

Pou Chen Corporation and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2020 and 2019 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Pou Chen Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Pou Chen Corporation (the "Company") and its subsidiaries (collectively, the "Group") as of June 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the six months then ended and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" 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

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews and the reports of other auditors (refer to the other matter paragraph), nothing has come to our attention that caused 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, 2020 and 2019, its consolidated financial performance for the three months ended June 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2020 and 2019 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 Matter

The Group's investments in Ruen Chen Investment Holding Co., Ltd. and Nan Shan Life Insurance Co., Ltd. were accounted for by using the equity method based on its financial statements which were reviewed by other auditors. Our conclusion, insofar as it relates to the Group's investments in Ruen Chen Investment Holding Co., Ltd., and Nan Shan Life Insurance Co., Ltd. are based solely on the review reports of other auditors. As of June 30, 2020 and 2019, the carrying amounts of investments using the equity method in Ruen Chen Investment Holding Co., Ltd. were \$57,455,971 thousand and \$40,859,714 thousand, respectively, representing 16.00% and 11.68%, respectively, of the consolidated total assets. For the three months ended June 30, 2020 and 2019, the share of profit of associates was \$1,881,536 thousand and \$2,462,064 thousand, respectively, representing (434.65)% and 37.87%, respectively, of the consolidated (loss) income before income tax, and for the six months ended June 30, 2020 and 2019, the share of profit of associates was \$3,874,808 thousand and \$3,848,695 thousand, respectively, representing 44,127.18% and 32.95%, respectively, of the consolidated (loss) income before income tax. As of June 30, 2020 and 2019, the carrying amount of the investment using the equity method in Nan Shan Life Insurance Co., Ltd. was \$630,432 thousand and \$382,000 thousand, respectively, representing 0.18% and 0.11%, respectively, of the consolidated total assets. For the three months ended June 30, 2020 and 2019, the share of profit of associates was \$19,678 thousand and \$2,160 thousand, respectively, representing (4.55)% and 0.03%, of the consolidated (loss) income before income tax, and for the six months ended June 30, 2020 and 2019, the share of profit of associates was \$40,516 thousand and \$2,160 thousand, representing 461.41% and 0.02%, of the consolidated (loss) income before income tax.

The engagement partners on the reviews resulting in this independent auditors' review report are Wen-Yea, Shyu and Kenny Hong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 14, 2020

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2020 (Reviewed)		December 31, 2019 (Audited)		June 30, 2019 (Reviewed)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 44,132,003	12	\$ 37,049,955	10	\$ 32,405,280	9
Financial assets at fair value through profit or loss - current (Note 7)	634,516	-	692,874	-	772,341	-
Financial assets at fair value through other comprehensive income - current (Note 8)	17,769,177	5	17,736,334	5	17,952,749	5
Financial assets measured at cost - current (Note 9)	4,800,923	2	1,656,038	1	2,681,677	1
Notes receivable (Notes 10 and 35)	310	-	509	-	2,287	-
Accounts receivable (Notes 10 and 35)	32,955,299	9	34,261,246	10	37,664,742	11
Other receivables (Note 10)	6,539,683	2	5,115,656	1	5,483,867	2
Inventories - manufacturing and retailing (Note 11)	40,330,029	11	54,713,419	15	50,361,108	14
Inventories - construction (Note 11)	3,906,328	1	3,909,013	1	4,767,854	1
Non-current assets held for sale (Note 12)	685,490	-	1,342,804	-	131,881	-
Other current assets (Note 13)	8,270,339	3	9,159,841	3	9,728,021	3
Total current assets	160,024,097	45	165,637,689	46	161,951,807	46
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	1,295,323	-	1,353,545	-	1,269,516	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	982,368	-	1,222,245	-	1,148,271	-
Financial assets at amortized cost - non-current (Notes 9 and 36)	4,098,772	1	5,918,089	2	5,849,018	2
Investments accounted for using equity method (Note 15)	80,205,509	22	72,310,784	20	64,180,861	18
Property, plant and equipment (Note 16)	75,060,283	21	77,861,266	21	79,658,135	23
Right-of-use assets (Note 17)	17,341,187	5	18,983,090	5	16,404,406	5
Investment properties (Note 18)	2,857,231	1	2,841,851	1	2,309,372	1
Goodwill (Note 19)	8,146,773	2	8,279,832	2	8,619,129	2
Other intangible assets (Note 20)	1,994,037	1	2,149,303	1	2,014,966	1
Deferred tax assets (Notes 4 and 28)	2,622,126	1	2,167,426	1	1,755,496	1
Other non-current assets (Note 13)	4,367,727	1	4,331,210	1	4,593,227	1
Total non-current assets	198,971,336	55	197,418,641	54	187,802,397	54
TOTAL	\$ 358,995,433	100	\$ 363,056,330	100	\$ 349,754,204	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 21)	\$ 47,339,981	13	\$ 42,247,828	12	\$ 46,082,940	13
Short-term bills payable (Note 21)	2,417,304	1	2,547,678	1	3,161,571	1
Financial liabilities at fair value through profit or loss - current (Note 7)	75,003	-	47,741	-	334,256	-
Notes payable (Notes 22 and 35)	12,593	-	11,199	-	21,403	-
Accounts payable (Notes 22 and 35)	10,158,285	3	14,866,337	4	13,105,294	4
Other payables (Note 23)	24,074,812	7	25,295,496	7	25,970,553	7
Current tax liabilities (Note 28)	2,880,210	1	2,093,845	-	2,020,510	-
Lease liabilities (Note 17)	3,931,463	1	3,908,023	1	3,331,016	1
Current portion of long-term borrowings (Note 21)	1,774,422	-	263,796	-	3,388,796	1
Other current liabilities	5,738,323	2	6,951,737	2	5,675,048	2
Total current liabilities	98,402,396	28	98,233,680	27	103,091,387	29
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Note 7)	885,140	-	308,366	-	325,903	-
Long-term borrowings (Note 21)	63,100,908	18	60,290,054	17	51,900,305	15
Deferred tax liabilities (Notes 4 and 28)	1,504,800	-	1,627,302	1	904,762	-
Lease liabilities - non-current (Note 17)	6,959,972	2	8,255,154	2	5,936,476	2
Long-term payables (Note 23)	151,711	-	152,831	-	152,586	-
Net defined benefit liabilities (Note 4)	3,991,644	1	4,251,602	1	3,692,771	1
Other non-current liabilities	75,112	-	68,314	-	69,281	-
Total non-current liabilities	76,669,287	21	74,953,623	21	62,982,084	18
Total liabilities	175,071,683	49	173,187,303	48	166,073,471	47
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)						
Share capital						
Ordinary shares	29,467,872	8	29,467,872	8	29,467,872	9
Capital surplus	4,389,869	1	4,592,397	1	4,529,407	1
Retained earnings						
Legal reserve	16,064,775	4	14,881,914	4	14,881,914	4
Special reserve	-	-	22,293,369	6	22,293,369	6
Unappropriated earnings	52,505,424	15	34,488,820	10	30,463,087	9
Total retained earnings	68,570,199	19	71,664,103	20	67,638,370	19
Other equity	14,382,037	4	11,684,567	3	7,200,749	2
Total equity attributable to owners of the Company	116,809,977	32	117,408,939	32	108,836,398	31
NON-CONTROLLING INTERESTS	67,113,773	19	72,460,088	20	74,844,335	22
Total equity	183,923,750	51	189,869,027	52	183,680,733	53
TOTAL	\$ 358,995,433	100	\$ 363,056,330	100	\$ 349,754,204	100

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

(With Deloitte & Touche review report dated August 14, 2020)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 35)	\$ 63,410,225	100	\$ 80,878,871	100	\$ 122,858,645	100	\$ 157,502,380	100
OPERATING COSTS (Notes 24, 27 and 35)	<u>50,772,869</u>	<u>80</u>	<u>60,262,831</u>	<u>74</u>	<u>97,507,250</u>	<u>79</u>	<u>117,199,690</u>	<u>74</u>
GROSS PROFIT	<u>12,637,356</u>	<u>20</u>	<u>20,616,040</u>	<u>26</u>	<u>25,351,395</u>	<u>21</u>	<u>40,302,690</u>	<u>26</u>
OPERATING EXPENSES (Notes 24 and 27)								
Selling and marketing expenses	7,362,021	12	9,639,724	12	14,424,334	12	19,333,628	12
General and administrative expenses	5,993,311	9	5,672,983	7	11,603,562	10	10,649,136	7
Research and development expenses	<u>1,392,780</u>	<u>2</u>	<u>1,557,376</u>	<u>2</u>	<u>2,847,530</u>	<u>2</u>	<u>3,137,689</u>	<u>2</u>
Total operating expenses	<u>14,748,112</u>	<u>23</u>	<u>16,870,083</u>	<u>21</u>	<u>28,875,426</u>	<u>24</u>	<u>33,120,453</u>	<u>21</u>
(LOSS) INCOME FROM OPERATIONS	<u>(2,110,756)</u>	<u>(3)</u>	<u>3,745,957</u>	<u>5</u>	<u>(3,524,031)</u>	<u>(3)</u>	<u>7,182,237</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income (Note 27)	177,068	-	204,994	-	348,794	-	378,853	-
Other income (Note 27)	542,880	1	534,210	1	1,081,840	1	1,043,980	1
Other gains and losses (Note 27)	(493,534)	(1)	5,245	-	(752,645)	(1)	381,568	-
Net gain (loss) on derecognition of financial assets at amortized cost	1,689	-	(3,260)	-	35	-	(3,260)	-
Finance costs (Note 27)	(594,710)	(1)	(850,704)	(1)	(1,313,785)	(1)	(1,688,296)	(1)
Share of the profit of associates and joint ventures (Note 15)	<u>2,044,482</u>	<u>3</u>	<u>2,865,046</u>	<u>3</u>	<u>4,168,573</u>	<u>4</u>	<u>4,383,724</u>	<u>3</u>
Total non-operating income and expenses	<u>1,677,875</u>	<u>2</u>	<u>2,755,531</u>	<u>3</u>	<u>3,532,812</u>	<u>3</u>	<u>4,496,569</u>	<u>3</u>
(LOSS) INCOME BEFORE INCOME TAX	(432,881)	(1)	6,501,488	8	8,781	-	11,678,806	8
INCOME TAX EXPENSE (Notes 4 and 28)	<u>(1,000,215)</u>	<u>(1)</u>	<u>(560,224)</u>	<u>(1)</u>	<u>(1,359,669)</u>	<u>(1)</u>	<u>(1,296,032)</u>	<u>(1)</u>
NET (LOSS) INCOME	<u>(1,433,096)</u>	<u>(2)</u>	<u>5,941,264</u>	<u>7</u>	<u>(1,350,888)</u>	<u>(1)</u>	<u>10,382,774</u>	<u>7</u>
OTHER COMPREHENSIVE (LOSS) INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Remeasurement of defined benefit plans	(149,924)	-	-	-	(149,924)	-	-	-
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	1,573,655	2	1,825,962	2	(170,374)	-	3,233,495	2

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2020		2019		2020		2019	
	Amount	%	Amount	%	Amount	%	Amount	%
Share of the other comprehensive income (loss) of associates and joint ventures	\$ 126,790	-	\$ 79,427	-	\$ (131,267)	-	\$ 343,398	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	(2,853,314)	(4)	320,757	1	(2,423,115)	(2)	1,717,429	1
Share of the other comprehensive income of associates and joint ventures	<u>19,917,910</u>	<u>31</u>	<u>8,041,479</u>	<u>10</u>	<u>4,054,110</u>	<u>3</u>	<u>24,133,648</u>	<u>15</u>
Other comprehensive income for the period, net of income tax	<u>18,615,117</u>	<u>29</u>	<u>10,267,625</u>	<u>13</u>	<u>1,179,430</u>	<u>1</u>	<u>29,427,970</u>	<u>18</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 17,182,021</u>	<u>27</u>	<u>\$ 16,208,889</u>	<u>20</u>	<u>\$ (171,458)</u>	<u>-</u>	<u>\$ 39,810,744</u>	<u>25</u>
NET (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (525,973)	(1)	\$ 4,033,231	5	\$ 659,706	1	\$ 6,952,290	5
Non-controlling interests	<u>(907,123)</u>	<u>(1)</u>	<u>1,908,033</u>	<u>2</u>	<u>(2,010,594)</u>	<u>(2)</u>	<u>3,430,484</u>	<u>2</u>
	<u>\$ (1,433,096)</u>	<u>(2)</u>	<u>\$ 5,941,264</u>	<u>7</u>	<u>\$ (1,350,888)</u>	<u>(1)</u>	<u>\$ 10,382,774</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 19,429,478	31	\$ 14,210,214	18	\$ 3,288,209	3	\$ 35,397,907	22
Non-controlling interests	<u>(2,247,457)</u>	<u>(4)</u>	<u>1,998,675</u>	<u>2</u>	<u>(3,459,667)</u>	<u>(3)</u>	<u>4,412,837</u>	<u>3</u>
	<u>\$ 17,182,021</u>	<u>27</u>	<u>\$ 16,208,889</u>	<u>20</u>	<u>\$ (171,458)</u>	<u>-</u>	<u>\$ 39,810,744</u>	<u>25</u>
(LOSS) EARNINGS PER SHARE (Note 29)								
Basic	<u>\$ (0.18)</u>		<u>\$ 1.37</u>		<u>\$ 0.22</u>		<u>\$ 2.36</u>	
Diluted	<u>\$ (0.18)</u>		<u>\$ 1.37</u>		<u>\$ 0.22</u>		<u>\$ 2.36</u>	

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

(With Deloitte & Touche review report dated August 14, 2020)

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Equity Attributable to Owners of the Company										Total Equity
	Share Capital	Capital Surplus	Retained Earnings			Exchange Differences on Translating Foreign Operations	Other Equity	Others	Total	Non-controlling Interests	
			Legal Reserve	Special Reserve	Unappropriated Earnings		Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income				
BALANCE AT JANUARY 1, 2019	\$ 29,467,872	\$ 4,600,092	\$ 13,811,050	\$ 13,917,230	\$ 38,360,517	\$ (312,124)	\$ (8,483,931)	\$ (13,497,314)	\$ 77,863,392	\$ 74,334,314	\$ 152,197,706
Appropriation of 2018 earnings (Note 25)											
Legal reserve	-	-	1,070,864	-	(1,070,864)	-	-	-	-	-	-
Special reserve	-	-	-	8,376,139	(8,376,139)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(4,420,181)	-	-	-	(4,420,181)	-	(4,420,181)
	-	-	1,070,864	8,376,139	(13,867,184)	-	-	-	(4,420,181)	-	(4,420,181)
Net income for the six months ended June 30, 2019	-	-	-	-	6,952,290	-	-	-	6,952,290	3,430,484	10,382,774
Other comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	895,266	18,304,319	9,246,032	28,445,617	982,353	29,427,970
Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	6,952,290	895,266	18,304,319	9,246,032	35,397,907	4,412,837	39,810,744
Difference between price of disposal or acquisition of interests in subsidiaries and book value	-	(95)	-	-	-	-	-	-	(95)	-	(95)
Share of changes in equity of subsidiaries (Note 25)	-	-	-	-	(72,808)	-	-	-	(72,808)	-	(72,808)
Share of changes in net assets of associates (Note 25)	-	(70,590)	-	-	(909,728)	-	1,048,501	-	68,183	-	68,183
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(3,902,816)	(3,902,816)
Changes in equity for the six months ended June 30, 2019	-	(70,685)	1,070,864	8,376,139	(7,897,430)	895,266	19,352,820	9,246,032	30,973,006	510,021	31,483,027
BALANCE AT JUNE 30, 2019	\$ 29,467,872	\$ 4,529,407	\$ 14,881,914	\$ 22,293,369	\$ 30,463,087	\$ 583,142	\$ 10,868,889	\$ (4,251,282)	\$ 108,836,398	\$ 74,844,335	\$ 183,680,733
BALANCE AT JANUARY 1, 2020	\$ 29,467,872	\$ 4,592,397	\$ 14,881,914	\$ 22,293,369	\$ 34,488,820	\$ (2,498,149)	\$ 13,759,473	\$ 423,243	\$ 117,408,939	\$ 72,460,088	\$ 189,869,027
Appropriation of 2019 earnings (Note 25)											
Legal reserve	-	-	1,182,861	-	(1,182,861)	-	-	-	-	-	-
Special reserve	-	-	-	(22,293,369)	22,293,369	-	-	-	-	-	-
Cash dividends	-	-	-	-	(3,683,484)	-	-	-	(3,683,484)	-	(3,683,484)
	-	-	1,182,861	(22,293,369)	17,427,024	-	-	-	(3,683,484)	-	(3,683,484)
Net income (loss) for the six months ended June 30, 2020	-	-	-	-	659,706	-	-	-	659,706	(2,010,594)	(1,350,888)
Other comprehensive (loss) income for the six months ended June 30, 2020	-	-	-	-	(77,573)	(1,191,273)	6,975,744	(3,078,395)	2,628,503	(1,449,073)	1,179,430
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	582,133	(1,191,273)	6,975,744	(3,078,395)	3,288,209	(3,459,667)	(171,458)
Difference between price of disposal or acquisition of interests in subsidiaries and book value (Note 25)	-	(230,093)	-	-	-	-	-	-	(230,093)	-	(230,093)
Share of changes in equity of subsidiaries (Note 25)	-	-	-	-	4,312	-	(5,471)	-	(1,159)	-	(1,159)
Share of changes in net assets of associates (Note 25)	-	335	-	-	3,135	-	(3,135)	-	335	-	335
Changes in additional paid-in capital - unclaimed dividends by shareholders	-	27,230	-	-	-	-	-	-	27,230	-	27,230
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,886,648)	(1,886,648)
Changes in equity for the six months ended June 30, 2020	-	(202,528)	1,182,861	(22,293,369)	18,016,604	(1,191,273)	6,967,138	(3,078,395)	(598,962)	(5,346,315)	(5,945,277)
BALANCE AT JUNE 30, 2020	\$ 29,467,872	\$ 4,389,869	\$ 16,064,775	\$ -	\$ 52,505,424	\$ (3,689,422)	\$ 20,726,611	\$ (2,655,152)	\$ 116,809,977	\$ 67,113,773	\$ 183,923,750

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche review report dated August 14, 2020)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 8,781	\$ 11,678,806
Adjustments for:		
Depreciation expenses	7,979,068	7,242,660
Amortization expenses	235,904	255,981
Expected credit loss (reversed) recognized on accounts receivable	19,638	(7,238)
Net loss (gain) on fair value changes of financial instruments at fair value through profit or loss	528,421	(125,842)
Finance costs	1,313,785	1,688,296
Net (gain) loss on derecognition of financial assets at amortized cost	(35)	3,260
Interest income	(348,794)	(378,853)
Dividend income	(3,617)	(872)
Compensation cost of employee share options	(11,192)	90,988
Share of profit of associates and joint ventures	(4,168,573)	(4,383,724)
Net loss on disposal of property, plant and equipment	164,350	243,224
Net gain on disposal of subsidiaries, associates and joint ventures	(531,969)	(606,871)
Impairment loss recognized	269,055	48,792
Changes in operating assets and liabilities		
Financial assets mandatorily at fair value through profit or loss	192,195	1,550
Notes receivable	199	(992)
Accounts receivable	1,294,608	(257,417)
Other receivables	(1,494,613)	(479,068)
Inventories	14,386,075	95,087
Other current assets	889,502	(409,145)
Other operating assets	(62,792)	(18,555)
Notes payable	1,394	11,997
Accounts payable	(4,708,052)	(1,702,160)
Other payables	(4,179,737)	(1,975,110)
Other current liabilities	(271,028)	549,286
Net defined benefit liabilities	(409,882)	199,102
Other operating liabilities	(1,120)	1,103
Cash generated from operations	11,091,571	11,764,285
Interest paid	(1,304,550)	(1,654,094)
Income tax paid	(1,141,860)	(2,116,118)
Net cash generated from operating activities	8,645,161	7,994,073
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from return of capital of financial assets at fair value through other comprehensive income	28,666	-
Purchases of financial assets at amortized cost	(4,116,749)	(8,932,449)
Proceeds from sale of financial assets at amortized cost	2,690,508	3,408,962

(Continued)

POU CHEN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2020	2019
Acquisition of associates and joint ventures	\$ (893,016)	\$ (4,379,840)
Proceeds from disposal of associates and joint ventures	74,529	-
Net cash inflow on disposal of subsidiaries	-	3,036,284
Proceeds from disposal of non-current assets held for sale	57,568	-
Acquisition of property, plant and equipment	(4,557,562)	(6,384,072)
Proceeds from disposal of property, plant and equipment	242,442	260,323
Increase in refundable deposits	(5,589)	(88,489)
Decrease in other receivables	37,781	-
Payments for intangible assets	(108,510)	(43,142)
Payments for right-of-use assets	(64,712)	(39,136)
Increase in other non-current assets	-	(317,761)
Increase in prepayments for equipment	(10,114)	-
Interest received	417,672	290,805
Dividends received	385,024	520,952
Proceeds from disposal of right-of-use	-	1,830
Net cash used in investing activities	<u>(5,822,062)</u>	<u>(12,665,733)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	5,092,153	9,588,007
Proceeds from short-term bills payable	-	294,000
Decrease in short-term bills payable	(128,000)	-
Proceeds from long-term borrowings	4,282,858	-
Repayments of long-term borrowings	-	(325,502)
Increase in guarantee deposits	6,798	1,512
Repayment of principal portion of lease liabilities	(2,183,501)	(1,678,840)
Changes in non-controlling interests	(1,886,648)	(3,902,816)
Unclaimed dividends by shareholders	<u>27,230</u>	<u>-</u>
Net cash generated from financing activities	<u>5,210,890</u>	<u>3,976,361</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(951,941)</u>	<u>848,578</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,082,048	153,279
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>37,049,955</u>	<u>32,252,001</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 44,132,003</u>	<u>\$ 32,405,280</u>

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

(With Deloitte & Touche review report dated August 14, 2020)

(Concluded)

POU CHEN CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Pou Chen Corporation (the “Company”) has main business activities which include the manufacture and sale of various kinds of shoes and the import and export of related products and materials. The Company also invests significantly in the shoes and electronics industries to diversify its business operations. The Company invests in Yue Yuen Industrial (Holdings) Limited (“Yue Yuen”) and other footwear-related companies through Wealthplus Holdings Limited (“Wealthplus”). Yue Yuen and Pou Sheng International (Holdings) Limited (“Pou Sheng”), a subsidiary of Yue Yuen, are listed on the Hong Kong Exchange and Clearing Limited (“HKEx”).

