at the average rates of 30.983 and 29.537 for the six months ended June 30, 2019 and 2018, respectively.

(ii) Interest rate analysis

For floating rate liabilities, the analysis assumes that the balances of outstanding liabilities on the reporting date have been outstanding for the whole period, and their rational change intervals are being estimated. If the interest rate increases/decreases by 1%, representing the reasonable interest rates changes made by management.

If the interest rate increases/decreases by 1%, the Group's net income will decrease/increase by $7,876 thousand and $1,367 thousand for the six months ended June 30, 2019 and 2018, respectively, with all other variable factors that remain constant. This is mainly due to the Group's borrowings in variable rates.

(iii) Fair value

The Group's management considers its financial assets and financial liabilities measured at amortized cost to be the approximation of the fair value

(p) Financial risk management

The policies and the objectives of the financial risk management are consistent with those disclosed in Note 6(q) of the consolidated financial statement for the year ended December 31, 2018.

(q) Capital management

The objectives, policies, and procedures are the same as those stated in the consolidated financial statement for the year ended December 31, 2018. There was no material change on quantitative data of the capital management. For relevant information, please refer to Note 6(r) of the consolidated statement for the year ended December 31, 2018.

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
E&I Printing Company Limited (E&I printing)	Associate
Best Information Co., Ltd (Best) (Note)	Associate
Yi Yuan CO., Limited (Yi Yuan)	The entity's chairman is the first immediate family of the chairman of the Company

Note: The Company sold the entire shareholding of Best on April 15, 2019, so Best has not been the related party of the Company since that date.

(b) Material transactions among related parties

(i) Purchasing and processing

	For the three months ended June 30		For the six months ended June 30	
	2019	2018	2019	2018
Associates	$ 6,495	4,274	11,270	7,232

Purchasing price to subsidiaries is the same as to general purchases. The term for payables is O/A 30 to 60 days.

(ii) Receivables from related parties

Account	Types of related parties	June 30, 2019	December 31, 2018	June 30, 2018
Notes receivable	Associates	$ -	53	52
Notes receivable	Other related parties	158	-	158
Accounts receivable	Associates	9	-	-
		$ 167	53	210

(iii) Payables to related parties

Account	Types of related parties	June 30, 2019	December 31, 2018	June 30, 2018
Accounts payable -related parties	Associates	$ 2,754	1,926	1,208

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(iv) Guarantees and endorsements

The Company guarantees and endorsements for related parties are as follows:

Types of related parties		June 30, 2019	December 31, 2018	June 30, 2018
Subsidiaries	$	1,506,410	1,489,678	1,477,310

(v) Lease

		For the three months ended June 30		For the six months ended June 30	
Types of related parties		2019	2018	2019	2018
Associates	$	-	150	150	300
Other related parties		75	75	150	150
	$	75	225	300	450

The Group charged their rentals based on the local market prices which are paid monthly.

(vi) Others

		Software maintenance			
		For the three months ended June 30		For the six months ended June 30	
		2019	2018	2019	2018
Associates	$	-	78	122	160

		Donations			
		For the three months ended June 30		For the six months ended June 30	
		2019	2018	2019	2018
Associates	$	2,000	2,000	2,000	2,000

(c) Key management personnel transactions

Key management personnel compensation comprised:

		For the three months ended June 30		For the six months ended June 30	
		2019	2018	2019	2018
Short-term employee benefits	$	6,856	6,637	96,615	84,746

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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Cars provided to key management personnel:

	June 30, 2019	June 30, 2018	June 30, 2018
Cost	$ 28,638	28,638	26,484
Numbers	$ 8	8	7
Book value	$ 6,602	7,843	7,233

(8) Pledged assets:

The Group's pledged assets are as follows:

Pledged assets	Pledged to secure	June 30, 2019	December 31, 2018	June 30, 2018
Other financial assets -current	Natural gas and electricity security deposit	$ 3,067	4,113	3,848
Land	Medium to long term financing	3,381,772	3,381,772	-
		$ 3,384,839	3,385,885	3,848

(9) Commitments and contingencies:

(a) The balance of unused letters of credit of the Group was as follows:

	June 30, 2019	December 31, 2018	June 30, 2018
Unused letters of credit	$ 129,807	137,617	234,073

(b) Contingent liabilities:

The Group served as the guarantor of ECLAT CAYMAN, and the balances of short-term borrowings with the banks were as follows:

June 30, 2019	December 31, 2018	June 30, 2018
$ 16,500	16,500	16,500

(10) Losses due to major disasters:None.