In January 1990, the Company started to trade its shares on the Taiwan Stock Exchange.

The consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) are presented in New Taiwan dollars, the functional currency of the Company.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the Company’s board of directors on August 14, 2020.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issued and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issued and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies:

- 1) Amendments to IFRS 3 “Definition of a Business”

The Group applies the amendments to IFRS 3 to transactions that occur on or after January 1, 2020. The amendments require that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. To judge whether the acquired process is substantive, there will be different judgement requirements depending on whether there is output on the acquisition date. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether or not an acquired set of activities and assets is a business.

2) Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”

Upon retrospective application of the amendments, the Group complied with the hedge accounting requirements under the assumption that the interest rate benchmark (such as the London Interbank Offered Rate or LIBOR) on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

3) Amendments to IAS 1 and IAS 8 “Definition of Material”

The Group adopted the amendments starting from January 1, 2020. The threshold for materiality influencing users has been changed to “could reasonably be expected to influence” and, therefore, the disclosures in the consolidated financial report have been adjusted and immaterial information that may obscure material information has been deleted.

b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards or Interpretations (the “New IFRSs”)	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts-Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group’s own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group’s own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

3) Annual Improvements to IFRS Standards 2018-2020

Several standards, including IFRS 9 “Financial Instruments”, were amended in the annual improvements. IFRS 9 requires to compare the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, with that of the cash flows under the original financial liability when there is an exchange or modification of debt instruments. The new terms and the original terms are substantially different if the difference between those discounted present values is at least 10 per cent. The amendments to IFRS 9 clarify that the only fees that should be included in the above assessment are those fees paid or received between the borrower and the lender.

4) Amendments to IFRS 3 “Reference to the Conceptual Framework”

The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 “Levies” to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

5) Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 “Inventories”. Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

The amendments are applicable only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The Group will restate its comparative information when it initially applies the aforementioned amendments.

6) Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”

The amendments specify that when assessing whether a contract is onerous, the “cost of fulfilling a contract” includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

The Group will recognize the cumulative effect of the initial application of the aforementioned amendments in the retained earnings at the date of the initial application.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of consolidation

The basis of consolidation has been followed in these consolidated financial statements as was applied in the preparation of the consolidated financial statements for the year ended December 31, 2019.

Refer to Note 14, Table 9 “Information on Investees” and Table 10 “Information on investments in mainland China” of Note 40 for detailed information on subsidiaries, including the percentages of ownership and main businesses.

c. Other significant accounting policies

Except for the following, for the summary of other significant accounting policies, refer to the consolidated financial statements for the year ended December 31, 2019.

1) Retirement benefits

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 plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized based on the accounting which is consistent with the accounting for the transaction itself, which gives rise to a tax consequence, and is recognized in profit or loss, or other comprehensive income, or directly in equity in full in the period in which the change in tax rate occurs.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Company has considered the economic implications of COVID-19 on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic. In addition, the same critical accounting judgments and key sources of estimates and uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2019.

6. CASH AND CASH EQUIVALENTS

	June 30, 2020	December 31, 2019	June 30, 2019
Cash on hand	\$ 19,924	\$ 20,011	\$ 35,418
Checking accounts and demand deposits	28,193,196	24,675,936	28,253,338
Cash equivalents (investments with original maturities of less than three months)			
Time deposits	14,436,065	12,354,008	3,313,019
Repurchase agreements collateralized by bonds	<u>1,482,818</u>	<u>-</u>	<u>803,505</u>
	<u>\$ 44,132,003</u>	<u>\$ 37,049,955</u>	<u>\$ 32,405,280</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Financial assets mandatorily as at FVTPL</u>			
Hybrid financial assets			
Structured deposits (a)	\$ 591,296	\$ 598,281	\$ 612,130
Derivative financial assets (not under hedge accounting)			
Interest rate swap contracts (b)	-	11,350	13,957
Forward exchange contracts (c)	155,762	169,394	240,119
Exchange rate option contracts (d)	6,432	6,191	17,303
Exchange rate swap contracts (e)	26,455	1,636	1,800
Cross-currency swap contracts (f)	-	-	6,838
Non-derivative financial assets			
Mutual funds	760,285	890,362	791,469
Contingent considerations (g)	<u>389,609</u>	<u>369,205</u>	<u>358,241</u>
	<u>\$ 1,929,839</u>	<u>\$ 2,046,419</u>	<u>\$ 2,041,857</u>
Current	\$ 634,516	\$ 692,874	\$ 772,341
Non-current	<u>1,295,323</u>	<u>1,353,545</u>	<u>1,269,516</u>
	<u>\$ 1,929,839</u>	<u>\$ 2,046,419</u>	<u>\$ 2,041,857</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Interest rate swap contracts (b)	\$ 891,314	\$ 308,366	\$ 325,903
Forward exchange contracts (c)	30,170	-	-
Exchange rate option contracts (d)	8,731	2,383	269,140
Exchange rate swap contracts (e)	14,574	19,692	57,242
Cross-currency swap contracts (f)	<u>15,354</u>	<u>25,666</u>	<u>7,874</u>
	<u>\$ 960,143</u>	<u>\$ 356,107</u>	<u>\$ 660,159</u>
Current	\$ 75,003	\$ 47,741	\$ 334,256
Non-current	<u>885,140</u>	<u>308,366</u>	<u>325,903</u>
	<u>\$ 960,143</u>	<u>\$ 356,107</u>	<u>\$ 660,159</u>

a. Structured deposits

Yue Yuen entered into a 5-year, USD structured time deposit contract with a bank in October 2017. The structured time deposit contract includes an embedded derivative instrument which is not closely related to the host contract. The entire contract is assessed and classified mandatorily as at FVTPL since it contained a host that is an asset within the scope of IFRS 9. As of June 30, 2020, December 31, 2019 and June 30, 2019, the structured time deposit was classified as “financial assets at FVTPL - non-current”.

- b. At the end of the reporting period, outstanding interest rate swap contracts not under hedge accounting were as follows:

June 30, 2020

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 50,000	2021.03	Note	Note
US\$ 100,000	2022.08	2.600	1.06625
US\$ 50,000	2022.08	1.930	0.31625
US\$ 50,000	2022.08	1.930	0.31625
US\$ 50,000	2023.03	0.720	0.31625
US\$ 50,000	2023.03	0.710	0.31625
US\$ 50,000	2023.03	0.648	0.31625
US\$ 50,000	2023.03	0.548	0.31625
US\$ 50,000	2023.03	0.515	0.31625
US\$ 50,000	2023.03	0.485	0.31625
US\$ 100,000	2023.07	3.335	1.14763
US\$ 150,000	2023.07	3.340	1.54075

December 31, 2019

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 50,000	2021.03	Note	Note
US\$ 100,000	2023.07	3.335	2.60425
US\$ 150,000	2023.07	3.340	2.62713
US\$ 100,000	2022.08	2.600	2.65250
US\$ 50,000	2022.08	1.930	1.90250
US\$ 50,000	2022.08	1.930	1.90250

June 30, 2019

Notional Amount (In Thousands)	Maturity Date	Pay Rate (Fixed Rate %)	Received Rate (Floating Rate %)
US\$ 50,000	2021.03	Note	Note
US\$ 100,000	2022.08	2.600	3.16850
US\$ 50,000	2022.08	1.930	2.41850
US\$ 50,000	2022.08	1.930	2.41850
US\$ 100,000	2023.07	3.335	3.25988
US\$ 150,000	2023.07	3.340	3.28275

The Group entered into interest rate swap contracts to manage exposures to interest rate fluctuations.

Note: If the three-month London Interbank Offered Rate (LIBOR) based on the U.S. dollar is less than or equal to 1.5%, the Group will pay interest at 0.84% of the notional amount and receive interest at the floating rate. If the three-month LIBOR based on the U.S. dollar is more than 1.5%, the Group will pay interest at the floating rate minus 0.66% and receive interest at the floating rate.

- c. At the end of the reporting period, outstanding forward exchange contracts not under hedge accounting were as follows:

June 30, 2020

**Notional Amount
(In Thousands)**

US\$ 70,770
US\$ 44,247

Forward Exchange Rates

Sell US\$/Buy IDR at 14,610 to 17,145
Sell NT\$/Buy US\$ at 29.286 to 29.440

December 31, 2019

**Notional Amount
(In Thousands)**

US\$ 132,700

Forward Exchange Rates

Sell US\$/Buy IDR at 14,610 to 14,700

June 30, 2019

**Notional Amount
(In Thousands)**

US\$ 118,500
US\$ 21,538
US\$ 48,000

Forward Exchange Rates

Sell US\$/Buy IDR at 14,700 to 16,235
Sell RMB/Buy US\$ at 6.6940 to 6.7132
Sell NT\$/Buy US\$ at 30.940 to 30.955

The Group entered into forward exchange contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

- d. At the end of the reporting period, outstanding exchange rate option contracts not under hedge accounting were as follows:

June 30, 2020

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 55,000	Put	Sell	2020.07-2021.05	US\$:RMB8.0000
US\$ 76,000	Put	Sell	2020.08-2022.02	US\$:RMB8.0125
US\$ 76,000	Put	Sell	2020.08-2022.02	US\$:RMB8.0120
US\$ 38,000	Put	Sell	2020.08-2022.02	US\$:RMB8.0130
US\$ 38,000	Put	Sell	2020.11-2022.05	US\$:RMB8.6600
US\$ 38,000	Put	Sell	2020.11-2022.05	US\$:RMB8.7000
US\$ 40,000	Call	Sell	2020.08-2022.02	US\$:HK\$7.7490
US\$ 40,000	Call	Sell	2020.09-2022.03	US\$:HK\$7.7475
US\$ 24,000	Call	Sell	2020.11-2022.05	US\$:HK\$7.7335
US\$ 16,000	Call	Sell	2020.11-2022.05	US\$:HK\$7.7335
US\$ 38,000	Call	Sell	2020.12-2021.12	US\$:HK\$7.7490

December 31, 2019

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 12,000	Put	Sell	2020.01-2020.06	US\$:RMB7.0800
US\$ 15,000	Call	Sell	2020.04	US\$:HK\$7.7475
US\$ 15,000	Call	Sell	2020.04	US\$:HK\$7.7475
US\$ 15,000	Call	Sell	2020.04	US\$:HK\$7.7475
US\$ 60,000	Put	Sell	2020.06-2021.05	US\$:RMB8.0000
US\$ 48,000	Call	Sell	2020.06-2021.12	US\$:HK\$7.7490

June 30, 2019

Notional Amount (In Thousands)	Type	Buy/Sell	Maturity Date	Exchange Rate
US\$ 15,000	Put	Sell	2019.07-2019.09	US\$:RMB6.7780
US\$ 27,000	Put	Sell	2019.07-2019.09	US\$:RMB6.7860
US\$ 18,000	Put	Sell	2019.07-2019.09	US\$:RMB6.7820
US\$ 18,000	Put	Sell	2019.07-2019.09	US\$:RMB6.5750
US\$ 12,000	Put	Sell	2019.07-2019.09	US\$:RMB6.5750
US\$ 15,000	Put	Sell	2019.07-2019.09	US\$:RMB6.5550
US\$ 9,000	Put	Sell	2019.07-2019.09	US\$:RMB6.5550
US\$ 12,000	Put	Sell	2019.07-2019.09	US\$:RMB6.5550
US\$ 9,000	Put	Sell	2019.07-2019.09	US\$:RMB6.5550
US\$ 25,000	Put	Sell	2019.07-2019.11	US\$:RMB6.5500
US\$ 25,000	Put	Sell	2019.07-2019.11	US\$:RMB6.5500
US\$ 25,000	Put	Sell	2019.07-2019.11	US\$:RMB6.5500
US\$ 25,000	Put	Sell	2019.07-2019.11	US\$:RMB6.7820
US\$ 24,000	Put	Sell	2019.07-2020.06	US\$:RMB7.0800
US\$ 224,000	Put	Sell	2019.07-2019.09	US\$:NT\$31.0000
US\$ 132,000	Call	Sell	2019.07-2021.04	US\$:HK\$7.7500
US\$ 88,000	Call	Sell	2019.07-2021.04	US\$:HK\$7.7500
US\$ 28,000	Call	Sell	2019.10-2020.04	US\$:HK\$7.7475
US\$ 28,000	Call	Sell	2019.10-2020.04	US\$:HK\$7.7475
US\$ 28,000	Call	Sell	2019.10-2020.04	US\$:HK\$7.7475
US\$ 24,000	Put	Sell	2019.11-2020.10	US\$:RMB7.8000
US\$ 24,000	Put	Sell	2019.11-2020.10	US\$:RMB7.6300
US\$ 60,000	Put	Sell	2020.06-2021.05	US\$:RMB8.0000

The Group entered into exchange rate option contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

- e. At the end of the reporting period, outstanding exchange rate swap contracts not under hedge accounting were as follows:

June 30, 2020

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 2,000	2020.09	US\$:NT\$29.5330
US\$ 19,000	2020.09	US\$:NT\$29.5630
US\$ 60,000	2020.09	US\$:NT\$29.5525
US\$ 55,000	2020.09	US\$:NT\$29.5525
US\$ 20,400	2020.09	US\$:NT\$29.5525
US\$ 9,000	2020.09	US\$:NT\$29.5525
US\$ 72,600	2020.09	US\$:NT\$29.4930
US\$ 31,900	2020.09	US\$:NT\$29.4930
US\$ 43,000	2020.09	US\$:NT\$29.4930
US\$ 21,000	2020.09	US\$:NT\$29.4930
US\$ 36,000	2020.09	US\$:NT\$29.4930
RMB 119,900	2020.09	US\$:RMB7.1133
RMB 100,000	2020.09	US\$:RMB7.1133
RMB 80,100	2020.09	US\$:RMB7.1133
RMB 80,100	2020.12	US\$:RMB7.1445
RMB 20,400	2020.12	US\$:RMB7.1430

December 31, 2019

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 14,000	2020.01	US\$:NT\$30.0970
US\$ 55,000	2020.02	US\$:NT\$30.0610
US\$ 19,000	2020.02	US\$:NT\$30.0610
US\$ 60,000	2020.02	US\$:NT\$30.0730
US\$ 36,000	2020.02	US\$:NT\$30.0070
US\$ 21,000	2020.02	US\$:NT\$30.0070
US\$ 5,900	2020.02	US\$:NT\$30.0070
US\$ 36,000	2020.02	US\$:NT\$30.0060
US\$ 43,000	2020.03	US\$:NT\$29.9660
US\$ 22,300	2020.03	US\$:NT\$29.9640

June 30, 2019

Notional Amount (In Thousands)	Maturity Date	Exchange Rate
US\$ 7,000	2019.07	US\$:NT\$30.9840
US\$ 21,000	2019.07	US\$:NT\$31.0530
US\$ 25,200	2019.08	US\$:NT\$31.2570
US\$ 60,000	2019.08	US\$:NT\$31.3170
US\$ 55,000	2019.08	US\$:NT\$31.4140
US\$ 10,000	2019.08	US\$:NT\$30.9720
US\$ 30,000	2019.08	US\$:NT\$30.8990
US\$ 27,000	2019.08	US\$:NT\$30.8990

The Group entered into exchange rate swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

- f. At the end of the reporting period, outstanding cross-currency swap contracts not under hedge accounting were as follows:

June 30, 2020

Notional Amount (In Thousands)	Maturity Date	Exchange Rate	Interest %
US\$ 15,000	2020.12	US\$:NT\$30.475	0.635

December 31, 2019

Notional Amount (In Thousands)	Maturity Date	Exchange Rate	Interest %
US\$ 28,157	2020.09	US\$:RMB7.103	0.885
US\$ 15,000	2020.12	US\$:NT\$30.475	0.635

June 30, 2019

Notional Amount (In Thousands)	Maturity Date	Exchange Rate	Interest %
US\$ 15,000	2019.07	US\$:RMB6.820	3.50
US\$ 15,000	2019.09	US\$:RMB6.860	3.20
US\$ 20,000	2019.12	US\$:NT\$30.800	0.50

The Group entered into cross-currency swap contracts to manage exposures to exchange rate and interest rate fluctuations of foreign currency denominated assets and liabilities.

- g. The consideration received of disposal of subsidiaries by the Group in 2019 includes contingent consideration. The contingent consideration is estimated at fair value discounted based on expected future cash flows.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2020	December 31, 2019	June 30, 2019
Domestic investments			
Listed shares	\$ 18,523,326	\$ 18,682,365	\$ 18,810,199
Unlisted shares	100,423	70,805	78,028
Foreign investments			
Unlisted shares	<u>127,796</u>	<u>205,409</u>	<u>212,793</u>
	<u>\$ 18,751,545</u>	<u>\$ 18,958,579</u>	<u>\$ 19,101,020</u>
Current	\$ 17,769,177	\$ 17,736,334	\$ 17,952,749
Non-current	<u>982,368</u>	<u>1,222,245</u>	<u>1,148,271</u>
	<u>\$ 18,751,545</u>	<u>\$ 18,958,579</u>	<u>\$ 19,101,020</u>

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2020	December 31, 2019	June 30, 2019
Domestic investments			
Time deposits with original maturities of more than three months	\$ 3,915,530	\$ 663,276	\$ 1,552,319
Restricted deposits of repatriated offshore funds	296,321	-	-
Structure product	-	696,110	-
Foreign investments			
Bonds	2,790,303	4,367,841	5,038,294
Commercial paper	1,788,994	1,846,900	1,940,082
Structured products	<u>108,547</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,899,695</u>	<u>\$ 7,574,127</u>	<u>\$ 8,530,695</u>
Current	\$ 4,800,923	\$ 1,656,038	\$ 2,681,677
Non-current	<u>4,098,772</u>	<u>5,918,089</u>	<u>5,849,018</u>
	<u>\$ 8,899,695</u>	<u>\$ 7,574,127</u>	<u>\$ 8,530,695</u>

The Group was approved by the National Taxation Bureau of the Central Area, Ministry of Finance to repatriate 324,901 thousand (US\$10,870 thousand) in accordance with the “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” in April 2020. The Group also submitted investment plans to the Ministry of Economic Affairs for approval. Based on the regulations, the funds can only be used in the approved investment plans.

Refer to Note 36 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Notes receivable</u>			
Notes receivable - operating	\$ 310	\$ 509	\$ 895
Notes receivable - non-operating	<u>-</u>	<u>-</u>	<u>1,392</u>
	<u>\$ 310</u>	<u>\$ 509</u>	<u>\$ 2,287</u>
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 33,149,326	\$ 34,569,042	\$ 38,111,571
Less: Allowance for impairment loss	<u>(194,027)</u>	<u>(307,796)</u>	<u>(446,829)</u>
	<u>\$ 32,955,299</u>	<u>\$ 34,261,246</u>	<u>\$ 37,664,742</u>

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Other receivables</u>			
Tax refund receivables	\$ 1,587,279	\$ 1,618,777	\$ 1,657,108
Others	4,953,593	3,528,918	3,827,618
Less: Allowance for impairment loss	<u>(1,189)</u>	<u>(32,039)</u>	<u>(859)</u>
	<u>\$ 6,539,683</u>	<u>\$ 5,115,656</u>	<u>\$ 5,483,867</u> (Concluded)

a. Notes receivable

The notes receivable balances at June 30, 2020, December 31, 2019 and June 30, 2019 were not past due.

b. Accounts receivable

The Group use simplified practice of IFRS 9 to measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position. As the Group's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

1) The following table details the loss allowance of trade receivables.

June 30, 2020

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 17,200,599	\$ 14,917,371	\$ 1,031,356	\$ 33,149,326
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(622)</u>	<u>(193,405)</u>	<u>(194,027)</u>
Amortized cost	<u>\$ 17,200,599</u>	<u>\$ 14,916,749</u>	<u>\$ 837,951</u>	<u>\$ 32,955,299</u>

December 31, 2019

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 22,064,260	\$ 12,188,018	\$ 316,764	\$ 34,569,042
Loss allowance (lifetime ECLs)	<u>-</u>	<u>(1,559)</u>	<u>(306,237)</u>	<u>(307,796)</u>
Amortized cost	<u>\$ 22,064,260</u>	<u>\$ 12,186,459</u>	<u>\$ 10,527</u>	<u>\$ 34,261,246</u>

June 30, 2019

	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	\$ 26,118,326	\$ 11,471,002	\$ 522,243	\$ 38,111,571
Loss allowance (lifetime ECLs)	<u>-</u>	<u>-</u>	<u>(446,829)</u>	<u>(446,829)</u>
Amortized cost	<u>\$ 26,118,326</u>	<u>\$ 11,471,002</u>	<u>\$ 75,414</u>	<u>\$ 37,664,742</u>

2) The movements of the loss allowance of accounts receivable were as follows:

	For the Six Months Ended June 30	
	2020	2019
Balance at January 1	\$ 307,796	\$ 574,519
Add (less): Impairment losses recognized (reversed) on receivable	11,339	(7,238)
Less: Net remeasurement of loss allowance	(117,957)	(29,538)
Less: Disposal of subsidiaries	-	(97,777)
Foreign exchange gains and losses	<u>(7,151)</u>	<u>6,863</u>
Balance at June 30	<u>\$ 194,027</u>	<u>\$ 446,829</u>

11. INVENTORIES

	June 30, 2020	December 31, 2019	June 30, 2019
Inventories - manufacturing and retail	\$ 40,330,029	\$ 54,713,419	\$ 50,361,108
Inventories - construction	<u>3,906,328</u>	<u>3,909,013</u>	<u>4,767,854</u>
	<u>\$ 44,236,357</u>	<u>\$ 58,622,432</u>	<u>\$ 55,128,962</u>

a. Inventories - manufacturing and retail at the end of the reporting period consisted of the following:

	June 30, 2020	December 31, 2019	June 30, 2019
Raw materials	\$ 7,813,409	\$ 7,301,125	\$ 8,546,413
Work in progress	4,294,516	5,369,483	5,508,130
Finished goods and merchandise	<u>28,222,104</u>	<u>42,042,811</u>	<u>36,306,565</u>
	<u>\$ 40,330,029</u>	<u>\$ 54,713,419</u>	<u>\$ 50,361,108</u>

For the three months ended June 30, 2020 and 2019, the cost of manufacturing and retail inventories recognized as cost of goods sold was \$50,772,869 thousand and \$60,262,831 thousand, respectively, and for the six months ended June 30, 2020 and 2019, the cost of manufacturing and retail inventories recognized as cost of goods sold was \$97,507,250 thousand and \$117,199,690 thousand, respectively.

- b. Inventories - construction at the end of the reporting period consisted of the following:

	June 30, 2020	December 31, 2019	June 30, 2019
Land and buildings held for development	\$ 3,742,904	\$ 3,742,807	\$ 4,601,655
Land and buildings held for sale	52,532	55,314	55,307
Land held for construction sites	<u>110,892</u>	<u>110,892</u>	<u>110,892</u>
	<u>\$ 3,906,328</u>	<u>\$ 3,909,013</u>	<u>\$ 4,767,854</u>

12. NON-CURRENT ASSETS HELD FOR SALE

	June 30, 2020	December 31, 2019	June 30, 2019
Assets associated with non-current assets held for sale			
Investments accounted for using equity method	<u>\$ 685,490</u>	<u>\$ 1,342,804</u>	<u>\$ 131,881</u>

- a. Yue Yuen resolved to dispose of its associates and joint ventures during in 2019 and reclassified the assets as “non-current assets held for sale”. The carrying amount of the assets was \$563,296 thousand (US\$19,011 thousand), and \$1,217,278 thousand (US\$40,603 thousand) as of June 30, 2020, and December 31, 2019.
- b. Pou Sheng resolved to dispose of its joint ventures in 2019 and reclassified the assets as “non-current assets held for sale”. The carrying amount of the assets was \$122,194 thousand (US\$4,124 thousand), \$125,526 thousand (US\$4,187 thousand) and \$131,881 thousand (US\$4,246 thousand) as of June 30, 2020, December 31, 2019 and June 30, 2019.

13. OTHER ASSETS

	June 30, 2020	December 31, 2019	June 30, 2019
Prepayments	\$ 6,133,605	\$ 7,298,459	\$ 8,058,215
Refundable deposits	3,197,808	3,187,694	3,132,916
Defined benefit assets	786,053	780,464	706,014
Prepayments for equipment	43,754	43,754	43,754
Others	<u>2,476,846</u>	<u>2,180,680</u>	<u>2,380,349</u>
	<u>\$ 12,638,066</u>	<u>\$ 13,491,051</u>	<u>\$ 14,321,248</u>
Current	\$ 8,270,339	\$ 9,159,841	\$ 9,728,021
Non-current	<u>4,367,727</u>	<u>4,331,210</u>	<u>4,593,227</u>
	<u>\$ 12,638,066</u>	<u>\$ 13,491,051</u>	<u>\$ 14,321,248</u>

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			June 30, 2020	December 31, 2019	June 30, 2019
Wealthplus Holdings Limited (“Wealthplus”)	British Virgin Islands	Investing in footwear, electronics and peripheral products	100.00	100.00	100.00
Win Fortune Investments Limited	British Virgin Islands	Investing activities	100.00	100.00	100.00
Windsor Entertainment Co., Ltd.	ROC	Entertainment and resort operations	100.00	100.00	100.00
Pou Shine Investments Co., Ltd.	ROC	Investing activities	100.00	100.00	100.00
Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	100.00	100.00	100.00
Pro Arch International Development Enterprise Inc.	ROC	Design and manufacture of footwear products	100.00	100.00	100.00
Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	99.81	99.81	99.81
Barits Development Corporation	ROC	Import and export of shoe related materials and investing activities	99.62	99.62	99.62

The information of Wealthplus’s major subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			June 30, 2020	December 31, 2019	June 30, 2019
Yue Yuen Industrial (Holdings) Limited	Bermuda	Manufacture and sale of athletic and casual footwear and sports apparel	50.04	50.04	50.04
Pou Sheng International (Holdings) Limited	Bermuda	Retail of sporting goods and brand licensing business	31.12	31.12	31.12
Crown Master Investments Limited	British Virgin Islands	Investment holding	-	100.00	100.00
Tetor Ventures Ltd.	British Virgin Islands	Investment holding	100.00	100.00	100.00
Star Eagle Consultants Limited	British Virgin Islands	Agency of property and casualty insurance	-	100.00	100.00
Allied Charm Holdings Limited	British Virgin Islands	Investment holding	100.00	100.00	100.00

Win Fortune Investments Limited (“Win Fortune”) invested in Yue Yuen (as at June 30, 2020, December 31, 2019 and June 30, 2019, the ownership percentage were 1.07%). Investing is its primary operation activity.

The information of Pou Yuen Technology Co., Ltd.’s subsidiary is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			June 30, 2020	December 31, 2019	June 30, 2019
Vantage Capital Investments Ltd.	British Virgin Islands	Investment holdings	-	100.00	100.00
Pearl Dove International Limited	British Virgin Islands	Investment holdings	100.00	100.00	100.00

The information of Barits Development Corporation’s subsidiaries is as follows:

Name of Subsidiary	Location of Incorporation	Main Business	Proportion of Ownership (%)		
			June 30, 2020	December 31, 2019	June 30, 2019
Song Ming Investments Co., Ltd.	ROC	Investing activities	100.00	100.00	100.00
Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	100.00	100.00	100.00
Yu Hong Development Co., Ltd.	ROC	Development of real estate	100.00	100.00	100.00
Wang Yi Construction Co., Ltd.	ROC	Construction	89.75	89.75	89.75
Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	75.00	75.00	75.00

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests (%)		
	June 30, 2020	December 31, 2019	June 30, 2019
Yue Yuen Industrial (Holdings) Limited	48.89	48.89	48.89
Pou Sheng International (Holdings) Limited	37.81	37.80	37.80

Refer to Table 9 “Information on Investees” of Note 40 for business location and business item of the material associates.

Name of Subsidiary	(Loss) Profit Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended		For the Six Months Ended				
	June 30 2020	2019	June 30 2020	2019	June 30, 2020	December 31, 2019	June 30, 2019
Yue Yuen Industrial (Holdings) Limited	\$ (1,176,756)	\$ 1,398,946	\$ (2,008,342)	\$ 2,533,808	\$ 53,846,973	\$ 59,284,190	\$ 60,916,987
Pou Sheng International (Holdings) Limited	287,470	406,307	17,871	737,133	12,613,669	12,167,173	12,061,934

Pou Sheng is a subsidiary of Yue Yuen, and the summarized financial information in respect of Yue Yuen and its subsidiaries (including Pou Sheng) is set out below:

	June 30, 2020	December 31, 2019	June 30, 2019
Current assets	\$ 121,923,296	\$ 134,660,339	\$ 128,547,539
Non-current assets	122,921,879	127,150,345	127,396,504
Current liabilities	(69,310,530)	(73,624,773)	(68,407,804)
Non-current liabilities	<u>(52,051,291)</u>	<u>(53,680,531)</u>	<u>(48,924,770)</u>
Equity	<u>\$ 123,483,354</u>	<u>\$ 134,505,380</u>	<u>\$ 138,611,469</u>
Equity attributable to:			
Owners of the Company	\$ 56,644,633	\$ 62,334,857	\$ 64,054,514
Non-controlling interests of Yue Yuen	53,846,973	59,284,190	60,916,987
Non-controlling interests of Yue Yuen’s subsidiaries	<u>12,991,748</u>	<u>12,886,333</u>	<u>13,639,968</u>
	<u>\$ 123,483,354</u>	<u>\$ 134,505,380</u>	<u>\$ 138,611,469</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Operating revenue	<u>\$ 63,262,753</u>	<u>\$ 80,686,616</u>	<u>\$ 122,555,557</u>	<u>\$ 157,123,576</u>
Net (loss) income	\$ (2,137,964)	\$ 3,320,457	\$ (4,105,535)	\$ 6,035,019
Other comprehensive income (loss)	<u>54,977</u>	<u>(714,688)</u>	<u>(1,108,650)</u>	<u>301,066</u>
Total comprehensive (loss) income	<u>\$ (2,082,987)</u>	<u>\$ 2,605,769</u>	<u>\$ (5,214,185)</u>	<u>\$ 6,336,085</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Net (loss) income attributable to:				
Owners of the Company	\$ (1,230,950)	\$ 1,412,141	\$ (2,095,620)	\$ 2,604,012
Non-controlling interests of Yue Yuen	(1,176,756)	1,398,946	(2,008,342)	2,533,808
Non-controlling interests of Yue Yuen's subsidiaries	<u>269,742</u>	<u>509,370</u>	<u>(1,573)</u>	<u>897,199</u>
	<u>\$ (2,137,964)</u>	<u>\$ 3,320,457</u>	<u>\$ (4,105,535)</u>	<u>\$ 6,035,019</u>
Total comprehensive (loss) income attributable to:				
Owners of the Company	\$ (1,224,485)	\$ 941,759	\$ (2,561,616)	\$ 2,764,495
Non-controlling interests of Yue Yuen	(1,170,576)	946,489	(2,453,925)	2,687,993
Non-controlling interests of Yue Yuen's subsidiaries	<u>312,074</u>	<u>717,521</u>	<u>(198,644)</u>	<u>883,597</u>
	<u>\$ (2,082,987)</u>	<u>\$ 2,605,769</u>	<u>\$ (5,214,185)</u>	<u>\$ 6,336,085</u>

(Concluded)

	For the Six Months Ended June 30	
	2020	2019
Net cash inflow (outflow) from:		
Operating activities	\$ 6,031,631	\$ 6,002,515
Investing activities	(4,604,559)	(2,250,730)
Financing activities	<u>2,791,733</u>	<u>(5,759,874)</u>
Net cash inflow (outflow)	<u>\$ 4,218,805</u>	<u>\$ (2,008,089)</u>
Dividends paid to:		
Non-controlling interests of Yue Yuen	<u>\$ 2,122,838</u>	<u>\$ 3,471,162</u>
Non-controlling interests of Yue Yuen's subsidiaries	<u>\$ 2,392</u>	<u>\$ 263,653</u>

15. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2020	December 31, 2019	June 30, 2019
Investments in associates	\$ 72,320,426	\$ 64,849,487	\$ 56,743,537
Investments in joint ventures	<u>7,885,083</u>	<u>7,461,297</u>	<u>7,437,324</u>
	<u>\$ 80,205,509</u>	<u>\$ 72,310,784</u>	<u>\$ 64,180,861</u>

a. Investments in associates

	June 30, 2020	December 31, 2019	June 30, 2019
Material associate			
Ruen Chen Investment Holding Co., Ltd.	\$ 57,455,971	\$ 49,612,043	\$ 40,859,714
Associates that are not individually material	<u>14,864,455</u>	<u>15,237,444</u>	<u>15,883,823</u>
	<u>\$ 72,320,426</u>	<u>\$ 64,849,487</u>	<u>\$ 56,743,537</u>

1) Material associate

Name of Associate	Proportion of Ownership and Voting Rights		
	June 30, 2020	December 31, 2019	June 30, 2019
Ruen Chen Investment Holding Co., Ltd.	20%	20%	20%

- a) As of May 15, 2019, the Company's board of directors resolved to subscribe the issuance of ordinary shares for cash of Ruen Chen Investment Holding Co., Ltd., and purchasing 408,000 thousand share issued ordinary shares with \$10 per share (with the amount of \$4,080,000 thousand) as of June 6, 2019 and July 25, 2019.
- b) Refer to Table 9 "Information on Investees" of Note 40 for business location and business item of the material associates.
- c) The summarized financial information below represents amounts shown in the material associate's financial statements prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

Ruen Chen Investment Holding Co., Ltd.

Name of Associate	June 30, 2020	December 31, 2019	June 30, 2019
Assets	\$ 4,968,448,733	\$ 4,846,936,411	\$ 4,735,756,934
Liabilities	(4,640,648,436)	(4,562,716,753)	(4,500,061,378)
Non-controlling interests	<u>(40,223,884)</u>	<u>(35,862,882)</u>	<u>(31,100,425)</u>
Owners of Ruen Chen Investment Holding Co., Ltd.	<u>\$ 287,576,413</u>	<u>\$ 248,356,776</u>	<u>\$ 204,595,131</u>
Proportion of the Group's interest	20 %	20 %	20 %
Equity attributable to the Group	\$ 57,515,283	\$ 49,671,355	\$ 40,919,026
Other adjustments	<u>(59,312)</u>	<u>(59,312)</u>	<u>(59,312)</u>
Carrying amounts	<u>\$ 57,455,971</u>	<u>\$ 49,612,043</u>	<u>\$ 40,859,714</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Operating revenue	<u>\$ 160,195,317</u>	<u>\$ 165,164,034</u>	<u>\$ 296,691,915</u>	<u>\$ 339,825,598</u>
Net income	\$ 10,515,663	\$ 13,623,263	\$ 21,655,328	\$ 21,287,894
Other comprehensive income	<u>111,037,025</u>	<u>45,973,862</u>	<u>22,161,515</u>	<u>135,434,911</u>
Total comprehensive income	<u>\$ 121,552,688</u>	<u>\$ 59,597,125</u>	<u>\$ 43,816,843</u>	<u>\$ 156,722,805</u>

2) Associates that are not individually material

Name of Associate	Proportion of Ownership and Voting Rights (%)		
	June 30, 2020	December 31, 2019	June 30, 2019
Eagle Nice (International) Holdings Limited	36.09	36.09	36.09
San Fang Chemical Industry Co., Ltd.	44.72	44.72	44.72
Elitegroup Computer Systems Co., Ltd.	19.50	19.50	19.50
Bigfoot Limited	-	-	48.76
Brandblack Inc.	31.25	-	-
Enthroned Group Limited	-	-	48.76
Full Pearl International Ltd.	40.04	40.04	40.04
Haicheng Information Technology Co., Ltd.	-	50.00	50.00
Just Lucky Investments Limited	38.30	38.30	38.30
Natural Options Limited	38.30	38.30	38.30
Oftenrich Holdings Limited	45.00	45.00	45.00
Pine Wood Industries Limited	37.00	37.00	37.00
Pou Ming Paper Products Manufacturing Co., Ltd.	20.00	20.00	20.00
Prosperlink Limited	38.00	38.00	38.00
Prosperous Industrial (Holdings) Ltd.	22.50	22.50	22.50
Rise Bloom International Limited	38.00	38.00	38.00
Silver Island Trading Ltd.	-	50.00	50.00
Supplyline Logistics Ltd.	49.00	49.00	49.00
Tien Pou International Ltd.	-	-	40.00
Venture Well Holdings Ltd.	31.55	31.55	31.55
Nan Pao Resins Chemical Co., Ltd.	17.59	17.59	17.59
Nan Shan Life Insurance Company, Ltd.	0.18	0.18	0.18
Techview International Technology Inc.	50.00	50.00	50.00

- a) Refer to Table 9 “Information on Investees” of Note 40 for business location and business item of the material associates.
- b) The Group holds less than 20% interest of Elitegroup Computer Systems Co., Ltd. but the Group has the power to appoint two out of the nine directors of Elitegroup Computer Systems Co., Ltd.; therefore, the Group is able to exercise significant influence over Elitegroup Computer Systems Co., Ltd.

- c) The Group holds less than 20% interest of Nan Pao Resins Chemical Co., Ltd. but the Group has the power to appoint one out of the eight directors of Nan Pao; therefore, the Group is able to exercise significant influence over Nan Pao.
- d) The Group issued ordinary shares to raise cash capital for Nan Shan Life Insurance Company, Ltd., and subscribed 23,740 thousand shares at \$16 per share, at the amount of \$379,840 thousand. The proportion of ownership and voting rights of the Group is 0.18%, but the Group exercises significant influence over Ruen Chen Investment Holding Co., Ltd., which is the parent company of Nan Shan Life Insurance Company, Ltd.; therefore, Nan Shan Life Insurance Company, Ltd. is classified as an associate of the Group.
- e) The summarized financial information below represents amounts shown in the financial statements of associates that are not individually material which were prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
The Group's share of:				
Net income	\$ 69,154	\$ 248,089	\$ 167,472	\$ 265,990
Other comprehensive income (loss)	<u>270,940</u>	<u>(28,847)</u>	<u>(86,767)</u>	<u>(12,184)</u>
Total comprehensive income	<u>\$ 340,094</u>	<u>\$ 219,242</u>	<u>\$ 80,705</u>	<u>\$ 253,806</u>

- f) Fair values (Level 1) of investments in associates that are not individually material with available published price quotations are summarized as follows:

Name of Associate	June 30, 2020	December 31, 2019	June 30, 2019
Eagle Nice (International) Holdings Limited	<u>\$ 1,967,092</u>	<u>\$ 2,245,787</u>	<u>\$ 1,801,179</u>
Prosperous Industrial (Holdings) Ltd.	<u>\$ 218,683</u>	<u>\$ 353,905</u>	<u>\$ 1,302,229</u>
San Fang Chemical Industry Co., Ltd.	<u>\$ 3,834,138</u>	<u>\$ 4,211,869</u>	<u>\$ 4,390,710</u>
Elitegroup Computer Systems Co., Ltd.	<u>\$ 1,288,158</u>	<u>\$ 1,489,262</u>	<u>\$ 1,260,981</u>
Nan Pao Resins Chemical Co., Ltd.	<u>\$ 2,827,018</u>	<u>\$ 3,194,684</u>	<u>\$ 3,308,093</u>

b. Investments in joint ventures

	June 30, 2020	December 31, 2019	June 30, 2019
Joint ventures that are not individually material	\$ 7,885,083	\$ 7,461,297	\$ 7,437,034
Long-term receivables			
Joint ventures that are not individually material	<u>-</u>	<u>-</u>	<u>290</u>
	<u>\$ 7,885,083</u>	<u>\$ 7,461,297</u>	<u>\$ 7,437,324</u>

At the end of the reporting period, the proportions of ownership and voting rights in joint ventures that are not individually material held by the Group were as follows:

Name of Joint Venture	Proportion of Ownership and Voting Rights (%)		
	June 30, 2020	December 31, 2019	June 30, 2019
Best Focus Holdings Ltd.	50.00	50.00	50.00
Blessland Enterprises Limited	-	50.00	50.00
Cohen Enterprises Inc.	50.00	50.00	50.00
Great Skill Industrial Limited	50.00	50.00	50.00
Hangzhou Baohong Sports Goods Company Limited	50.00	50.00	50.00
Hua Jian Industrial Holding Co., Limited	-	-	50.00
Jilin Xinfangwei Sports Goods Company Limited	50.00	50.00	50.00
Jumbo Power Enterprises Limited	50.00	50.00	50.00
Ka Yuen Rubber Factory Limited	50.00	50.00	50.00
Kounshan Baowei Information Technology Co., Ltd.	55.00	55.00	-
Prime Glorious Limited	49.00	-	-
Top Units Developments Limited	49.00	49.00	49.00
Twinways Investments Limited	50.00	50.00	50.00
Willpower Industries Limited	44.84	44.84	44.84
Zhong Ao Multiplex Management Limited	46.82	46.82	46.82

- 1) Refer to Table 9 “Information on Investees” of Note 40 for business location and business item of the material associates.
- 2) The summarized financial information below represents amounts shown in the financial statements of joint ventures that are not individually material which were prepared in accordance with IFRSs adjusted by the Group for equity accounting purposes:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
The Group's share of:				
Net income	\$ 93,792	\$ 154,893	\$ 126,293	\$ 269,039
Other comprehensive income (loss)	<u>9,835</u>	<u>(74,760)</u>	<u>(50,678)</u>	<u>4,717</u>
Total comprehensive income	<u>\$ 103,627</u>	<u>\$ 80,133</u>	<u>\$ 75,615</u>	<u>\$ 273,756</u>

16. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2020	December 31, 2019	June 30, 2019
Land	\$ 2,536,439	\$ 2,539,801	\$ 2,232,857
Buildings and improvements	47,405,475	49,238,584	50,214,577
Machinery and equipment	18,622,798	19,771,535	20,841,306
Transportation equipment	373,435	401,003	430,405
Office equipment	2,649,577	2,820,747	2,842,286
Other equipment	85,410	82,448	85,545
Construction in progress	<u>3,387,149</u>	<u>3,007,148</u>	<u>3,011,159</u>
	<u>\$ 75,060,283</u>	<u>\$ 77,861,266</u>	<u>\$ 79,658,135</u>

- a. Except for depreciation expenses recognized, the Group had no significant disposal nor impairment of property, plant and equipment during the three months ended June 30, 2020 and 2019 and the six months ended June 30, 2020 and 2019.
- b. The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life as follows:

<u>Items</u>	<u>Estimated Useful Life</u>
Buildings and improvements	
Main buildings	50-55 years
Elevators	15 years
Machinery and equipment	5-12 years
Transportation equipment	5 years
Office equipment	3-7 years
Other equipment	3-10 years

- c. The Group has land located in Changhwa County with a carrying amount of \$56,102 thousand. Due to certain restrictions under the land regulations, the ownership for these three parcels of land resides with a trustee through a trust agreement which prohibits the trustee from selling, pledging or hypothecating the property.