(11) Subsequent events:None.

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(12) Other:

(a) The Group's employee benefits, depreciation and amortization expenses, categorized by function, were as follows:

	For the three months ended June 30, 2019			For the three months ended June 30, 2018		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	533,638	281,553	815,191	477,918	277,498	755,416
Labor and health insurance	45,807	20,102	65,909	45,037	20,194	65,231
Pension	16,311	10,194	26,505	13,441	9,885	23,326
Director's remuneration	-	1,837	1,837	-	1,110	1,110
Others	36,639	13,602	50,241	35,829	14,369	50,198
Depreciation	173,359	28,278	201,637	166,547	33,148	199,695
Amortization	2,744	3,211	5,955	407	3,016	3,423

	For the six months ended June 30, 2019			For the six months ended June 30, 2018		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	1,044,138	598,460	1,642,598	1,000,796	541,752	1,542,548
Labor and health insurance	94,541	52,653	147,194	89,991	47,545	137,536
Pension	31,705	20,490	52,195	26,129	19,625	45,754
Director's remuneration	-	3,702	3,702	-	2,170	2,170
Others	69,940	28,103	98,043	69,231	28,255	97,486
Depreciation	358,066	62,294	420,360	331,470	64,887	396,357
Amortization	5,228	6,901	12,129	973	5,874	6,847

(b) The operation of the Group is not having material influence by seasonality and periodicity.

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(c) Discontinued operation

The Group's board of directors approved Unison's dissolution on December 7, 2016, and launched its liquidation procedure in 2017. The operation result and cash flow of discontinued operation were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2019	**2018**	**2019**	**2018**
Result of discontinued operations:				
Operating expenses	$ (519)	(544)	(1,115)	(1,175)
Gross loss	(519)	(544)	(1,115)	(1,175)
Non-operating income and expense	(1,673)	10	(1,665)	20
Loss from discontinued operations, net of tax	$ **(2,192)**	**(534)**	**(2,780)**	**(1,155)**
Basic earnings per share	$ **(0.01)**	**-**	**(0.01)**	**-**
Diluted earnings per share	$ **(0.01)**	**-**	**(0.01)**	**-**
Cash flow of discontinued operations				
Cash outflow generated from operating activities	$ **(650)**	**(678)**	**(967)**	**(1,058)**

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
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(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 for the six months ended June 30, 2019:

(i) Loans to other parties:

(In thousands of NTD / USD)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (note 1)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (note 2)	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	Note
													Item	Value			
01	Eclat Cayman	Fabrics	Other receivables	Yes	372,720 (USD12,000)	372,720 (USD12,000)	124,240 (USD4,000)	2.85%-3%	2	-	Operating capital	-	-	-	3,176,445 (Note)	3,573,500 (Note)	(Note 3) (Note 4)
01	Eclat Cayman	Eclat Textile (VN)	Other receivables	Yes	31,060 (USD1,000)	31,060 (USD1,000)	-	-	2	-	Operating capital	-	-	-	3,176,445 (Note)	3,573,500 (Note)	(Note 4)
01	Eclat Cayman	Colltex	Other receivables	Yes	217,420 (USD7,000)	217,420 (USD7,000)	-	-	2	-	Operating capital	-	-	-	3,176,445 (Note)	3,573,500 (Note)	(Note 4)
01	Eclat Cayman	E-TOP (VN)	Other receivables	Yes	264,010 (USD8,500)	264,010 (USD8,500)	-	-	2	-	Operating capital	-	-	-	3,176,445 (Note)	3,573,500 (Note)	(Note 4)
01	Eclat Cayman	Eclat Textile (Cambodia)	Other receivables	Yes	212,761 (USD6,850)	212,761 (USD6,850)	31,060 (USD1,000)	3%	2	-	Operating capital	-	-	-	3,176,445 (Note)	3,573,500 (Note)	(Note 3) (Note 4)
01	Eclat Cayman	Eclat Enterprise	Other receivables	Yes	31,060 (USD1,000)	31,060 (USD1,000)	20,189 (USD650)	3%	2	-	Operating capital	-	-	-	3,176,445 (Note)	3,573,500 (Note)	(Note 3) (Note 4)
01	Eclat Cayman	TAI- YUAN (VN)	Other receivables	Yes	201,890 (USD6,500)	201,890 (USD6,500)	124,240 (USD4,000)	2.85%-3%	2	-	Operating capital	-	-	-	3,176,445 (Note)	3,573,500 (Note)	(Note 3) (Note 4)

Note :The total financing amount of Eclat Cayman should not exceed 90% of the net equity of its latest financial statements; individual financing should not exceed 80% of its net equity on its latest financial statements.