17. LEASE ARRANGEMENTS

- a. Right-of-use assets

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Carrying amounts</u>			
Land	\$ 6,504,439	\$ 6,667,555	\$ 6,974,286
Buildings	10,816,505	12,298,223	9,410,144
Machinery	8,666	5,182	6,572
Transportation equipment	5,784	6,554	7,452
Other equipment	<u>5,793</u>	<u>5,576</u>	<u>5,952</u>
	<u>\$ 17,341,187</u>	<u>\$ 18,983,090</u>	<u>\$ 16,404,406</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Additions to right-of-use assets	\$ 1,060,464	\$ 1,686,386	\$ 1,632,450	\$ 2,141,373
Depreciation charge for right-of-use assets				
Land	\$ 36,675	\$ 41,432	\$ 73,692	\$ 76,114
Buildings	1,191,283	971,258	2,443,362	1,834,383
Machinery	2,094	1,774	3,759	2,510
Transportation equipment	1,286	1,034	2,581	2,062
Other equipment	210	62	405	62
	<u>\$ 1,231,548</u>	<u>\$ 1,015,560</u>	<u>\$ 2,523,799</u>	<u>\$ 1,915,131</u>

b. Lease liabilities

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Carrying amounts</u>			
Current	\$ 3,931,463	\$ 3,908,023	\$ 3,331,016
Non-current	<u>6,959,972</u>	<u>8,255,154</u>	<u>5,936,476</u>
	<u>\$ 10,891,435</u>	<u>\$ 12,163,177</u>	<u>\$ 9,267,492</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Land	1.34%-5.00%	1.34%-5.00%	1.34%-5.00%
Buildings	1.34%-5.50%	1.34%-5.50%	1.34%-4.50%
Machinery	2.45%-3.07%	3.07%	3.07%
Transportation equipment	1.34%-4.50%	1.34%-4.50%	1.34%-4.50%
Other equipment	1.34%	1.34%	1.34%

c. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Expenses relating to short-term leases	\$ 192,044	\$ 301,421	\$ 387,058	\$ 700,770
Expenses relating to low-value asset leases	\$ 255	\$ 618	\$ 923	\$ 1,533
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,368,078</u>	<u>\$ 2,165,188</u>	<u>\$ 2,373,679</u>	<u>\$ 4,440,113</u>
Total cash outflow for leases			<u>\$ (5,212,227)</u>	<u>\$ (6,821,256)</u>

The Group leases which qualify as short-term leases and qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

18. INVESTMENT PROPERTIES

	June 30, 2020	December 31, 2019	June 30, 2019
Investment properties	<u>\$ 2,857,231</u>	<u>\$ 2,841,851</u>	<u>\$ 2,309,372</u>

- a. Except for depreciation expenses recognized, the Group had neither significant disposal nor impairment of investment properties during the three months ended June 30, 2020 and 2019 and the six months ended June 30, 2020 and 2019.
- b. The investment properties are depreciated using the straight-line method over 30-55 years.
- c. The fair values of the Group's investment properties as of December 31, 2019 and 2018 were \$5,198,009 thousand and \$3,690,038 thousand, respectively. The Group's management team evaluated the fair value of investment properties which did not changed significantly for during the six months ended June 30, 2020 and 2019.

19. GOODWILL

After the Group's goodwill that was tested as of December 31, 2019 and 2018, the Group's management team evaluated that goodwill as of June 30, 2020 and 2019 did not changed significantly and was not impaired.

20. OTHER INTANGIBLE ASSETS

	June 30, 2020	December 31, 2019	June 30, 2019
Computer software	\$ 1,022,350	\$ 929,626	\$ 495,697
Brand names	530,229	726,446	953,853
Non-compete agreements	347,353	375,080	413,160
Licensing agreements	94,046	118,151	146,479
Others	<u>59</u>	<u>-</u>	<u>5,777</u>
	<u>\$ 1,994,037</u>	<u>\$ 2,149,303</u>	<u>\$ 2,014,966</u>

- a. The Group reduced other intangible assets by \$1,506,783 thousand in the first half of 2019 due disposal of subsidiaries.
- b. Except for the decrease of other intangible assets due to disposal of subsidiaries and amortization recognized, the Group had neither significant disposal nor impairment of other intangible assets for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019.

- c. The above mentioned items of other intangible assets are amortized on a straight-line basis over their estimated useful life as follows:

<u>Item</u>	<u>Estimated Useful Life</u>
Computer software	3-20 years
Brand names	5 years
Non-compete agreements	5-20 years
Licensing agreements	10 years
Others	10-15 years

21. BORROWINGS

- a. Short-term borrowings

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Unsecured borrowings</u>			
Credit borrowings	<u>\$ 47,339,981</u>	<u>\$ 42,247,828</u>	<u>\$ 46,082,940</u>

The ranges of effective interest rate on bank borrowings were 0.65%-4.35%, 0.66%-5.00% and 0.60%-4.95% per annum as of June 30, 2020, December 31, 2019 and June 30, 2019, respectively.

- b. Short-term bills payable

June 30, 2020

	Annual Interest Rate	Amount
Commercial papers	0.51-0.75	\$ 2,420,500
Less: Unamortized discount on bills payable		<u>(3,196)</u>
		<u>\$ 2,417,304</u>

December 31, 2019

	Annual Interest Rate	Amount
Commercial papers	0.64-0.89	\$ 2,548,500
Less: Unamortized discount on bills payable		<u>(822)</u>
		<u>\$ 2,547,678</u>

June 30, 2019

	Annual Interest Rate	Amount
Commercial papers	0.59%-0.85%	\$ 3,164,000
Less: Unamortized discount on bills payable		<u>(2,429)</u>
		<u>\$ 3,161,571</u>

c. Long-term borrowings

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Unsecured borrowings</u>			
Bank loans	\$ 65,040,902	\$ 60,758,044	\$ 55,534,910
Less: Long-term expenses for syndicated loans	(165,572)	(204,194)	(245,809)
Less: Current portion	<u>(1,774,422)</u>	<u>(263,796)</u>	<u>(3,388,796)</u>
	<u>\$ 63,100,908</u>	<u>\$ 60,290,054</u>	<u>\$ 51,900,305</u>

Maturity dates and ranges of annual interest rates:

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Maturity date</u>			
Long-term borrowings	2021.07.15- 2026.07.15	2021.01.15- 2026.07.15	2020.07.15- 2026.07.15
Current portion of long-term borrowings	2020.07.15- 2021.04.16	2020.01.15- 2020.10.15	2019.07.15- 2020.06.19
<u>Ranges of interest rate</u>	0.78%-1.79%	0.91%-2.65%	1.04%-3.29%

22. NOTES PAYABLE AND ACCOUNTS PAYABLE

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Notes payable (included related parties)</u>			
Operating	\$ 2,830	\$ 4,236	\$ 8,864
Non-operating	<u>9,763</u>	<u>6,963</u>	<u>12,539</u>
	<u>\$ 12,593</u>	<u>\$ 11,199</u>	<u>\$ 21,403</u>
Accounts payable (included related parties)	<u>\$ 10,158,285</u>	<u>\$ 14,866,337</u>	<u>\$ 13,105,294</u>

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

23. OTHER PAYABLES

	June 30, 2020	December 31, 2019	June 30, 2019
Payables for salaries	\$ 7,773,866	\$ 12,205,156	\$ 9,206,547
Payables for dividends	3,690,288	-	4,425,380
Payables for purchase of property, plant and equipment	2,061,942	2,726,377	2,378,368
Payables for annual leave	982,302	1,165,164	978,546
Employee compensation payables	786,821	777,250	854,395
Interest payables	179,977	239,973	275,722
Compensation due to directors	150,980	168,575	207,229
Others	<u>8,600,347</u>	<u>8,165,832</u>	<u>7,796,952</u>
	<u>\$ 24,226,523</u>	<u>\$ 25,448,327</u>	<u>\$ 26,123,139</u>
Current	\$ 24,074,812	\$ 25,295,496	\$ 25,970,553
Non-current	<u>151,711</u>	<u>152,831</u>	<u>152,586</u>
	<u>\$ 24,226,523</u>	<u>\$ 25,448,327</u>	<u>\$ 26,123,139</u>

24. RETIREMENT BENEFIT PLANS

Employee benefits expenses in respect of the Group's defined benefit retirement plans were calculated using the respective annual, actuarially determined pension cost discount rates as of December 31, 2019 and 2018 and recognized in the following line items in their respective periods:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Operating costs	\$ 63,843	\$ 50,411	\$ 129,156	\$ 96,660
Selling and marketing expenses	426	416	945	831
General and administrative expenses	(217,346)	76,488	(133,135)	148,434
Research and development expenses	<u>1,337</u>	<u>1,721</u>	<u>2,904</u>	<u>3,511</u>
	<u>\$ (151,740)</u>	<u>\$ 129,066</u>	<u>\$ (130)</u>	<u>\$ 249,436</u>

25. EQUITY

a. Share capital

	June 30, 2020	December 31, 2019	June 30, 2019
Number of shares authorized (in thousands)	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
Amount of shares authorized	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>2,946,787</u>	<u>2,946,787</u>	<u>2,946,787</u>
Amount of shares issued	<u>\$ 29,467,872</u>	<u>\$ 29,467,872</u>	<u>\$ 29,467,872</u>

b. Capital surplus

	June 30, 2020	December 31, 2019	June 30, 2019
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)			
Recognized from issuance of ordinary shares	\$ 848,603	\$ 848,603	\$ 848,603
Recognized from conversion of bonds	1,447,492	1,447,492	1,447,492
Recognized from treasury share transactions	1,824,608	1,824,608	1,824,608
Recognized from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	109,637	339,730	343,174
<u>May be used to offset a deficit only</u>			
Recognized from the share of changes in net assets of associates and joint ventures	132,299	131,964	65,530
Others	<u>27,230</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,389,869</u>	<u>\$ 4,592,397</u>	<u>\$ 4,529,407</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

Under the dividend policy of the Articles, the Company should make appropriations from the annual net profit in the following order:

- 1) For paying taxes.
- 2) For offsetting deficits.
- 3) For the legal reserve at 10% of the remaining profit, and for the special reserve to be appropriated and distributed according to regulations or upon request by the FSC.
- 4) The total of any remaining profit after the appropriations mentioned above plus any accumulated unappropriated earnings from prior years may be partially retained and then the remainder distributed as proposed according to the share ownership proportion.

The board of directors proposes an earnings distribution in the form of new shares shall be approved following the resolution of the shareholders' meetings. Distribution of dividends and bonuses or distribution of the legal reserve and capital surplus in whole or in part by cash shall be resolved by a majority vote at a meeting attended by more than two thirds of the total number of directors, and such distribution shall be reported at the shareholders' meeting.

For information about the accrual basis of the employees' compensation and remuneration of directors and supervisors and the actual appropriations, refer to employee's compensation and remuneration of directors in Note 27 (h).

In accordance with the “Articles”, profit may be distributed after taking into consideration the future development plan, financial condition, business and operational status, and so on. The distribution of profit shall be proposed by the board of directors, and submitted to the shareholders’ meeting for approval. The ratio of distribution shall be no less than 30% of the net income for each fiscal year, and the proportion of cash dividends distributed shall be no less than 30% of total dividends distributed. If there are material changes in the operating environment, the Company can adjust the ratio and amounts of distribution of profit.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company’s paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs”, the Company should appropriate or reverse to a special reserve.

The appropriations of earnings for 2019 and 2018, which were approved in the shareholders’ meetings on April 28, 2020 and June 13, 2019, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	For Year 2019	For Year 2018	For Year 2019	For Year 2018
Legal reserve	\$ 1,182,861	\$ 1,070,864	\$ -	\$ -
Special reserve	(22,293,369)	8,376,139	-	-
Cash dividends	3,683,484	4,420,181	1.25	1.50

d. Other equity item

1) Exchange differences on translating the financial statements of foreign operations

	For the Six Months Ended June 30	
	2020	2019
Balance at January 1	\$ (2,498,149)	\$ (312,124)
Exchange differences on translating the financial statements of foreign operations	(1,168,458)	887,081
Share of exchange differences of associates and joint ventures accounted for using equity method	<u>(22,815)</u>	<u>8,185</u>
Balance at June 30	<u>\$ (3,689,422)</u>	<u>\$ 583,142</u>

2) Unrealized gain or loss on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2020	2019
Balance at January 1	\$ 13,759,473	\$ (8,483,931)
Unrealized (loss) gain from equity instruments	(80,068)	3,044,962
Cumulative unrealized (loss) gain of equity instruments transferred to retained earnings due to disposal	(8,606)	1,048,501
Share of gain from associates and joint ventures accounted for using equity method	<u>7,055,812</u>	<u>15,259,357</u>
Balance at June 30	<u>\$ 20,726,611</u>	<u>\$ 10,868,889</u>

3) Others

	For the Six Months Ended June 30	
	2020	2019
Balance at January 1	\$ 423,243	\$(13,497,314)
Share of (loss) gain from associates and joint ventures accounted for using equity method	<u>(3,078,395)</u>	<u>9,246,032</u>
Balance at June 30	<u>\$ (2,655,152)</u>	<u>\$ (4,251,282)</u>

e. Non-controlling interests

	For the Six Months Ended June 30	
	2020	2019
Balance at January 1	\$ 72,460,088	\$ 74,334,314
Share of non-controlling interests		
Net (loss) income	(2,010,594)	3,430,484
Exchange differences on translating the financial statements of foreign operations	(1,254,657)	830,348
Unrealized (loss) gain on financial assets at FVTOCI	(122,005)	152,005
Others	(60)	-
Remeasurement of defined benefit plans	(72,351)	-
Changes in non-controlling interests	<u>(1,886,648)</u>	<u>(3,902,816)</u>
Balance at June 30	<u>\$ 67,113,773</u>	<u>\$ 74,844,335</u>

26. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Sales revenue	\$ 63,270,155	\$ 80,703,034	\$ 122,579,790	\$ 157,163,800
Revenue from entertainment and resorts	71,062	120,868	169,166	259,702
Others	<u>69,008</u>	<u>54,969</u>	<u>109,689</u>	<u>78,878</u>
	<u>\$ 63,410,225</u>	<u>\$ 80,878,871</u>	<u>\$ 122,858,645</u>	<u>\$ 157,502,380</u>

27. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations consist of the following:

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Interest income				
Cash in bank	\$ 102,201	\$ 129,148	\$ 193,764	\$ 265,664
Financial assets at amortized cost	68,233	63,260	142,941	88,627
Repurchase agreements collateralized by bonds	6,370	5,718	7,335	10,990
Others	<u>264</u>	<u>6,868</u>	<u>4,754</u>	<u>13,572</u>
	<u>\$ 177,068</u>	<u>\$ 204,994</u>	<u>\$ 348,794</u>	<u>\$ 378,853</u>

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Rental income	\$ 154,291	\$ 142,326	\$ 310,384	\$ 280,077
Dividend income	3,617	872	3,617	872
Others	<u>384,972</u>	<u>391,012</u>	<u>767,839</u>	<u>763,031</u>
	<u>\$ 542,880</u>	<u>\$ 534,210</u>	<u>\$ 1,081,840</u>	<u>\$ 1,043,980</u>

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Net loss on disposal of property, plant and equipment	\$ (85,650)	\$ (128,834)	\$ (164,350)	\$ (243,224)
Net foreign exchange (loss) gain	(705,638)	(203,516)	(262,964)	39,457
Net gain on disposal of subsidiaries, associates and joint ventures	126,871	595,557	531,969	606,871
Net gain (loss) on fair value of financial instruments at FVTPL	473,948	(159,982)	(528,421)	125,842
Impairment loss recognized	(269,055)	(48,792)	(269,055)	(48,792)
Others	<u>(34,010)</u>	<u>(49,188)</u>	<u>(59,824)</u>	<u>(98,586)</u>
	<u>\$ (493,534)</u>	<u>\$ 5,245</u>	<u>\$ (752,645)</u>	<u>\$ 381,568</u>

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Interest on bank borrowings	\$ 460,598	\$ 720,437	\$ 1,028,343	\$ 1,433,710
Lease liabilities	130,308	112,438	267,066	214,450
Interest on short-term bills payable	3,606	4,828	8,903	9,040
Other interest expense	<u>198</u>	<u>13,001</u>	<u>9,473</u>	<u>31,096</u>
	<u>\$ 594,710</u>	<u>\$ 850,704</u>	<u>\$ 1,313,785</u>	<u>\$ 1,688,296</u>

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Property, plant and equipment	\$ 2,702,168	\$ 2,663,230	\$ 5,441,993	\$ 5,314,246
Right-of-use assets	1,231,548	1,015,560	2,523,799	1,915,131
Other intangible assets	116,688	127,789	235,031	255,012
Investment properties	6,674	6,665	13,276	13,283
Other prepaid expenses	<u>427</u>	<u>480</u>	<u>873</u>	<u>969</u>
	<u>\$ 4,057,505</u>	<u>\$ 3,813,724</u>	<u>\$ 8,214,972</u>	<u>\$ 7,498,641</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
An analysis of depreciation by function				
Operating costs	\$ 1,674,609	\$ 1,583,407	\$ 3,245,524	\$ 3,185,818
Operating expenses	2,264,460	2,097,528	4,731,000	4,047,817
Non-operating expenses	<u>1,321</u>	<u>4,520</u>	<u>2,544</u>	<u>9,025</u>
	<u>\$ 3,940,390</u>	<u>\$ 3,685,455</u>	<u>\$ 7,979,068</u>	<u>\$ 7,242,660</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 117,115</u>	<u>\$ 128,269</u>	<u>\$ 235,904</u>	<u>\$ 255,981</u>

(Concluded)

f. Direct operating expenses from investment properties

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Generate rental income	<u>\$ 11,650</u>	<u>\$ 11,304</u>	<u>\$ 23,707</u>	<u>\$ 22,657</u>

g. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Short-term benefits	\$ 14,419,416	\$ 18,384,612	\$ 30,740,470	\$ 34,931,626
Post-employment benefits				
Defined contribution plans	3,237,485	1,946,441	5,587,644	3,820,722
Defined benefit plans	<u>(151,740)</u>	<u>129,066</u>	<u>(130)</u>	<u>249,436</u>
	3,085,745	2,075,507	5,587,514	4,070,158
Share-based payments				
Equity-settled	(18,146)	63,519	(11,192)	90,988
Termination benefits	<u>6,126</u>	<u>1,460</u>	<u>9,626</u>	<u>2,101</u>
	<u>\$ 17,493,141</u>	<u>\$ 20,525,098</u>	<u>\$ 36,326,418</u>	<u>\$ 39,094,873</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 10,970,875	\$ 13,230,390	\$ 23,422,409	\$ 25,488,431
Operating expenses	<u>6,522,266</u>	<u>7,294,708</u>	<u>12,904,009</u>	<u>13,606,442</u>
	<u>\$ 17,493,141</u>	<u>\$ 20,525,098</u>	<u>\$ 36,326,418</u>	<u>\$ 39,094,873</u>

As of June 30, 2020 and 2019, there were 322,475 and 346,542 employees, respectively, in the Group. The Group accounts for employee benefits expense based on the number of employees.

h. Employee's compensation and remuneration of directors

According to the Company's Articles, the Company shall distribute employees' compensation and remuneration of directors and supervisors at rates of 1%-5% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. In the case of an accumulated loss, the Company shall allocate an amount to recover such loss before appropriating any employees' compensation and remuneration of directors and supervisors.

The employees' compensation and remuneration of directors for the six months ended June 30, 2020 and 2019 were as follows:

Accrual rate

	For the Six Months Ended June 30	
	2020	2019
Employees' compensation	1.6%	1.8%
Remuneration of directors	0.8%	0.9%

Amount

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Employees' compensation	\$ 13,165	\$ 75,265	\$ 33,101	\$ 129,970
Remuneration of directors	\$ 6,582	\$ 37,634	\$ 16,550	\$ 64,985

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018, which were approved by the Company's board of directors on March 31, 2020 and March 25, 2019, respectively, were as follows:

	For the Year Ended December 31			
	2019		2018	
	Cash	Shares	Cash	Shares
Employees' compensation	\$ 203,200	\$ -	\$ 214,776	\$ -
Remuneration of directors	101,600	-	107,388	-

There was no difference between the actual amounts of employees' compensation and remuneration of directors approved/paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

Information on employees' compensation and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

28. INCOME TAXES

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Current tax				
In respect of the current period	\$ 110,664	\$ 621,627	\$ 534,344	\$ 1,540,415
Income tax expense of unappropriated earnings	1,369,646	-	1,369,646	-
Adjustments for prior year's income tax	5,385	293	6,889	293
Repatriation of offshore funds	<u>25,992</u>	<u>-</u>	<u>25,992</u>	<u>-</u>
	<u>1,511,687</u>	<u>621,920</u>	<u>1,936,871</u>	<u>1,540,708</u>
Deferred tax				
In respect of the current period	(511,472)	(61,696)	(577,783)	(244,676)
Adjustments for prior year's income tax	<u>-</u>	<u>-</u>	<u>581</u>	<u>-</u>
	<u>(511,472)</u>	<u>(61,696)</u>	<u>(577,202)</u>	<u>(244,676)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,000,215</u>	<u>\$ 560,224</u>	<u>\$ 1,359,669</u>	<u>\$ 1,296,032</u>

In July 2019, the President of the ROC announced “The Management, Utilization, and Taxation of Repatriated Offshore Funds Act”. Within two years from the enforcement of this Act, enterprises may be subject to the approval of the tax authority for taxation. Instead of the applicable legal tax rate of 20%, the tax rate of the funds repatriated in the first year from the enforcement of this Act is 8% and the tax rate of the funds repatriated in the second year from the date following the last day of the first year from the enforcement of this Act is 10%. If enterprises meet the substantive investment requirements, a 50% refund of the tax paid under this Act can be applied and shall be submitted to the tax authority.

In April 2020, the Ministry of Finance approved the repatriation of \$324,901 thousand (US\$10,870 thousand). In May 2020, the tax expense of the repatriation is \$25,992 thousand at the tax rate of 8%.

b. Income tax assessments

The income tax returns of the Company through 2018 have been assessed by the tax authorities.

29. (LOSS) EARNINGS PER SHARE

The basic (loss) earnings per share and diluted (loss) earnings per share for the three months ended June 30, 2020 and 2019 and the six months ended June 30, 2020 and 2019 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Net (loss) income (in thousand dollars)				
Earnings used in the computation of (loss) earnings per share	<u>\$ (525,973)</u>	<u>\$ 4,033,231</u>	<u>\$ 659,706</u>	<u>\$ 6,952,290</u>
Weighted average number of shares outstanding (in thousand shares)				
Weighted average number of ordinary shares used in the computation of basic earnings per share	<u>2,946,787</u>	2,946,787	2,946,787	2,946,787
Effect of potentially dilutive ordinary shares:				
Employees' compensation		<u>1,955</u>	<u>3,042</u>	<u>4,622</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share		<u>2,948,742</u>	<u>2,949,829</u>	<u>2,951,409</u>
(Loss) earnings per share (in dollars)				
Basic (loss) earnings per share	<u>\$(0.18)</u>	<u>\$1.37</u>	<u>\$0.22</u>	<u>\$2.36</u>
Diluted (loss) earnings per share	<u>\$(0.18)</u>	<u>\$1.37</u>	<u>\$0.22</u>	<u>\$2.36</u>

Since the Company offered to settle the compensation paid to employees by cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

30. SHARE-BASED PAYMENT ARRANGEMENTS

a. Information about Yue Yuen's employee share options

Information about the granted employee share options during the six months ended June 30, 2020 and 2019 was as follows:

	For the Six Months Ended June 30	
	2020	2019
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	1,312	1,387
Options cancelled	(120)	(40)
Options exercised	<u>(35)</u>	<u>-</u>
Balance at June 30	<u>1,157</u>	<u>1,347</u>

Yue Yuen recognized \$12,402 thousand and \$16,918 thousand in compensation costs for the six months ended June 30, 2020 and 2019, respectively.

b. Information about Pou Sheng's employee share options

1) Information about outstanding share options during the six months ended June 30, 2020 and 2019 was as follows:

	For the Six Months Ended June 30			
	2020		2019	
Employee Share Options	Number of Shares Purchasable (In Thousands)	Weighted- average Exercise Price (HK\$)	Number of Shares Purchasable (In Thousands)	Weighted- average Exercise Price (HK\$)
Balance at January 1	10,872	\$ 2.44	28,244	\$ 1.75
Options cancelled	(8,164)	2.49	(5,040)	1.23
Options exercised	<u>(375)</u>	1.05	<u>(11,166)</u>	1.23
Balance at June 30	<u>2,333</u>	2.49	<u>12,038</u>	2.45
Exercisable options at June 30	<u>2,333</u>	2.49	<u>2,708</u>	2.29

Information about outstanding employee share options as of June 30, 2020, December 31, 2019 and June 30, 2019 was as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Range of exercise price (HK\$)	\$2.494	\$1.05-\$2.494	\$1.05-\$2.494
Weighted-average remaining contractual life (years)	0.67	2.80	3.00

Pou Sheng recognized \$(21,100) thousand and \$4,306 thousand in compensation (gain) costs for the six months ended June 30, 2020 and 2019, respectively.

- 2) Information about the granted employee share options during the six months ended June 30, 2020 and 2019 was as follows:

	For the Six Months Ended June 30	
	2020	2019
	Number of Shares (In Thousands)	Number of Shares (In Thousands)
Balance at January 1	42,743	43,843
Options granted	1,500	13,826
Options cancelled	(9,775)	(2,219)
Options exercised	<u>(4,305)</u>	<u>(3,096)</u>
Balance at June 30	<u>30,163</u>	<u>52,354</u>

Pou Sheng recognized \$(2,494) thousand and \$42,145 thousand in compensation (gain) costs for the six months ended June 30, 2020 and 2019, respectively.

- c. Information about Texas Clothing Holding Corporation's ("TCHC") employee share options

The Group has disposed of TCHC on May 31, 2019. After the transaction, TCHC is no longer a subsidiary of the Group.

Granted employee share options of TCHC have been cancelled entirely at May 21, 2019. Information about outstanding share options during the five months ended May 31, 2019 was as follows:

	For the Five Months Ended May 31, 2019	
	Number of Shares Purchasable (In Thousands)	Weighted- average Exercise Price (US\$)
Employee Share Options		
Balance at January 1	817	\$ 20.01
Options exercised	<u>(817)</u>	-
Balance at the end of the period	<u>-</u>	-
Exercisable options at the end of the period	<u>-</u>	-

From January 1 to May 31, 2019, TCHC recognized the above share award plan as expense of 27,619 thousand.

31. DISPOSAL OF SUBSIDIARIES

The Group lost control of its subsidiary in the first half of 2019. The total assets and liabilities of the subsidiary on the date of disposal are as follows

	Amount
Assets	
Cash and cash equivalents	\$ 273,608
Trade receivables and other receivables	1,907,177
Income tax refund receivable	96,628
Inventories	4,127,408
Property, plant and equipment	436,362
Right-of-use asset	733,482
Goodwill	347,127
Intangible assets	1,506,783
Deferred tax assets	408,315
Liabilities	
Short-term borrowings	(1,066,041)
Payables and other payables	(1,328,498)
Income tax payable	(34,663)
Lease liability	(740,098)
Long-term Borrowings	(2,321,207)
Deferred tax liabilities	<u>(393,934)</u>
	<u>\$ 3,952,449</u>

a. Consideration received from disposals

	Amount
Cash and cash equivalents	\$ 3,618,100
Sales proceeds receivable	496,960
Restricted bank deposits (listed in other current assets)	66,779
Contingent consideration	<u>354,364</u>
Total consideration received	<u>\$ 4,536,203</u>

b. Gain on disposals of subsidiaries

	Amount
Total consideration received	\$ 4,536,203
Net assets disposed of	(3,952,449)
The net assets of the subsidiary are reclassified from equity to profit or loss due to the loss of control of the subsidiary	<u>11,803</u>
Gain on disposals	<u>\$ 595,557</u>

c. Net cash inflow on disposals of subsidiaries

	Amount
Consideration received in cash and cash equivalents	\$ 3,309,892
Less: Cash and cash equivalent balances disposed of	<u>(273,608)</u>
	<u>\$ 3,036,284</u>

32. EXPLANATORY COMMENTS ABOUT THE SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The Group's industry is not seasonal in nature. Based on historical experience, the sales of the Group are not seasonally-dependent.

33. CAPITAL MANAGEMENT

The Group's capital management policy is to ensure that the Group has sufficient financial resources and operating plans to balance the working capital, capital expenditure, research and development expenditure, repayment of debt and dividends paid to shareholders within twelve months.

34. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group's management considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1, 2 and 3 based on the degree to which the fair value is observable:

1) The fair value hierarchy is as follows:

June 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 188,649	\$ -	\$ 188,649
Structured deposits	-	591,296	-	591,296
Mutual funds	513,589	-	246,696	760,285
Contingent consideration	<u>-</u>	<u>-</u>	<u>389,609</u>	<u>389,609</u>
	<u>\$ 513,589</u>	<u>\$ 779,945</u>	<u>\$ 636,305</u>	<u>\$ 1,929,839</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 18,523,326	\$ -	\$ -	\$ 18,523,326
Domestic unlisted shares	-	-	100,423	100,423
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>127,796</u>	<u>127,796</u>
	<u>\$ 18,523,326</u>	<u>\$ -</u>	<u>\$ 228,219</u>	<u>\$ 18,751,545</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 960,143</u>	<u>\$ -</u>	<u>\$ 960,143</u>

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 188,571	\$ -	\$ 188,571
Structured deposits	-	598,281	-	598,281
Mutual funds	652,036	-	238,326	890,362
Contingent consolidation	<u>-</u>	<u>-</u>	<u>369,205</u>	<u>369,205</u>
	<u>\$ 652,036</u>	<u>\$ 786,852</u>	<u>\$ 607,531</u>	<u>\$ 2,046,419</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 18,682,365	\$ -	\$ -	\$ 18,682,365
Domestic unlisted shares	-	-	70,805	70,805
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>205,409</u>	<u>205,409</u>
	<u>\$ 18,682,365</u>	<u>\$ -</u>	<u>\$ 276,214</u>	<u>\$ 18,958,579</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 356,107</u>	<u>\$ -</u>	<u>\$ 356,107</u>

June 30, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	\$ -	\$ 280,017	\$ -	\$ 280,017
Structured deposits	-	612,130	-	612,130
Mutual funds	680,763	-	110,706	791,469
Contingent consideration	<u>-</u>	<u>-</u>	<u>358,241</u>	<u>358,241</u>
	<u>\$ 680,763</u>	<u>\$ 892,147</u>	<u>\$ 468,947</u>	<u>\$ 2,041,857</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	\$ 18,810,199	\$ -	\$ -	\$ 18,810,199
Domestic unlisted shares	-	-	78,028	78,028
Foreign unlisted shares	<u>-</u>	<u>-</u>	<u>212,793</u>	<u>212,793</u>
	<u>\$ 18,810,199</u>	<u>\$ -</u>	<u>\$ 290,821</u>	<u>\$ 19,101,020</u>
Financial liabilities at FVTPL				
Derivative financial liabilities	<u>\$ -</u>	<u>\$ 660,159</u>	<u>\$ -</u>	<u>\$ 660,159</u>

- 2) There were no transfers between Levels 1 and 2 in the current and prior periods.
- 3) There was no reconciliation of Level 3 fair value measurements of financial assets except for changes in fair value recognized in other comprehensive income.
- 4) The fair value of Level 2 financial assets and financial liabilities is determined as follows:
 - a) The fair value of financial instruments with standard terms and conditions and traded in active liquid markets is determined with reference to the quoted market prices.
 - b) The future cash flows of derivatives are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

5) Valuation techniques and assumptions applied for Level 3 fair value measurement is as follows:

The fair values of unlisted shares and funds with no active market is determined using the asset approach, income approach and market approach.

The future cash flow of the contingent consideration of the receivables from disposal of subsidiary is estimated using the expected revenue growth rate. It is discounted at a discount rate that reflects the credit risk of the counterparty. Significant unobservable inputs include discount rate and operating income growth rate.

c. Categories of financial instruments

	June 30, 2020	December 31, 2019	June 30, 2019
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily at FVTPL	\$ 1,929,839	\$ 2,046,419	\$ 2,041,857
Financial assets at amortized cost (Note 1)	93,313,043	84,781,957	84,792,885
Financial assets at FVTOCI	18,751,545	18,958,579	19,101,020
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	960,143	356,107	660,159
Financial liabilities at amortized cost (Note 2)	149,093,716	145,732,121	153,108,809

Note 1: The balance included financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable, other receivables and refundable deposits.

Note 2: The balances included financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, accounts payable, other payables, long-term borrowings, long-term payables and guarantee deposits.

d. Financial risk management objectives and policies

The Group's major financial instruments included equity investments, borrowings, receivables, payables, lease liabilities, refundable deposits and guarantee deposits. The Group's treasury function monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts and other derivative instruments.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities and the carrying amount of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 39.

Sensitivity analysis

The Group was mainly exposed to the USD, RMB, HKD, VND and IDR.

The following table details the Group's sensitivity to 1% increase (decrease) in New Taiwan dollars (the functional currency) against the relevant foreign currencies. A positive (negative) number below indicates an increase (decrease) in pre-tax profit with New Taiwan dollars strengthening 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	For the Six Months Ended June 30	
	2020	2019
USD	\$ (29,140)	\$ (5,949)
RMB	(71,154)	(91,138)
HKD	(7,763)	(1,925)
VND	9,715	184,054
IDR	(2,432)	192

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings, and using interest rate swap contracts and forward interest rate contracts.

The carrying amounts of the Group's financial liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Cash flow interest rate risk			
Financial liabilities	\$ 102,447,752	\$ 97,853,535	\$ 93,804,920

Sensitivity analysis

The sensitivity analysis below was based on the Group's floating rate liabilities. The analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole period. If there had been a 1%-increase in interest rates, it would have caused the Group to increase its cash outflow by \$512,239 thousand and \$469,025 thousand during the six months ended June 30, 2020 and 2019, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and mutual funds. The investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had declined by 1%, income before income tax for the six months ended June 30, 2020 and 2019 would have decreased by \$7,603 thousand and \$7,915 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the other comprehensive income for the six months ended June 30, 2020 and 2019 would have decreased by \$185,422 thousand and \$188,291 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The company's sensitivity to equity securities investment has not changed significantly from the previous year.

2) Credit risk

Financial instruments are evaluated for credit risk (which represents the potential loss that would be incurred by the Company if a counterparty or third party were to breach a contract). The risk includes the centralization of credit risk, components, contract figures, and accounts receivable. Besides, the Company requires significant clients to provide guarantees of a credit rating of intermediate or higher issued by a bank so as to effectively reduce its credit risk.

3) Liquidity risk

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

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The tables had been drawn up based on the undiscounted cash flows of financial liabilities including both interest and principal from the earliest date on which the Group can be required to pay.

June 30, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 15,180,967	\$ 8,777,384	\$ 10,319,458	\$ 125,104	\$ 58,188
Lease liabilities	243,487	1,182,468	2,915,392	6,568,880	1,147,959
Floating interest rate liabilities	12,787,634	17,798,985	16,681,177	55,162,732	17,224
Fixed interest rate liabilities	-	724,178	4,153,129	8,711,658	-
Financial guarantee contracts	70,237,884	-	-	-	-
	<u>\$ 98,449,972</u>	<u>\$ 28,483,015</u>	<u>\$ 34,069,156</u>	<u>\$ 70,568,374</u>	<u>\$ 1,223,371</u>

December 31, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing	\$ 19,358,328	\$ 10,015,585	\$ 10,832,018	\$ 114,233	\$ 62,601
Lease liability	154,496	889,905	3,294,083	7,817,606	1,311,513
Floating interest rate liabilities	23,978,227	12,484,457	6,053,969	55,312,759	24,122
Fixed interest rate liabilities	-	255,217	15,620	10,488,201	-
Financial guarantee contracts	<u>64,041,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 107,532,944</u>	<u>\$ 23,645,164</u>	<u>\$ 20,195,690</u>	<u>\$ 73,732,799</u>	<u>\$ 1,398,236</u>

June 30, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilities	\$ 17,180,813	\$ 9,636,090	\$ 12,314,332	\$ 115,453	\$ 61,017
Lease liabilities	351,220	819,176	2,910,618	5,732,041	1,236,762
Floating interest rate liabilities	19,916,191	13,131,198	14,385,617	49,589,030	31,021
Fixed interest rate liabilities	-	3,275,218	1,265,654	7,361,608	-
Financial guarantee contracts	<u>64,232,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 101,680,466</u>	<u>\$ 26,861,682</u>	<u>\$ 30,876,221</u>	<u>\$ 62,798,132</u>	<u>\$ 1,328,800</u>

The amounts included above for floating interest rate instruments for non-derivative financial liabilities were subject to change if floating interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

June 30, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	\$ -	\$ 67,971	\$ 241,811	\$ 581,532	\$ -
Forward exchange contracts	-	2,482	27,688	-	-
Exchange rate option contracts	-	-	-	8,731	-
Cross-currency swap contracts	-	-	15,354	-	-
Exchange rate swap contracts	<u>-</u>	<u>14,574</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 85,027</u>	<u>\$ 284,853</u>	<u>\$ 590,263</u>	<u>\$ -</u>

December 31, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	\$ -	\$ 13,431	\$ 49,017	\$ 245,918	\$ -
Cross-currency swap contracts	-	-	25,666	-	-
Exchange rate swap contracts	1,442	18,250	-	-	-
Exchange rate option contracts	-	-	-	2,383	-
	<u>\$ 1,442</u>	<u>\$ 31,681</u>	<u>\$ 74,683</u>	<u>\$ 248,301</u>	<u>\$ -</u>

June 30, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Interest rate swap contracts	\$ -	\$ -	\$ -	\$ 325,903	\$ -
Cross-currency swap contracts	3,255	4,619	-	-	-
Exchange rate swap contracts	716	56,526	-	-	-
Exchange rate option contracts	-	154,446	109,953	4,741	-
	<u>\$ 3,971</u>	<u>\$ 215,591</u>	<u>\$ 109,953</u>	<u>\$ 330,644</u>	<u>\$ -</u>

35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

a. Related party names and categories

<u>Name</u>	<u>Related Party Category</u>
Oftenrich Holdings Limited	Associate
San Fang Chemical Industry Co., Ltd.	Associate
Ka Yuen Rubber Factory Limited	Joint venture
Twinways Investments Limited	Joint venture
Kounshan Baowei Information Technology Co., Ltd.	Joint venture
Vipshop Holdings Limited	Other related party

b. Operating revenue

Account	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2020	2019	2020	2019
Sales	Associates	\$ 8,430	\$ 39,941	\$ 22,068	\$ 65,344
	Joint ventures	3,572,453	128,423	5,448,308	238,768
	Other related parties	<u>66</u>	<u>580</u>	<u>600,296</u>	<u>580</u>
		<u>\$ 3,580,949</u>	<u>\$ 168,944</u>	<u>\$ 6,070,672</u>	<u>\$ 304,692</u>

The sales prices and receivable terms to related parties were not significantly different from those of non-related parties.

c. Purchases

Account	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2020	2019	2020	2019
Purchases	Associates	\$ 461,526	\$ 746,446	\$ 1,212,789	\$ 1,509,151
	Joint ventures	<u>1,184,457</u>	<u>1,258,455</u>	<u>2,572,633</u>	<u>2,418,605</u>
		<u>\$ 1,645,983</u>	<u>\$ 2,004,901</u>	<u>\$ 3,785,422</u>	<u>\$ 3,927,756</u>

The purchase prices and payment terms from related parties were not significantly different from those of non-related parties.

d. Receivables from related parties

Amount Item	Related Party Category	June 30, 2020	December 31, 2019	June 30, 2019
Notes receivable and accounts receivable	Associates	\$ 6,932	\$ 14,135	\$ 33,658
	Joint ventures	2,499,376	32,065	38,440
	Other related parties	<u>-</u>	<u>541,131</u>	<u>-</u>
		<u>\$ 2,506,308</u>	<u>\$ 587,331</u>	<u>\$ 72,098</u>

No bad debt expense was recognized for the six months ended June 30, 2020 and 2019 for the amounts owed by related parties.

e. Payables to related parties

Amount Item	Related Party Category	June 30, 2020	December 31, 2019	June 30, 2019
Notes payable and accounts payable	Associates	\$ 443,353	\$ 732,041	\$ 731,106
	Joint ventures	<u>990,477</u>	<u>1,021,262</u>	<u>1,164,615</u>
		<u>\$ 1,433,830</u>	<u>\$ 1,753,303</u>	<u>\$ 1,895,721</u>

f. Financing provided

Refer to Table 1 “Financing provided to others” of Note 40 in the consolidated financial statements.

g. Endorsements/guarantees provided

Refer to Table 2 “Endorsements/guarantees provided” of Note 40 in the consolidated financial statements.

h. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Short-term employee benefits	\$ 34,492	\$ 69,925	\$ 76,875	\$ 129,870

The remuneration of directors and key management personnel was determined by the remuneration committee with regard to the performance of individuals and market trends.