Note 1: Approved by BOD.

Note 2: Way of nature of lending: 1 for counterparties and 2 for short-term financing.

Note 3:Transaction listed above have been eliminated during preparing consolidated financial statements.

Note 4: The exchange rate as of June 30, 2019 is USD 1 to NTD 31.06.

(ii) Guarantees and endorsements for other parties:

(In thousands of NTD / USD)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limit on amount of guarantees and endorsements for each enterprise (note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (note 2)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (note 3)										
00	The Company	Eclat Cayman	2	4,777,482	1,506,410 (USD48,500)	1,506,410	-	-	9.50 %	7,962,470	Y	N	N

Note 1: Guarantees amount provided to single entity must not exceed 30% of the Company's net value disclosed in the recent financial statements.

Note 2: Total guarantees amount provided must not exceed 50% of the Company's net value disclosed in the recent financial statements.

Note 3: Relationship with the Company:

1.Ordinary business relationship.

2.Subsidiary which own more than 50% by the guarantor.

3.An investee owned more than 50% in total by both the guarantor and its subsidiary.

4.An investee owned more than 90% by the guarantor or its subsidiary.

5.Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.

6.An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.

7.The companies in the same industry provide among themselves joints and several securities for a performance guarantee of a sales contract for pre- construction homes pursuant to the Consumer Protection Act for each other.

Note 4: The exchange rate as of June 30, 2019 is USD 1 to NTD 31.06

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(iii) Securities held as of June 30, 2019 (excluding investment in subsidiaries, associates and joint ventures): None.

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

(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$100 million or 20% of the capital stock:

(In thousands of New Taiwan Dollars)

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/ (Sale)	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
The Company	Eclat Textile (VN)	Indirectly held subsidiaries	processing	688,019	19.23% (Note)	30 days	(Note2)	(Note2)	Account payable (182,735)	(9.85)%	(Note1)
Eclat Textile (VN)	The Company	Parent company	(sales)	(688,019)	(100.00)%	30 days	(Note2)	(Note2)	Account receivable 182,735	100.00%	(Note1)
The Company	Fabrics	Indirectly held subsidiaries	purchasing	806,584	14.92%	30 days	(Note2)	(Note2)	Account payable (77,143)	(4.16)%	(Note1)
Fabrics	The Company	Parent company	(sales)	(806,584)	(96.74)%	30 days	(Note2)	(Note2)	Account receivable 77,143	96.92%	(Note1)
The Company	E-TOP (VN)	Indirectly held subsidiaries	processing	439,475	12.36% (Note)	30 days	(Note2)	(Note2)	Account payable (36,800)	(1.98)%	(Note1)
E-TOP (VN)	The Company	Parent company	(sales)	(439,475)	(95.82)%	30 days	(Note2)	(Note2)	Account receivable 36,800	96.76%	(Note1)
The Company	Colltex	Indirectly held subsidiaries	processing	247,130	6.95% (Note)	30 days	(Note2)	(Note2)	Account payable (25,911)	(1.40)%	(Note1)
Colltex	The Company	Parent company	(sales)	(247,130)	(98.56)%	30 days	(Note2)	(Note2)	Account receivable 25,911	99.64%	(Note1)
The Company	Eclat Textile (Cambodia)	Indirectly held subsidiaries	processing	201,061	5.64% (Note)	30 days	(Note2)	(Note2)	Account payable (21,218)	(1.14)%	(Note1)
Eclat Textile (Cambodia)	The Company	Parent company	(sales)	(201,061)	(100.00)%	30 days	(Note2)	(Note2)	Account receivable 21,218	100.00%	(Note1)

Note: Percentage on processing expense
Note 1: Transaction listed above have been eliminated during preparing consolidated financial statements.
Note 2: The same as general processing / purchasing / sales

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

(In thousands of NTD / USD)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
Eclat Cayman	Fabrics	Subsidiary	124,240 (USD4,000)	(Note)	-		-	-	(Note1)
Eclat Cayman	TAI-YUAN (VN)	Subsidiary	124,240 (USD4,000)	(Note)	-		-	-	(Note1)
Eclat Textile (VN)	The Company	Parent company	182,735 (USD5,883)	10.74	-		-	-	(Note1)

Note: The ending balance primarily consisted of receivables from related parties, which is not applicable for the calculation of turnover.
Note 1: Transaction listed above have been eliminated during preparing consolidated financial statements.
Note 2: The exchange rate as of June 30, 2019 is USD 1 to NTD 31.06.