36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for the issuance of gift vouchers:

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets at amortized cost	\$ 45,894	\$ 52,085	\$ 37,280

37. SIGNIFICANT COMMITMENTS AND UNRECOGNIZED LIABILITIES

a. Outstanding letters of credit of the Group at the end of reporting period were as follows:

(Unit: Foreign Currencies in Thousands)

Foreign Currencies	June 30, 2020	December 31, 2019	June 30, 2019
USD	\$ 1,421	\$ 1,381	\$ 2,067
EUR	-	117	147
IDR	23,285,074	13,350,662	11,378,899
VND	4,069,302	4,069,302	4,069,302

b. The Company invests in Nan Shan Life Insurance Co., Ltd. through Ruen Chen Investment Holding Co., Ltd. According to the request made by the FSC, the Company provided 61,295 thousand ordinary shares of Yue Yuen in the custody of the trust department of Mega Bank during the period from June 27, 2011 to June 27, 2021. The Company will not dispose of or make encumbrance the shares of Wealthplus equal to the share value of Yue Yuen during the trust period. The Company terminated the contract of shares in the custody of Mega Bank as mentioned above and retrieved the shares on October 22, 2019 because Ruen Chen Investment Holding Co., Ltd applied to FSC for releasing the custody, and was authorized by FSC on October 21, 2019.

c. Because of the Company’s investment in Nan Shan Life Insurance Co., Ltd. through Ruen Chen Investment Holding Co., Ltd., the Company received a request from the FSC to provide 490,000 thousand ordinary shares of Ruen Chen in the custody of the trust department of First Bank, and the trust period is ten years.

- d. The Company entered into project agreements with the Institute for Information Industry (“III”). According to the project agreements, the Company has to provide promissory notes and bank guarantees to III as guarantee.

38. OTHERS

In the first half of 2020, the Group was affected by the COVID-19 pandemic. Due to lockdowns and other social distancing measures imposed by the governments of mainland China and Southeast Asian countries, the temporary factory shutdowns of the Group hindered the operating efficiencies and led to temporary supply chain disruptions. In response to the operating environment challenges, the Group made further adjustments to be flexible and strengthened its capacity allocations to cater to changing customer demand. The Group closed its manufacturing facilities in Hubei, China in the first half of 2020. In addition, the Group temporarily adjusted its manufacturing capacity in Southeast Asia in response to ongoing uncertainties and low visibility on customer demand. The closure of manufacturing facilities and factory adjustments led to an increase in expenses, including severance cost of approximately \$2,511,180 thousand. For retail of sporting goods and brand licensing business, the Group temporarily suspended the operations of its major retail stores in mainland China from late January to mid-March of 2020 in an effort to contain the spread of the pandemic, which led to a decline in revenue and gross profit.

To mitigate the impact of the pandemic, the Group will impose strict cost control measures and will focus on its cash flow management. It will continue to adopt a prudent approach to capital expenditure projects.

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than the functional currencies of the Group entities and the exchange rates between the foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

June 30, 2020

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 115,520	29.630	\$ 3,422,868
NTD	1,672,775	1	1,672,775
RMB	1,845,295	4.191	7,733,631
HKD	210,460	3.823	804,590
VND	234,080,000	0.00115	269,192
IDR	194,104,808	0.00208	403,738
Non-monetary items			
NTD	764,221	1	764,221
RMB	884,378	4.191	3,706,428
			(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 17,232	29.630	\$ 510,577
NTD	1,097,246	1	1,097,246
RMB	147,503	4.191	618,185
HKD	7,452	3.823	28,492
VND	1,205,629,565	0.00115	1,386,474
IDR	72,514,904	0.00208	150,831
			(Concluded)

December 31, 2019

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 65,391	29.980	\$ 1,960,416
NTD	762,838	1	762,838
RMB	2,567,830	4.289	11,013,427
HKD	71,815	3.849	276,417
VND	291,538,462	0.00117	341,100
IDR	118,682,569	0.00218	258,728
Non-monetary items			
NTD	956,032	1	956,032
RMB	689,212	4.289	2,956,029

Financial liabilities

Monetary items			
USD	15,594	29.980	467,470
NTD	1,191,000	1	1,191,000
RMB	162,092	4.289	695,216
HKD	14,404	3.849	55,442
VND	1,241,281,196	0.00117	1,452,299
IDR	132,834,404	0.00218	289,579

June 30, 2019

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
<u>Financial assets</u>			
Monetary items			
USD	\$ 80,013	31.060	\$ 2,485,173
NTD	438,164	1	438,164
RMB	2,206,478	4.521	9,975,486
HKD	106,713	3.977	424,396
VND	197,424,793	0.00121	238,884
IDR	112,763,229	0.00223	251,462
Non-monetary items			
NTD	857,450	1	857,450
RMB	672,218	4.521	3,039,096
<u>Financial liabilities</u>			
Monetary items			
USD	60,679	31.060	1,884,716
NTD	888,094	1	888,094
RMB	181,164	4.521	819,042
HKD	58,548	3.977	232,844
VND	1,073,871,901	0.00121	1,299,385
IDR	113,598,207	0.00223	253,324

For the three months ended June 30, 2020 and 2019 and the six months ended June 30, 2020 and 2019, net foreign exchange (losses) gains were \$(705,638) thousand, \$(203,516) thousand, \$(262,964) thousand and \$39,457 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the functional currencies of the Group's entities.

40. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (Table 3)
- 4) Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital (Table 4)
- 5) Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital (Table 5)
- 6) Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least \$100 million or 20% of the paid-in capital (Table 6)

- 8) Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital (Table 7)
 - 9) Trading in derivative instruments (Note 7)
 - 10) Intercompany relationships and significant intercompany transactions (Table 8)
 - 11) Information on investees (Table 9)
- b. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 10)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party: (None).
- c. Information of major shareholders : List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

41. SEGMENT INFORMATION

a. Information about reportable segments

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

- 1) Manufacturing of shoes;
- 2) Retail of sporting goods and brand licensing business; and
- 3) Others.

b. Segment revenue and results

The Group's revenue and results by reportable segment were as follows:

For the six months ended June 30, 2020

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 72,552,565</u>	<u>\$ 49,989,389</u>	<u>\$ 316,691</u>	<u>\$ 122,858,645</u>
Segment income	<u>\$ 5,737,861</u>	<u>\$ 2,138,033</u>	<u>\$ 203,637</u>	\$ 8,079,531
Administrative costs and remuneration of directors				(11,603,562)
Interest income				348,794
				(Continued)

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Rental income				\$ 310,384
Dividend income				3,617
Other income				767,839
Net loss on disposal of property, plant and equipment				(164,350)
Net foreign exchange loss				(262,964)
Net gain on disposal of subsidiaries and associates				531,969
Net loss on financial instruments at FVTPL				(528,421)
Impairment loss of assets				(269,055)
Other loss				(59,824)
Net gain on derecognition of financial assets at amortized cost				35
Finance costs				(1,313,785)
Share of profit of associates and joint ventures				<u>4,168,573</u>
Income before income tax				<u>\$ 8,781</u> (Concluded)

For the six months ended June 30, 2019

	Manufacturing of Shoes	Retail of Sporting Goods and Brand Licensing Business	Others	Total
Revenue from external customers	<u>\$ 90,802,583</u>	<u>\$ 66,296,577</u>	<u>\$ 403,220</u>	<u>\$ 157,502,380</u>
Segment income	<u>\$ 11,316,947</u>	<u>\$ 6,225,434</u>	<u>\$ 288,992</u>	<u>\$ 17,831,373</u>
Administrative costs and remuneration of directors				(10,649,136)
Interest income				378,853
Rental income				280,077
Dividend income				872
Other income				763,031
Net loss on disposal of property, plant and equipment				(243,224)
Net foreign exchange gain				39,457
Net gain on disposal of subsidiaries and associates				606,871
Net gain on fair value financial instruments at FVTPL				125,842
Impairment loss of assets				(48,792)
Other loss				(98,586)
Net loss on derecognition of financial assets at amortized cost				(3,260)
Finance costs				(1,688,296)
Share of profit of associates and joint ventures				<u>4,383,724</u>
Income before income tax				<u>\$ 11,678,806</u>

- 1) Sales between segments were made at market price.
- 2) Segment profit represented the income before income tax earned by each segment without allocation of administration costs, remuneration of directors, rental income, interest income, dividend income, other income, net loss on disposal of property, plant and equipment, net foreign exchange (loss) gain, net gain on disposal of subsidiaries, associates and joint ventures, (loss) gain on financial instruments, impairment loss recognized, other loss, net gain (loss) on derecognition of financial assets at amortized cost, finance costs and the share of profit of associates and joint ventures. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

TABLE 1

POU CHEN CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Financing Company	Borrowing Company	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note
													Item	Value			
0	Pou Chen Corporation	Pou Yii Development Co., Ltd.	Loan receivable	Yes	\$ 205,000	\$ 205,000	\$ 180,500	1.20	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 11,680,998	\$ 46,723,991	
1	Dong Guan Baoqiao Electronic Technology Co., Ltd.	Kunshan Yuanying Electronics Technology Co., Ltd.	Accounts receivable from related parties	Yes	(RMB 13,404 3,100,000)	(RMB 10,897 2,600,000)	(RMB 10,897 2,600,000)	4.35	2	-	Operating capital	-	-	-	116,809,977	116,809,977	
2	Great Pacific Investments Limited	Sure Elite Investments Limited	Accounts receivable from related parties	Yes	(US\$ 3,623 120,000)	-	-	-	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		PT. Pou Yuen Indonesia	Accounts receivable from related parties	Yes	(US\$ 907,500 30,000,000)	-	-	-	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Pro Kingtex Industrial Company Limited	Accounts receivable from related parties	Yes	(US\$ 105,875 3,500,000)	103,705 (US\$ 3,500,000)	103,705 (US\$ 3,500,000)	3.00	2	-	Operating capital	-	-	-	20,927,699	20,927,699	
		Solar Link International Inc.	Accounts receivable from related parties	Yes	(US\$ 260,150 8,600,000)	237,040 (US\$ 8,000,000)	237,040 (US\$ 8,000,000)	3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
3	Orisol Asia Limited	Orisol Vietnam Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 15,125 500,000)	(US\$ 14,815 500,000)	(US\$ 14,815 500,000)	2.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
4	Precious Full Investment Limited	Pou Li Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 786,500 26,000,000)	-	-	-	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Pou Hung Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,089,000 36,000,000)	-	-	3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Pou Phong Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,391,500 46,000,000)	-	-	1.30-3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Powerknit Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,391,500 46,000,000)	-	-	1.30-3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Yue De Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,452,000 48,000,000)	-	-	3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
5	Pou Yuen Industrial (Holdings) Ltd.	Pou Chen Vietnam Enterprise Ltd.	Accounts receivable from related parties	Yes	(US\$ 605,000 20,000,000)	474,080 (US\$ 16,000,000)	474,080 (US\$ 16,000,000)	3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Pouyuen Vietnam Company Ltd.	Accounts receivable from related parties	Yes	(US\$ 3,161,330 104,600,000)	1,330,387 (US\$ 44,900,000)	1,330,387 (US\$ 44,900,000)	1.30-3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Pou Sung Vietnam Company Ltd.	Accounts receivable from related parties	Yes	(US\$ 5,898,750 195,000,000)	5,629,700 (US\$ 190,000,000)	5,629,700 (US\$ 190,000,000)	1.30-2.70	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
6	Prime Asia (S.E. Asia) Leather Corporation	Prime Asia (Vietnam) Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 535,425 17,700,000)	(US\$ 524,451 17,700,000)	(US\$ 524,451 17,700,000)	1.50	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
7	Yue Yuen Industrial (Holdings) Limited	PT. Selalu Cinta Indonesia	Accounts receivable from related parties	Yes	(US\$ 385,190 13,000,000)	385,190 (US\$ 13,000,000)	385,190 (US\$ 13,000,000)	1.25	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Prime Asia (Vietnam) Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 631,033 21,000,000)	622,230 (US\$ 21,000,000)	429,635 (US\$ 14,500,000)	1.30-2.60	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Pou Li Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,052,520 35,000,000)	1,037,050 (US\$ 35,000,000)	770,380 (US\$ 26,000,000)	1.30-2.50	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Pou Phong Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,431,210 48,000,000)	1,422,240 (US\$ 48,000,000)	1,422,240 (US\$ 48,000,000)	1.25-1.30	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Yue De Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,600,020 54,000,000)	1,600,020 (US\$ 54,000,000)	1,600,020 (US\$ 54,000,000)	1.25	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Powerknit Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 1,621,080 54,000,000)	1,600,020 (US\$ 54,000,000)	1,600,020 (US\$ 54,000,000)	1.25-1.30	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Prime Asia Leather Corporation	Accounts receivable from related parties	Yes	(US\$ 968,000 32,000,000)	474,080 (US\$ 16,000,000)	474,080 (US\$ 16,000,000)	2.50	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Pouyuen Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 2,410,800 80,000,000)	2,370,400 (US\$ 80,000,000)	2,370,400 (US\$ 80,000,000)	2.50	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		PT. Pou Chen Indonesia	Accounts receivable from related parties	Yes	(US\$ 2,142,000 71,000,000)	2,103,730 (US\$ 71,000,000)	2,103,730 (US\$ 71,000,000)	1.30-2.70	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Pou Hung Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 2,593,220 86,000,000)	2,548,180 (US\$ 86,000,000)	2,548,180 (US\$ 86,000,000)	2.50	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		PT. Glostar Indonesia	Accounts receivable from related parties	Yes	(US\$ 3,923,300 130,000,000)	3,851,900 (US\$ 130,000,000)	3,851,900 (US\$ 130,000,000)	3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		PT. Nikomas Gemilang	Accounts receivable from related parties	Yes	(US\$ 4,765,700 158,000,000)	4,681,540 (US\$ 158,000,000)	4,681,540 (US\$ 158,000,000)	1.30-3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		PT. Pou Yuen Indonesia	Accounts receivable from related parties	Yes	(US\$ 3,659,500 121,000,000)	3,585,230 (US\$ 121,000,000)	3,585,230 (US\$ 121,000,000)	2.70-3.00	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
8	Top Galaxy Group Limited	Yue Yuen (Anfu) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	(US\$ 363,000 12,000,000)	355,560 (US\$ 12,000,000)	355,560 (US\$ 12,000,000)	2.92	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
9	Pou Hing Industrial Co., Ltd.	Great Pacific Investments Ltd.	Accounts receivable from related parties	Yes	(US\$ 675,450 22,500,000)	-	-	-	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
10	Idea (Macao Commercial Offshore) Limited	Tech Mastery Vietnam Company Limited	Accounts receivable from related parties	Yes	(US\$ 570,380 19,000,000)	562,970 (US\$ 19,000,000)	148,150 (US\$ 5,000,000)	1.30	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
11	Shanggao Yisen Industry Co., Ltd.	Yu Xing (Jishui) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	(RMB 359,454 83,130,000)	348,398 (RMB 83,130,000)	-	3.33	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
12	Dong Guan Yue Yuan Footwear Products Company Limited	Yang Xin Pou Shou Sporting Goods Co., Ltd.	Accounts receivable from related parties	Yes	(RMB 151,340 35,000,000)	146,685 (RMB 35,000,000)	-	3.33	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	(RMB 172,960 40,000,000)	167,640 (RMB 40,000,000)	167,640 (RMB 40,000,000)	3.33	2	-	Operating capital	-	-	-	111,752,952	111,752,952	

(Continued)

No. (Note 1)	Financing Company	Borrowing Company	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 3 and 4)	Aggregate Financing Limit (Notes 3 and 4)	Note
													Item	Value			
13	Pou Chien Technology Co., Ltd.	Yue Dean Technology Corporation	Accounts receivable from related parties	Yes	\$ 200,000	\$ 200,000	\$ 105,856	1.00	2	\$ -	Operating capital	\$ -	-	\$ -	\$ 475,330	\$ 475,330	
14	Dong Guan Jia Yuan Shoe Materials Products Company Limited	Yang Xin Pou Jia Yuen Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	30,268 (RMB 7,000,000)	29,337 (RMB 7,000,000)	29,337 (RMB 7,000,000)	3.05	2	-	Operating capital	-	-	-	39,910	39,910	
15	Dongguan Yusheng Shoe Industry Co., Ltd.	Dongguan Xingtai Consulting Co., Ltd.	Accounts receivable from related parties	Yes	215,400 (RMB 50,000,000)	209,550 (RMB 50,000,000)	-	3.05	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Yu Xing (Jishui) Footwear Co., Ltd.	Accounts receivable from related parties	Yes	29,498 (RMB 7,000,000)	29,337 (RMB 7,000,000)	29,337 (RMB 7,000,000)	3.05	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	105,350 (RMB 25,000,000)	104,775 (RMB 25,000,000)	104,775 (RMB 25,000,000)	3.05	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Accounts receivable from related parties	Yes	129,720 (RMB 30,000,000)	125,730 (RMB 30,000,000)	125,730 (RMB 30,000,000)	3.33	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
		Dongguan Prime Asia Leather Co., Ltd.	Accounts receivable from related parties	Yes	589,156 (RMB 139,000,000)	582,549 (RMB 139,000,000)	129,921 (RMB 31,000,000)	3.05	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
16	Dongguan De Chang Zi Xun Co., Ltd.	Dong Guan Yue Yuan Footwear Products Company Limited	Accounts receivable from related parties	Yes	16,856 (RMB 4,000,000)	16,764 (RMB 4,000,000)	16,764 (RMB 4,000,000)	3.05	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
17	Dongguan Xingtai Consulting Co., Ltd.	Dong Guan Yue Yuan Footwear Products Company Limited	Accounts receivable from related parties	Yes	29,498 (RMB 7,000,000)	29,337 (RMB 7,000,000)	29,337 (RMB 7,000,000)	3.05	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
18	Bao Hong (Yangzhou) Shoes Co., Ltd.	Shanggao Yisen Industry Co., Ltd.	Accounts receivable from related parties	Yes	252,840 (RMB 60,000,000)	251,460 (RMB 60,000,000)	251,460 (RMB 60,000,000)	3.33	2	-	Operating capital	-	-	-	111,752,952	111,752,952	
19	Orisol Asia Limited	Orisol Do Brasil Industria E Comercio De Maquinas Ltda	Accounts receivable from related parties	Yes	48,152 (US\$ 1,600,000)	47,408 (US\$ 1,600,000)	35,556 (US\$ 1,200,000)	1.00	2	-	Operating capital	-	-	-	142,515	142,515	
20	Wealthplus Holdings Limited	Allied Charm Holdings Limited	Accounts receivable from related parties	Yes	4,227 (US\$ 140,000)	-	-	-	2	-	Operating capital	-	-	-	150,361,772	150,361,772	
		Barits Development Corp.	Accounts receivable from related parties	Yes	1,300,000	1,300,000	1,300,000	0.80	2	-	Operating capital	-	-	-	45,108,532	45,108,532	
		Treasure Chain International Limited	Accounts receivable from related parties	Yes	2,606,604 (RMB 603,000,000)	230,505 (RMB 55,000,000)	-	3.90	2	-	Operating capital	-	-	-	45,108,532	45,108,532	
21	Pou Sheng (China) Investment Co., Ltd.	Qingdao Pou-Sheng International Sport Products Co., Ltd.	Loan receivable	Yes	1,463,955 (RMB 338,565,000)	1,418,926 (RMB 338,565,000)	269,213 (RMB 64,235,872)	4.35	2	-	Operating capital	-	-	-	1,443,434	1,443,434	
22	Yue Cheng (Kun Shan) Sports Co., Ltd.	Kounshan Baowei Information Technology Co., Ltd.	Loan receivable	Yes	1,106,424 (RMB 264,000,000)	1,106,424 (RMB 264,000,000)	1,106,424 (RMB 264,000,000)	4.35	2	-	Operating capital	-	-	-	1,119,966	1,119,966	

Note 1: The Company is coded as follows:

- The Company is coded "0".
- The investee is coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The nature of financing is code as follows:

- Business relationship is coded 1.
- The need for short-term financing is coded 2.

Note 3: According to the Company’s policy, procedure of financing provided to others as follows:

- The maximum amount permitted to a single borrower is listed based on the types of financing reasons as follows:
 - Business relationship: Each of the financing amount shall not exceed the amount of our business relationship. Business relationship means higher amount of the purchases from or sales to both sides in the current year or in the future year and shall not exceed 10% of the Company’s net worth.
 - The need for short-term financing: Each of the financing amount shall not exceed 10% of the Company’s net worth.
- The total maximum amount permitted to a single borrower is listed based on the types of financing reasons as follows:
 - Business relationship: Each of the financing amount shall not exceed 10% of the Company’s net worth.
 - The need for short-term financing: Each of the financing amount shall not exceed 40% of the Company’s net worth.
 - Among foreign companies which the Company holds 100% voting rights directly and indirectly, when financing is necessary, the amount is not limited by the above information. However, the limit amount of financing to others during one year shall not exceed the borrowers’ net worth.

Note 4: Foreign companies on which Yue Yuen Industrial (Holdings) Limited held 100% voting rights directly and indirectly: The financing amount shall not exceed 100% of the total equity of Yue Yuen’s consolidated financial statements. If the lender or the borrower is registered in Taiwan, the financing amount shall not exceed 40% of the total equity of the lender’s financial statements. Great Pacific Investments Limited for joint ventures or join operation: The financing amount shall not exceed 40% of the total equity of the lender’s financial statements. For subsidiaries in which Wealthplus Holdings Limited held 100% voting rights directly and indirectly: The financing amount shall not exceed 100% of the total equity of Wealthplus Holdings Limited’s financial statements. Each of the financing amount shall not exceed 30% of the total equity of the lender’s financial statements. Dong Guan Baoqiao Electronic Technology Co., Ltd. held 100% voting rights directly and indirectly: The financing amount shall not exceed 100% of the total equity of Pou Chen’s consolidated financial statements. For subsidiaries in which Pou Sheng International (Holdings) Limited did not hold 100% voting rights directly, the financing amount shall not exceed 40% of the total equity of the lender’s financial statements.