(ix) Trading in derivative instruments: None.

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(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
1	Fabrics	The Company	2	Sales	806,584	The same as general sales	6.12%
2	Eclat Textile (VN)	The Company	2	Processing revenue	688,019	The same as general processing	5.22%
3	Colltex	The Company	2	Processing revenue	247,130	The same as general processing	1.87%
4	E-TOP(VN)	The Company	2	Processing revenue	439,475	The same as general processing	3.33%
5	Eclat Textile (Cambodia)	The Company	2	Processing revenue	201,061	The same as general processing	1.53%

Note 1: Numbers are filled in as follows:

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

Note 2: Classification of relation with counterparty is listed as follows:

1. Parent to subsidiary.
2. Subsidiary to parent.
3. Between subsidiaries.

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2019 (excluding information on investees in Mainland China):

(In thousands of NTD / USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2019			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2019	December 31, 2018	Shares (thousands)	Percentage of ownership	Carrying value (note)			
The Company	Best	Taiwan	Computer equipment installation, software retailing and international commerce	-	8,739	-	- %	-	(1,219)	(2,400)	Investee company under equity method (Note 3)
The Company	Grand Elite	British Virgin Islands	Investments in securities, real estate, and manufacturing industry	436,983 (USD14,069)	436,983 (USD14,069)	35	100.00 %	(40,133)	3,443	3,443	Subsidiaries (Note1) (Note2)
The Company	Eclat Cayman	Cayman Islands	Investments in securities, real estate, and manufacturing industry	3,978,320 (USD128,085)	3,978,320 (USD128,085	123,759	100.00 %	3,950,056	19,001	19,001	Subsidiaries (Note1) (Note2)
Grand Elite	Eclat Textile (Cambodia)	Cambodia	Design, manufacture, processing and sale of clothing	248,480 (USD8,000)	248,480 (USD8,000)	8,000	100.00 %	(113,791)	3,278	3,278	Subsidiaries of Grand Elite (Note1) (Note2)
Eclat Cayman	Colltex	Vietnam	Design, manufacture, processing and sale of clothing	495,562 (USD15,955)	495,562 (USD15,955)	16,800	100.00 %	499,267	(30,131)	(30,868)	Subsidiaries of Eclat Cayman (Note1) (Note2)
Eclat Cayman	E-TOP(VN)	Vietnam	Design, manufacture, processing and sale of clothing	1,118,160 (USD36,000)	1,118,160 (USD36,000)	36,000	100 00 %	1,197,023	68,713	69,070	Subsidiaries of Eclat Cayman (Note1) (Note2)
Eclat Cayman	Eclat Enterprise	Cambodia	Investments in securities, real estate, and manufacturing industry	31 (USD1)	31 (USD1)	1	100.00 %	(1,419)	(138)	(138)	Subsidiaries of Eclat Cayman (Note1) (Note2)
Eclat Cayman	Eclat Textile (VN)	Vietnam	Design, manufacture, processing and sale of clothing	657,571 (USD21,171)	657,571 (USD21,171)	22,000	100 00 %	775,535	(28,667)	(28,667)	Subsidiaries of Eclat Cayman (Note1) (Note2)

ECLAT TEXTILE CO., LTD. AND ITS SUBSIDIARIES
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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2019			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2019	December 31, 2018	Shares (thousands)	Percentage of ownership	Carrying value (note)			
Eclat Cayman	Fabrics	Vietnam	Knit fabric mills, printing, dyeing and finishing mill	1,242,400 (USD40,000)	1,242,400 (USD40,000)	40,000	100.00 %	1,504,839	(40,191)	(30,684)	Subsidiaries of Eclat Cayman (Note1) (Note2)
Eclat Cayman	TAI-YUAN (VN)	Vietnam	Design, manufacture, processing and sale of clothing	214,780 (USD6,915)	214,780 (USD6,915)	6,800	100.00 %	(127,712)	(12,958)	(13,101)	Subsidiaries of Eclat Cayman (Note1) (Note2)
Eclat Cayman	E&I Printing	Vietnam	Design, printing, dyeing and finishing mill	31,060 (USD1,000)	31,060 (USD1,000)	1,000	40.00 %	10,329	(2,692)	(1,077)	Invest company under equity method (Note1)

Note: Accumulated translation is included.

Note 1: The exchange rate as of June 30, 2019 is USD 1 to NTD 31.06; the average exchange rate for 2019 is USD 1 to NTD 30.983.

Note 2: Transaction listed above have been eliminated during preparing consolidated financial statements.

Note 3: The Company sold the entire shareholding of Best on April 15, 2019.

(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 NTD / USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2019	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Unison (Note2)	Design, manufacture, processing and sale of clothing	174,713 (USD5,625)	2	132,813 (USD4,276)	-	-	132,813 (USD4,276)	54,321	100.00%	54,321	10,166	-

Note: There are four kinds of investments

1. Invest in mainland china by remitting through third region.
2. Reinvest in mainland china by establishing investing companies in third region.
3. Reinvest in mainland china by reinvesting in companies in third region.
4. Invest directly in Mainland China's companies.

Note1: The exchange rate as of June 30, 2019 is USD 1 to NTD 31.06; the average exchange rate for 2019 is USD 1 to NTD 30.983.

Note2: Unison has been reclassified to non-current assets held for sale, please refer to note 4(b) and 6(d).

(ii) Limitation on investment in Mainland China:

Accumulated investment in Mainland China as of June 30, 2019	Investment amounts authorized by investment commission, MOEA	Upper limit on investment
132,813 (USD 4,276 thousand)	132,813 (USD 4,276 thousand)	9,554,564

Note: The exchange rate as of June 30, 2019 is USD 1 to NTD 31.06.

(iii) Significant transactions: None.

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
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(14) Segment information:

(a) The reconciliation of operating segments of the Group is as follows:

	For the three months ended June 30, 2019			
	Knitted	**Clothing**	**Adjustments and eliminated**	**Total**
Revenue:				
From external clients	$ 2,215,806	4,723,521	-	6,939,327
Intersegments	1,216,153	863,743	(2,079,896)	-
Total revenue	**$ 3,431,959**	**5,587,264**	**(2,079,896)**	**6,939,327**
Profit or loss from reportable segment	**$ 666,404**	**706,742**	**43,648**	**1,416,794**
Profit or loss from reportable discontinued operations	**$ -**	**54,909**	**(57,101)**	**(2,192)**

	For the three months ended June 30, 2018			
	Knitted	**Clothing**	**Adjustments and eliminated**	**Total**
Revenue:				
From external clients	$ 2,383,421	4,537,990	-	6,921,411
Intersegments	1,642,597	816,971	(2,459,568)	-
Total revenue	**$ 4,026,018**	**5,354,961**	**(2,459,568)**	**6,921,411**
Profit or loss from reportable segment	**$ 609,008**	**875,947**	**48,427**	**1,533,382**
Profit or loss from reportable discontinued operations	**$ -**	**(534)**	**-**	**(534)**

	For the six months ended June 30, 2019			
	Knitted	**Clothing**	**Adjustments and write off**	**Total**
Revenue:				
From external clients	$ 3,833,085	9,350,539	-	13,183,624
Intersegments	2,234,569	1,684,878	(3,919,447)	-
Total revenue	**$ 6,067,654**	**11,035,417**	**(3,919,447)**	**13,183,624**
Profit or loss from reportable segment	**$ 975,645**	**1,534,022**	**34,657**	**2,544,324**
Profit or loss from reportable discontinued operations	**$ -**	**54,321**	**(57,101)**	**(2,780)**

(Continued)

ECLAT TEXTILE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the six months ended June 30, 2018			
	Knitted	Clothing	Adjustments and write off	Total
Revenue:				
From external clients	$ 3,964,301	9,537,279	-	13,501,580
Intersegments	2,697,878	1,707,197	(4,405,075)	-
Total revenue	**$ 6,662,179**	**11,244,476**	**(4,405,075)**	**13,501,580**
Profit or loss from reportable segment	**$ 790,837**	**1,804,823**	**43,125**	**2,638,785**
Profit or loss from reportable discontinued operations	**$ -**	**(1,155)**	**-**	**(1,155)**