(Concluded)

TABLE 2

POU CHEN CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorsement/ Guarantee Provider	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship (Note 2)											
0	Pou Chen Corporation	Wealthplus Holding Ltd.	b	\$ 116,809,977	\$ 27,468,300	\$ 27,111,450	\$ 99,810	\$ -	23	\$ 233,619,954	Y	N	N	
		Pro Arch International Development Enterprise Inc.	b	116,809,977	104,744	95,568	95,568	-	-	233,619,954	Y	N	N	
		Pou Yii Development Co., Ltd.	b	116,809,977	300,000	300,000	-	-	-	233,619,954	Y	N	N	
		Pou Yuen Technology Co., Ltd.	b	116,809,977	300,000	300,000	36,900	-	-	233,619,954	Y	N	N	
		Yue Hong Realty Development Co., Ltd.	b	116,809,977	550,000	550,000	504,500	-	-	233,619,954	Y	N	N	
		Pou Shine Investment Co., Ltd.	b	116,809,977	1,600,000	1,600,000	731,000	-	1	233,619,954	Y	N	N	
		Barits Development Corp.	b	116,809,977	8,915,000	8,877,800	2,950,000	-	8	233,619,954	Y	N	N	
1	Yue Yuen Industrial (Holdings) Limited	Orisol Asia Limited	b	67,051,771	90,000	90,000	-	-	-	167,629,429	N	N	N	
		Pou Chien Enterprise Co., Ltd.	b	67,051,771	1,300,000	1,300,000	1,300,000	-	1	167,629,429	N	N	N	
		Yue Dean Technology Corporation	b	67,051,771	1,700,000	1,700,000	1,396,000	-	2	167,629,429	N	N	N	
		Pou Sung Vietnam Co., Ltd.	b	67,051,771	177,780	177,780	-	-	-	167,629,429	N	N	N	
		PT. Ka Yuen Indonesia	f	67,051,771	(US\$ 6,000,000)	(US\$ 6,000,000)	-	-	-	167,629,429	N	N	N	
		Yue De Vietnam Company Limited	b	67,051,771	(US\$ 1,000,000)	(US\$ 1,000,000)	100,901	-	-	167,629,429	N	N	N	
		PT. Selalu Cinta Indonesia	b	67,051,771	(US\$ 4,000,000)	(US\$ 4,000,000)	1,133,125	-	1	167,629,429	N	N	N	
		PT. Shoenary Javanesia Inc.	b	67,051,771	(US\$ 76,500,000)	(US\$ 49,500,000)	558,033	-	1	167,629,429	N	N	N	
		Pine Wood Industries Ltd.	f	67,051,771	(US\$ 1,104,929)	(US\$ 820,011)	35,482	-	-	167,629,429	N	N	N	
		Pou Li Vietnam Company Ltd.	b	67,051,771	(US\$ 36,585,000)	(US\$ 27,675,000)	47,552	-	-	167,629,429	N	N	N	
		PT. Kmk Global Sports	b	67,051,771	(US\$ 18,833,367)	(US\$ 18,833,367)	-	-	-	167,629,429	N	N	N	
		Oftenrich Holdings Limited	b	67,051,771	(US\$ 272,250)	(US\$ 266,670)	80,002	-	-	167,629,429	N	N	N	
		PT. Pou Yuen Indonesia	b	67,051,771	(US\$ 283,689)	(US\$ 280,004)	325,930	-	-	167,629,429	N	N	N	
		Cohen Enterprises Inc.	f	67,051,771	(US\$ 9,450,000)	(US\$ 9,450,000)	400,005	-	1	167,629,429	N	N	N	
		Prime Asia Leather Corporation	b	67,051,771	(US\$ 453,750)	(US\$ 444,450)	614,000	-	3	167,629,429	N	N	N	
		Pou Hung Vietnam Company Ltd.	b	67,051,771	(US\$ 15,000,000)	(US\$ 15,000,000)	236,726	-	-	167,629,429	N	N	N	
		Pou Phong Vietnam Company Ltd.	b	67,051,771	(US\$ 11,000,000)	(US\$ 11,000,000)	28,149	-	-	167,629,429	N	N	N	
		Powerknit Vietnam Company Ltd.	b	67,051,771	(US\$ 361,460)	(US\$ 207,410)	-	-	-	167,629,429	N	N	N	
		Henan YYSPO RTS Sport Products Co., Ltd.	b	67,051,771	(US\$ 12,000,000)	(US\$ 7,000,000)	-	-	-	167,629,429	N	N	Y	
		Guizhou Pou-Sheng Sport Products Co., Ltd.	b	67,051,771	(US\$ 40,482)	(RMB 9,362,235)	-	-	-	167,629,429	N	N	Y	
					(RMB 43,181)	(RMB 41,853)	-	-	-					
					(RMB 9,986,384)	(RMB 9,986,384)								

(Continued)

No. (Note 1)	Endorsement/ Guarantee Provider	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 4)	Note
		Name	Relationship (Note 2)											
2	Pou Sheng International (Holdings) Limited	Pou Sheng (China) Investment Co., Ltd.	b	\$ 63,862,960	\$ 4,158,500 (RMB 500,000,000) (US\$ 66,000,000)	\$ 4,051,080 (RMB 500,000,000) (US\$ 66,000,000)	\$ -	\$ -	13	\$ 127,725,920	N	N	Y	
		Nanning Pou-Kung Sport Products Co., Ltd.	b	63,862,960	201,367 (RMB 47,250,000)	105,299 (RMB 25,125,000)	-	-	-	127,725,920	N	N	Y	
		Yue-Shen (Taicang) Footwear Co., Ltd.	b	63,862,960	84,750 (RMB 19,600,000)	82,144 (RMB 19,600,000)	-	-	-	127,725,920	N	N	Y	
		Taicang Yue-Shen Sporting Goods Co., Ltd.	b	63,862,960	2,118,923 (RMB 28,420,000) (US\$ 66,000,000)	2,060,020 (RMB 24,920,000) (US\$ 66,000,000)	-	-	6	127,725,920	N	N	Y	
3	Pou Sheng (China) Investment Co., Ltd.	Henan Ysports Sport Products Co., Ltd.	b	7,217,170	90,804 (RMB 21,000,000)	88,011 (RMB 21,000,000)	50,312 (RMB 12,004,870)	-	2	14,434,340	N	N	Y	
		Guizhou Pou-Sheng Sport Products Co., Ltd.	b	7,217,170	121,072 (RMB 28,000,000)	117,348 (RMB 28,000,000)	41,920 (RMB 10,002,376)	-	3	14,434,340	N	N	Y	
		Shanghai DZJ Sports Industries Dev. Co., Ltd.	b	7,217,170	86,480 (RMB 20,000,000)	83,820 (RMB 20,000,000)	-	-	2	14,434,340	N	N	Y	
		Jiangxi Bao Yuan Trade Co., Ltd.	b	7,217,170	119,342 (RMB 27,600,000)	115,672 (RMB 27,600,000)	85,257 (RMB 20,342,964)	-	3	14,434,340	N	N	Y	
		Taicang Yue-Shen Sporting Goods Co., Ltd.	b	7,217,170	43,240 (RMB 10,000,000)	41,910 (RMB 10,000,000)	-	-	1	14,434,340	N	N	Y	
		Qingdao Pou-Sheng International Sport Products Co., Ltd.	b	7,217,170	518,923 (RMB 120,010,000)	502,962 (RMB 120,010,000)	170,310 (RMB 40,637,166)	-	14	14,434,340	N	N	Y	
		Hefei Pouxun Sporting Goods Co., Ltd.	b	7,217,170	503,313 (RMB 116,400,000)	487,833 (RMB 116,400,000)	157,183 (RMB 37,504,785)	-	14	14,434,340	N	N	Y	
		Zhejiang Shengdao Sporting-Goods Co., Ltd.	b	7,217,170	497,909 (RMB 115,150,000)	482,594 (RMB 115,150,000)	237,762 (RMB 56,731,576)	-	13	14,434,340	N	N	Y	
		Bao Sheng Dao Ji (Beijing) Trading Company Ltd.	b	7,217,170	791,292 (RMB 183,000,000)	766,953 (RMB 183,000,000)	653,673 (RMB 155,970,553)	-	21	14,434,340	N	N	Y	
		Shaanxi Pousheng Trading Co., Ltd.	b	7,217,170	2,465,544 (RMB 570,200,000)	2,175,549 (RMB 519,100,000)	1,019,129 (RMB 243,170,601)	-	60	14,434,340	N	N	Y	
		Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	b	7,217,170	3,045,825 (RMB 704,400,000)	2,943,759 (RMB 702,400,000)	1,330,390 (RMB 317,439,960)	-	82	14,434,340	N	N	Y	

Note 1: The Company is coded as follows:

a. The Company is coded “0”.

b. The investee is coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Relationships for guarantee provider and guarantee are as follows:

a. Business relationship.

b. A company in which the Company directly and indirectly holds more than 50% of the voting shares.

c. A company that directly and indirectly holds more than 50% of the voting shares in the Company.

d. A company in which the Company directly and indirectly holds more than 90% of the voting shares.

e. A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

f. A company where all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

g. A company where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: According to the Company’s procedures for the Management of Endorsements and Guarantees, the aggregate amount of endorsements/guarantees provided by the Company shall not exceed 200% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 100% of the Company’s net worth. The aggregate amount of endorsements/guarantees provided by the Yue Yuen Industrial (Holdings) Limited shall not exceed 150% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 60% of the Company’s net worth. The aggregate amount of endorsements/guarantees provided by the Pou Sheng International (Holdings) Limited shall not exceed 400% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 200% of the Company’s net worth. The aggregate amount of endorsements/guarantees provided by the Pou Sheng (China) Investment Co., Ltd. shall not exceed 400% of its net worth. Meanwhile, the amount of endorsements/guarantees provided by the Company for any single entity shall not exceed 200% of the Company’s net worth.

Note 4: Endorsement/guarantee given by listed parent on behalf of subsidiaries, by subsidiaries on behalf of listed parent, and on behalf of companies in mainland China is coded “Y”.

(Concluded)

TABLE 3

POU CHEN CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Pou Chen Corporation	<u>Ordinary shares</u>							
	Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	191,730,486	\$ 5,924,472	1.41	\$ 5,924,472	
	Taiwan Paiho Limited		Financial assets at FVTOCI - current	615,473	39,698	0.21	39,698	
	China Steel Corporation		Financial assets at FVTOCI - current	1,769	37	-	37	
	Zhiyuan Venture Capital Co., Ltd.		Financial assets at FVTOCI - non-current	6,000,000	81,493	10.71	81,493	
	New Loulan Corporation., Ltd.		Financial assets at FVTOCI - non-current	100,000	798	4.00	798	
Wealthplus Holdings Limited	<u>Structured product</u>							
	CIB Callable Structured Deposit		Financial assets at amortized cost - non-current	-	108,547	-	108,547	
	<u>Fund</u>							
	Cid Greater China Venture Capital Fund II, L.P.		Financial assets mandatorily at FVTPL - current	-	79,657 (US\$ 2,688,402)	-	79,657 (US\$ 2,688,402)	
	<u>Ordinary shares</u>							
	Golden Brands Developments Ltd.		Financial assets at FVTOCI - non-current	17,086,572	67,872 (US\$ 2,290,654)	5.88	67,872 (US\$ 2,290,654)	
	Great Team Backend Foundry, Inc.		Financial assets at FVTOCI - non-current	2,705,678	59,924 (US\$ 2,022,409)	6.69	59,924 (US\$ 2,022,409)	
	<u>Bonds</u>							
	Macquarie Bond		Financial assets at amortized cost - current	-	83,839 (US\$ 2,829,525)	-	83,839 (US\$ 2,829,525)	
	Citigroup Bond		Financial assets at amortized cost - current	-	125,783 (US\$ 4,245,142)	-	125,783 (US\$ 4,245,142)	
	Morgan Stanley		Financial assets at amortized cost - current	-	20,951 (US\$ 707,094)	-	20,951 (US\$ 707,094)	
	Zhaohai Investment BVI		Financial assets at amortized cost - current	-	266,605 (US\$ 8,997,811)	-	266,605 (US\$ 8,997,811)	
	CIB Bond		Financial assets at amortized cost - current	-	84,224 (US\$ 2,842,518)	-	84,224 (US\$ 2,842,518)	
	Natwest Markets PL		Financial assets at amortized cost - non-current	-	418,968 (US\$ 14,140,000)	-	418,968 (US\$ 14,140,000)	
	First Abu Dhabi Bank		Financial assets at amortized cost - non-current	-	21,280 (US\$ 718,188)	-	21,280 (US\$ 718,188)	
	Societe Generale Perpetual Bond (EUR)		Financial assets at amortized cost - non-current	-	101,953 (US\$ 3,440,867)	-	101,953 (US\$ 3,440,867)	
	UBS Perpetual Bond		Financial assets at amortized cost - non-current	-	30,282 (US\$ 1,021,993)	-	30,282 (US\$ 1,021,993)	
	HSBC Holdings Perpetual Bond		Financial assets at amortized cost - non-current	-	62,101 (US\$ 2,095,892)	-	62,101 (US\$ 2,095,892)	
	Swedbank Perpetual Bond		Financial assets at amortized cost - non-current	-	225,634 (US\$ 7,615,049)	-	225,634 (US\$ 7,615,049)	
	BNP Paribas Perpetual Bond		Financial assets at amortized cost - non-current	-	187,774 (US\$ 6,337,314)	-	187,774 (US\$ 6,337,314)	
	Societe Generale Perpetual Bond (USD)		Financial assets at amortized cost - non-current	-	125,311 (US\$ 4,229,200)	-	125,311 (US\$ 4,229,200)	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Wealthplus Holdings Limited	UBS Group Perpetual Bond		Financial assets at amortized cost - non-current	-	\$ 139,106 (US\$ 4,694,762)	-	\$ 139,106 (US\$ 4,694,762)	
	ING Groep Perpetual Bond		Financial assets at amortized cost - non-current	-	294,874 (US\$ 9,951,870)	-	294,874 (US\$ 9,951,870)	
	Credit Agricole SA Perpetual Bond		Financial assets at amortized cost - non-current	-	123,317 (US\$ 4,161,886)	-	123,317 (US\$ 4,161,886)	
	Shinhan Financial Group Perpetual Bond		Financial assets at amortized cost - non-current	-	160,215 (US\$ 5,407,181)	-	160,215 (US\$ 5,407,181)	
	Lloyds Banking Group Perpetual Bond		Financial assets at amortized cost - non-current	-	264,522 (US\$ 8,927,503)	-	264,522 (US\$ 8,927,503)	
	<u>Bills</u> Deutsche Bank-Anleihe		Financial assets at amortized cost - non-current	-	1,788,994 (US\$ 60,377,800)	-	1,788,994 (US\$ 60,377,800)	
Win Fortune Investments Limited	<u>Fund</u> Prodigy Strategic Investment Fund Xxii Segregated Portfolio		Financial assets mandatorily at FVTPL - non-current	38,500	147,379 (US\$ 4,973,988)	-	147,379 (US\$ 4,973,988)	
Pou Shine Investments Co., Ltd.	<u>Ordinary shares</u> Taiwan Paiho Limited		Financial assets at FVTOCI - current	775,170	49,998	0.26	49,998	
	Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	125,123,044	3,866,302	0.92	3,866,302	
Pou Yuen Technology Co., Ltd.	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	17,039,372	526,517	0.13	526,517	
Barits Development Corporation	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	133,720,943	4,131,977	0.98	4,131,977	
	Global Brands Manufacture Ltd.		Financial assets at FVTOCI - current	34,448,000	483,994	6.68	483,994	
	Shey Yu Co., Ltd.		Financial assets at FVTOCI - non-current	32,000	320	1.07	320	
	Environment In Assistant Engineering Corp.		Financial assets at FVTOCI - non-current	20,000	-	1.00	-	
Song Ming Investments Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	4,908,636	61,428	-	61,428	
	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	49,416,125	1,526,958	0.36	1,526,958	
Pro Arch International Development Enterprise Inc.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	845,787	10,584	-	10,584	
Pou Chin Development Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	1,098,172	13,743	-	13,743	
Wang Yi Construction Co., Ltd.	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	560,430	7,013	-	7,013	
Windsor Entertainment Co., Ltd.	<u>Ordinary shares</u> Taichung International Entertainment Corporation		Financial assets at FVTOCI - non-current	3	7,740	0.09	7,740	
Pou Yii Development Co., Ltd.	<u>Ordinary shares</u> Mega Financial Holding Company Ltd.		Financial assets at FVTOCI - current	40,069,450	1,238,146	0.30	1,238,146	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Yue Yuen Industrial (Holdings) Limited	<u>Fund</u> Cathay Taiwan Money Market Fund		Financial assets mandatorily at FVTPL - current	21,798,640	\$ 273,442 (US\$ 9,228,572)	-	\$ 273,442 (US\$ 9,228,572)	
	BPEA Asia Private Equity		Financial assets mandatorily at FVTPL - non-current	-	167,039 (US\$ 5,637,494)	-	167,039 (US\$ 5,637,494)	
	<u>Ordinary shares</u> Evermore Chemical Industry Co., Ltd.		Financial assets at FVTOCI - non-current	8,081,281	138,114 (US\$ 4,661,295)	8.13	138,114 (US\$ 4,661,295)	
	Taiwan Paiho Limited		Financial assets at FVTOCI - non-current	9,528,228	616,035 (US\$ 20,790,927)	3.20	616,035 (US\$ 20,790,927)	
	Keg Big Dome Sports Co., Ltd.		Financial assets at FVTOCI - non-current	-	10,072 (US\$ 339,927)	11.76	10,072 (US\$ 339,927)	
	<u>Bonds</u> The Bank of East Asia Limited		Financial assets at amortized cost - current	-	17,797 (US\$ 600,643)	-	17,797 (US\$ 600,643)	
	China Overseas Finance (Cayman) II Ltd.		Financial assets at amortized cost - current	-	17,913 (US\$ 604,550)	-	17,913 (US\$ 604,550)	
	Sinochem Group Co., Ltd.		Financial assets at amortized cost - current	-	17,854 (US\$ 602,561)	-	17,854 (US\$ 602,561)	
	<u>Structured product</u> JP Morgan Credit Linked Note		Financial assets mandatorily at FVTPL - non-current	-	591,296 (US\$ 19,956,000)	-	591,296 (US\$ 19,956,000)	

Note: The marketable securities stated here are related to shares, debentures and beneficiary certificates and the derivative products caused by those of“IFRS 9 Financial Instruments”. For information on the investments in subsidiaries, associates and joint ventures refer to Tables 9 and 10.

(Concluded)

TABLE 4

POU CHEN CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Company Name	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Yue Yuen Industrial (Holdings) Limited	Prime Glorious Limited	Investments accounted for using equity method	-	None	-	\$ -	11,662,000	345,083 (US\$ 11,646,395) (Note)	-	\$ -	\$ -	\$ -	11,662,000	\$ 345,083 (US\$ 11,646,395)
	Hua Jian Industrial Holding Co., Limited	Non-current assets held for sale	-	None	-	1,133,304 (US\$ 37,802,000)	-	-	-	1,102,028 (US\$ 36,525,000)	631,313 (US\$ 20,860,000)	470,715 (US\$ 15,665,000)	-	501,991 (US\$ 16,942,000)

Note: Include acquisition and valuation adjustments for fair value.

TABLE 5

POU CHEN CORPORATION AND SUBSIDIARIES

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST \$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Yue Yuen Industrial (Holdings) Limited	Public construction such as factories and dormitories	2020.01-2020.06	\$ 1,457,453 (US\$ 49,188,429)	Accumulated payment as of June 30, 2020 \$ 1,063,282 (US\$ 35,885,334)	-	None	-	-	-	-	Market price	Plant expansion	

TABLE 6

POU CHEN CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	The subsidiary in which the Company holds 51.11% indirectly at June 30, 2020	Sale	\$ (4,096,859)	(99)	D/A 45 days	-	-	\$ 1,378,983	100	
Yue Yuen Industrial (Holdings) Limited	Cohen Enterprises Inc.	Investee accounted for by the equity method	Sale	(108,357)	-	D/A 45 days	-	-	19,052	-	
	Pou Chen Corporation	The parent company	Purchase	(US\$ (3,605,000))	7	D/A 45 days	-	-	(US\$ 643,000)	(13)	
				4,096,859					(1,378,983)		
				(US\$ 136,457,498)					(US\$ (46,540,094))		
	Ka Yuen Rubber Factory Limited	Investee accounted for by the equity method	Purchase	555,735	1	D/A 45 days	-	-	(355,353)	(3)	
				(US\$ 18,517,000)					(US\$ (11,993,000))		
	Twinways Investments Limited	Investee accounted for by the equity method	Purchase	466,642	1	D/A 45 days	-	-	(278,700)	(3)	
				(US\$ 15,549,000)					(US\$ (9,406,000))		
	Cohen Enterprises Inc.	Investee accounted for by the equity method	Purchase	177,659	-	D/A 45 days	-	-	(37,897)	-	
				(US\$ 5,913,000)					(US\$ (1,279,000))		
Pou Sheng International (Holdings) Limited	Top Units Developments Ltd.	Investee accounted for by the equity method	Purchase	225,864	-	D/A 45 days	-	-	(79,082)	(1)	
				(US\$ 7,524,000)					(US\$ (2,669,000))		
	San Fang Chemical Industry Co., Ltd.	Investee accounted for by the equity method	Purchase	649,011	1	D/A 45 days	-	-	(183,973)	(2)	
				(US\$ 21,609,000)					(US\$ (6,209,000))		
	Eastlion Industrial Ltd.	Investee accounted for by the equity method	Purchase	451,043	1	D/A 45 days	-	-	(207,173)	(2)	
				(US\$ 15,027,000)					(US\$ (6,992,000))		
	Great Skill Industrial Limited	Investee accounted for by the equity method	Purchase	242,361	-	D/A 45 days	-	-	(52,415)	(1)	
				(US\$ 8,076,000)					(US\$ (1,769,000))		
	Kounshan Baowei Information Technology Co., Ltd.	Investee accounted for by the equity method	Sale	(5,303,568)	5	D/A 60 days	-	-	2,474,164	24	
				(US\$(176,991,000))					(US\$ 83,502,000)		
Pou Sheng International (Holdings) Limited	Kounshan Baowei Information Technology Co., Ltd.	Investee accounted for by the equity method	Purchase	832,997	1	D/A 60 days	-	-	(175,706)	(2)	
				(US\$ 27,773,000)					(US\$ (5,930,000))		
	Vipshop Holdings Limited	Other related parties	Sale	(599,920)	-	D/A 60 days	-	-	-	-	
				(US\$ (19,988,000))							

TABLE 7

POU CHEN CORPORATION AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2020**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	The subsidiary in which the Company holds 51.11% indirectly at June 30, 2020	\$ 1,378,983	5	\$ -	-	\$ 798,711	\$ -
Pou Sheng International (Holdings) Limited	Kounshan Baowei Information Technology Co., Ltd.	Investee accounted for by the equity method	2,474,164	9	-	-	989,122	-

POU CHEN CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	Pou Chen Corporation	Yue Yuen Industrial (Holdings) Limited	a	Operating revenue	\$ 4,096,859	D/A 45 days	3
		Yue Yuen Industrial (Holdings) Limited	a	Accounts receivable	1,378,983	D/A 45 days	-

Note 1: The Company and its subsidiaries are coded as follows:

- a. The Company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationship is as follows:

- a. From the parent company to its subsidiary.
- b. From a subsidiary to its parent company.
- c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item’s period-end balance is shown as a percentage to consolidated total assets as of June 30, 2020. For profit or loss items, cumulative amounts are shown as a percentage to the consolidated total operating revenue for the six months ended June 30, 2020.

TABLE 9

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	December 31, 2019	Shares	%	Carrying Amount			
Pou Chen Corporation	Wealthplus Holding Ltd.	British Virgin Islands	Investing in footwear, electronic and peripheral products	\$ 295,429 (US\$ 9,222,000)	\$ 295,429 (US\$ 9,222,000)	9,222,000	100.00	\$ 74,940,786 (US\$ 2,529,219,908)	\$ (1,780,176) (US\$ (59,349,263))	\$ (1,772,308) (US\$ (59,087,028))	
	Win Fortune Investments Limited	British Virgin Islands	Investing activities	3,230 (US\$ 100,000)	3,230 (US\$ 100,000)	100,000	100.00	2,027,481 (US\$ 68,426,634)	(30,971) (US\$ (1,031,785))	(30,803) (US\$ (1,026,161))	
	Windsor Hotel Co., Ltd.	ROC	Entertainment and resort operations	400,000	400,000	5,000,000	100.00	32,503	(33,757)	(32,231)	
	Pou Shine Investment Co., Ltd.	ROC	Investing activities	1,124,667	1,124,667	133,094,460	100.00	3,575,855	16,567	16,567	
	Pan Asia Insurance Services Co., Ltd.	ROC	Agency of property and casualty insurance	5,000	5,000	-	100.00	11,979	1,537	1,537	
	Barits Development Corp.	ROC	Import and export of shoe-related materials and investing activities	2,117,292	2,117,088	251,668,150	99.49	8,337,503	(24,118)	(24,001)	
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	966,449	966,449	28,437,147	97.82	322,657	851	(7,265)	
	Pro Arch International	ROC	Design and manufacture of footwear products	2,643,184	2,643,184	20,000,000	100.00	222,478	(17,411)	(17,433)	
	Development Enterprise Inc.										
	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	40,320	40,320	7,875,000	15.00	168,173	(5,214)	(782)	The Company and its associate hold 90.00%
	Wang Yi Construction Co., Ltd.	ROC	Construction	7,700	7,700	601,755	7.82	-	(1,475)	115	The Company and its associate hold 97.57%
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	3,364,570	3,364,570	70,066,949	12.57	1,363,519	9,798	1,232	The Company and its associate hold 19.50% and serve as director
	Techview International Technology Inc.	ROC	Development and sales of TFT-LCD display	380,115	380,115	75	30.00	-	(152)	-	The Company and its associate hold 50.00% (Note)
Wealthplus Holdings Limited	Ruen Chen Investment Holding Co., Ltd.	ROC	Investment holding	15,230,000	15,230,000	3,531,800,000	20.00	57,455,971	19,374,039	3,874,808	
	Yue Yuen Industrial (Holdings) Ltd.	Hong Kong	Manufacturing and sale of athletic and casual footwear and sports apparel	24,199,976 (US\$ 747,132,133)	24,199,976 (US\$ 747,132,133)	806,836,663	50.04	56,024,594 (US\$ 1,890,806,401)	(4,100,256) (US\$ (136,758,000))	(2,051,613) (US\$ (68,428,854))	The subsidiary in which the Company holds 51.11% indirectly at June 30, 2020
	Silver Island Trading Ltd.	British Virgin Islands	Sale of electronic components	-	129,720 (US\$ 4,000,000)	-	-	-	-	-	
Win Fortune Investments Limited	Venture Well Holdings Ltd.	British Virgin Islands	Sale of electronic components	230,305 (US\$ 7,101,621)	230,305 (US\$ 7,101,621)	10,121,521	31.55	67,723 (US\$ 2,285,620)	1,602 (US\$ 53,597)	506 (US\$ 16,912)	
	Yue Yuen Industrial (Holdings) Ltd.	Hong Kong	Manufacturing and sale of athletic and casual footwear and sports apparel	404,026 (US\$ 12,769,118)	404,026 (US\$ 12,769,118)	17,307,172	1.07	1,202,366 (US\$ 40,579,338)	(4,100,256) (US\$ (136,758,000))	(44,006) (US\$ (1,467,777))	The subsidiary in which the Company holds 51.11% indirectly at June 30, 2020
Pou Shine Investments Co., Ltd.	Barits Development Corporation	ROC	Import and export of shoe-related materials and investing activities	2,583	2,583	323,370	0.13	10,672	(24,118)	(31)	Subsidiary
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	373,347	373,347	11,457,179	2.06	222,963	9,798	201	The Company and its associate hold 19.50% and serve as director
	Techview International Technology Inc.	ROC	Development and sales of TFT-LCD display	34,296	34,296	12	4.80	-	(152)	-	The Company and its associate hold 50.00%
	Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	189,920	189,920	11,870,000	0.09	315,216	21,830,159	20,258	The Company and its associate hold 18.09%
Barits Development Corporation	Song Ming Investments Co., Ltd.	ROC	Investing activities	1,218,879	1,218,879	120,486,400	100.00	2,394,191	(3,891)	(3,891)	
	Wang Yi Construction Co., Ltd.	ROC	Construction	89,712	89,712	6,910,750	89.75	78,462	(1,475)	(1,324)	The Company and its associate hold 97.57%
	Pou Chin Development Co., Ltd.	ROC	Agency of land demarcation	200,000	200,000	20,000,000	100.00	199,068	(401)	(401)	
	Yu Hong Development Co., Ltd.	ROC	Development of real estate	240,000	240,000	24,000,000	100.00	162,162	(4,869)	(4,869)	
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	348,159	348,159	24,109,451	4.32	469,171	9,798	424	The Company and its associate hold 19.50% and serve as director
	Techview International Technology Inc.	ROC	Development and sales of TFT-LCD display	128,610	128,610	19	7.60	-	(152)	-	The Company and its associate hold 50.00%
	Nan Shan Life Insurance Company, Ltd.	ROC	Sale of life insurance	189,920	189,920	11,870,000	0.09	315,216	21,830,159	20,258	The Company and its associate hold 18.09%

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	December 31, 2019	Shares	%	Carrying Amount			
Wang Yi Construction Co., Ltd.	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	\$ 30,838	\$ 30,838	924,148	0.17	\$ 17,985	\$ 9,798	\$ 16	The Company and its associate hold 19.50% and serve as director
Song Ming Investments Co., Ltd.	Pou Yii Development Co., Ltd.	ROC	Rental and sale of real estate	262,500	262,500	39,375,000	75.00	840,863	(5,214)	(3,910)	The Company and its associate hold 90.00%
	Pou Yuen Technology Co., Ltd.	ROC	Rental of real estate	21,240	21,240	578,170	1.99	13,543	851	17	Subsidiary
	Elitegroup Computer Systems Co., Ltd.	ROC	Manufacturing of electronic components	21,725	21,725	2,147,558	0.38	41,794	9,798	38	The Company and its associate hold 19.50% and serve as director
Pou Yuen Technology Co., Ltd.	Pearl Dove International Limited	British Virgin Islands	Investment holding	77,796 (US\$ 2,573,883)	-	25,901	100.00	18,175 (US\$ 613,400)	(1,331) (US\$ (44,527))	(864) (US\$ (28,847))	The Company and its associate hold 50.00%
	Vantage Capital Investments Limited	British Virgin Islands	Investment holding	-	215,342 (US\$ 6,523,222)	-	-	-	(513) (US\$ (17,045))	(513) (US\$ (17,045))	
	Techview International Technology Inc.	ROC	Development and sales of TFT-LCD display	128,597	128,597	19	7.60	-	(152)	-	
Yue Yuen Industrial (Holdings) Limited	Eagle Nice (International) Holdings Limited	British Cayman Islands	Manufacturing of wearing apparel and clothing accessories	1,297,712 (US\$ 40,015,775)	1,297,712 (US\$ 40,015,775)	192,000,000	36.09	2,212,616 (US\$ 74,674,860)	142,080 (US\$ 4,753,669)	51,278 (US\$ 1,715,599)	
	Full Pearl International Ltd.	British Virgin Islands	Sale of women's shoes	381,878 (US\$ 12,226,424)	381,878 (US\$ 12,226,424)	1,319	40.04	395,442 (US\$ 13,345,993)	(930) (US\$ (30,312))	(372) (US\$ (12,137))	
	Oftenrich Holdings Limited	Bermuda	Manufacturing and sale of footwear	1,339,783 (US\$ 42,210,159)	1,339,783 (US\$ 42,210,159)	5,400	45.00	2,333,616 (US\$ 78,758,552)	(78,446) (US\$ (2,633,493))	(35,301) (US\$ (1,185,072))	
	Pine Wood Industries Limited	British Virgin Islands	Manufacturing and sale of fabric	92,393 (US\$ 2,849,000)	92,393 (US\$ 2,849,000)	2,849,000	37.00	208,212 (US\$ 7,027,086)	8,152 (US\$ 264,435)	3,016 (US\$ 97,841)	
	Prosperous Industrial (Holdings) Ltd.	British Cayman Islands	Manufacturing and sale of gym bags	583,740 (US\$ 18,000,000)	583,740 (US\$ 18,000,000)	252,000,000	22.50	663,065 (US\$ 22,378,161)	(1,099,616) (US\$ (36,773,991))	(21,641) (US\$ (725,852))	
	Supplyline Logistics Ltd.	Hong Kong	Logistics service provider	259,467 (US\$ 8,108,519)	256,576 (US\$ 8,010,938)	4,612	49.00	-	(9,569) (US\$ (318,489))	-	
	San Fang Chemical Industry Co., Ltd.	ROC	Manufacturing and sale of synthetic leather	2,696,757 (US\$ 83,192,794)	2,696,757 (US\$ 83,192,794)	177,908,075	44.72	4,398,655 (US\$ 148,452,753)	30,126 (US\$ 980,698)	13,472 (US\$ 438,568)	
	Nan Pao Resins Chemical Co., Ltd.	ROC	Manufacturing and sale of chemical materials	539,797 (US\$ 16,873,924)	539,797 (US\$ 16,873,924)	21,205,248	17.59	1,646,733 (US\$ 55,576,535)	426,037 (US\$ 14,193,979)	74,940 (US\$ 2,496,721)	
	Just Lucky Investments Limited	British Virgin Islands	Property management	26,207 (US\$ 808,130)	26,207 (US\$ 808,130)	808,130	38.30	54,871 (US\$ 1,851,866)	3,935 (US\$ 131,293)	1,507 (US\$ 50,285)	
	Natural Options Limited	British Virgin Islands	Manufacturing of foam	11,144 (US\$ 343,638)	11,144 (US\$ 343,638)	340,870	38.30	6,649 (US\$ 224,399)	(4) (US\$ (145))	(2) (US\$ (55))	
	Rise Bloom International Limited	Hong Kong	Investment holding	24,312 (US\$ 760,000)	24,312 (US\$ 760,000)	760,000	38.00	45,467 (US\$ 1,534,487)	(2,276) (US\$ (75,606))	(865) (US\$ (28,730))	
	Prosperlink Limited	Samoa	Investment holding	17,432 (US\$ 570,000)	17,432 (US\$ 570,000)	570,000	38.00	18,057 (US\$ 609,420)	65 (US\$ 2,133)	25 (US\$ 810)	
	Pou Ming Paper Products Manufacturing Co., Ltd.	British Virgin Islands	Manufacturing of paper products	66,937 (US\$ 2,163,800)	66,937 (US\$ 2,163,800)	1,000,000	20.00	5,518 (US\$ 186,219)	3,452 (US\$ 114,404)	691 (US\$ 22,881)	
	Brandblack Inc.	USA	Investment holding	68,762 (US\$ 2,275,000)	-	1,135,796	31.25	61,967 (US\$ 2,091,373)	(17,566) (US\$ (587,606))	(5,490) (US\$ (183,627))	
	Best Focus Holdings Ltd.	British Virgin Islands	Manufacturing and sale of shoe box	162,150 (US\$ 5,000,000)	162,150 (US\$ 5,000,000)	5,000,000	50.00	66,641 (US\$ 2,249,092)	224 (US\$ 7,450)	112 (US\$ 3,725)	
	Great Skill Industrial Limited	British Virgin Islands	Manufacturing and sale of plastic shoe material injection crepe	68,882 (US\$ 2,130,000)	68,882 (US\$ 2,130,000)	2,130,000	50.00	93,624 (US\$ 3,159,755)	(5,325) (US\$ (177,964))	(2,663) (US\$ (88,982))	
	Jumbo Power Enterprises Limited	British Virgin Islands	Manufacturing and sale of footwear	259,742 (US\$ 8,000,000)	259,742 (US\$ 8,000,000)	50	50.00	556,986 (US\$ 18,798,033)	105,966 (US\$ 3,540,954)	52,983 (US\$ 1,770,477)	
	Ka Yuen Rubber Factory Limited	British Virgin Islands	Manufacturing and sale of rubber sole	564,782 (US\$ 17,500,000)	564,782 (US\$ 17,500,000)	17,500,000	50.00	655,262 (US\$ 22,114,817)	(10,734) (US\$ (361,998))	(5,367) (US\$ (180,999))	
	Willpower Industries Limited	British Virgin Islands	Manufacturing and sale of paper products	221,001 (US\$ 6,950,000)	221,001 (US\$ 6,950,000)	6,950,000	44.84	952,625 (US\$ 32,150,699)	134,614 (US\$ 4,490,025)	60,361 (US\$ 2,013,327)	
	Prime Glorious Limited	British Virgin Islands	Investment holding	352,484 (US\$ 11,662,000)	-	11,662,000	49.00	345,083 (US\$ 11,646,395)	(2,124) (US\$ (71,049))	(1,041) (US\$ (34,814))	
	Blessland Enterprises Limited	British Virgin Islands	Manufacturing and sale of insole	-	39,852 (US\$ 1,232,414)	-	-	-	-	-	
	Cohen Enterprises Inc.	British Virgin Islands	Manufacturing and sale of footwear leather products	623,276 (US\$ 20,215,015)	623,276 (US\$ 20,215,015)	20,000,000	50.00	532,557 (US\$ 17,973,578)	(29,046) (US\$ (973,966))	(14,523) (US\$ (486,983))	
	Twinways Investments Limited	British Virgin Islands	Manufacturing and sale of footwear accessory injection crepe	551,432 (US\$ 17,500,000)	551,432 (US\$ 17,500,000)	17,500,000	50.00	1,017,453 (US\$ 34,338,604)	43,155 (US\$ 1,433,414)	21,577 (US\$ 716,707)	
	Top Units Developments Ltd.	British Virgin Islands	Manufacturing of footwear accessories	418,997 (US\$ 14,079,196)	418,997 (US\$ 14,079,196)	5,390,000	49.00	757,422 (US\$ 25,562,677)	102,243 (US\$ 3,402,581)	50,100 (US\$ 1,667,265)	

Note: The Company received a request by the FSC to provide 490,000 thousand ordinary shares of Ruen Chen in the custody of the trust department of First Bank, and the trust period is ten years.

(Concluded)

TABLE 10

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE SIX MONTHS ENDED JUNE 30, 2020

(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2020	Accumulated Repatriation of Investment Income as of June 30, 2020	Note
					Outward	Inward							
Great Team Backend Foundry, Inc.	Processing and manufacturing of transistors	\$ 2,611,684 (US\$ 87,070,000)	b	\$ -	\$ -	\$ -	\$ -	\$ -	4.35	\$ -	\$ 59,924 (RMB 14,298,253)	\$ -	(Note 3)
Yue-Shen (Taicang) Footwear Co., Ltd.	Finished shoes, semi-finished products, components and production and marketing of moulds	554,646 (US\$ 17,100,000)	b	-	-	-	-	3,209 (RMB 793,342)	31.79	1,020 (RMB 252,203) b, 1)	235,337 (RMB 56,153,035)	-	
Dongguan Yuming Electronic Technology Co., Ltd.	Production and marketing of over 17 inches color-image monitor, motherboards and other products	475,745 (US\$ 14,500,000)	b	-	-	-	-	1,720 (RMB 403,672)	100.00	1,720 (RMB 403,672) b, 1)	297,900 (RMB 71,080,967)	-	
Dongguan Gaocheng Precision Injection Molding Technology Co., Ltd.	Mould, plastic case for mobile phones	395,526 (US\$ 12,055,034)	b	-	-	-	-	333 (RMB 77,743)	100.00	333 (RMB 77,743) b, 2)	48,819 (RMB 11,648,447)	-	
Yue Cheng (Kun Shan) Sports Co., Ltd.	Operating sporting goods and equipment, spare parts production and marketing business	435,402 (US\$ 14,200,000)	b	-	-	-	-	106,417 (RMB 25,243,082)	31.79	33,830 (RMB 8,024,776) b, 1)	898,618 (RMB 214,416,116)	-	
Zhongshan Bao Ji Clothing Co., Ltd.	Production and marketing of sportswear	82,025 (US\$ 2,500,000)	b	-	-	-	-	23 (RMB 5,468)	48.68	11 (RMB 2,662) b, 1)	5,834 (RMB 1,391,939)	-	
Dongguan Baoqiao Electronic Technology Co., Ltd.	Production and marketing of other optical appliances and instruments	147,645 (US\$ 4,500,000)	b	-	-	-	-	15,080 (RMB 3,540,166)	100.00	15,080 (RMB 3,540,166) b, 2)	157,600 (RMB 37,604,354)	-	
Poushun Paper Products Manufacturing Co., Ltd.	Production and sale of shoe inner boxes, cartons	68,901 (US\$ 2,100,000)	b	-	-	-	-	(9,358) (RMB (2,156,460))	10.22	(956) (RMB (220,390)) b, 1)	4,225 (RMB 1,008,029)	-	
Beijing Advazone Electronic Limited Company	Development and production of computer software	512,019 (US\$ 16,100,000)	b	-	-	-	-	(707) (RMB (167,762))	32.00	(226) (RMB (53,684)) b, 2)	32,182 (RMB 7,678,858)	-	
Pouhong Footwear Industrial Ltd.	Production and operation of leisure shoes, sports shoes	49,215 (US\$ 1,500,000)	b	-	-	-	-	1,878 (RMB 442,969)	51.11	960 (RMB 226,401) b, 1)	42,472 (RMB 10,134,163)	-	
Shanggao Yisen Industry Co., Ltd.	Production and sale of finished shoes, semi-finished products, components and moulds	660,404 (US\$ 20,390,000)	b	-	-	-	-	49,085 (RMB 11,625,499)	51.11	25,087 (RMB 5,941,793) b, 1)	812,074 (RMB 193,766,243)	-	
Bao Hong (Yangzhou) Shoes Co., Ltd.	Production of needles, woven garments, footwear and sales of self-produce products	2,591,184 (US\$ 86,291,730)	b	-	-	-	-	(34,313) (RMB (8,051,118))	51.11	(17,537) (RMB (4,114,927)) b, 1)	490,491 (RMB 117,034,430)	-	
Dong Guan Yu Yuen Mold Co., Ltd.	Production and sale of molds for non-metallic products	62,011 (US\$ 1,890,000)	b	-	-	-	-	3,148 (RMB 746,364)	51.11	1,609 (RMB 381,467) b, 1)	42,311 (RMB 10,095,745)	-	
Zhong Shan Glory Shoes Ind., Ltd.	Production and operation of various types of leather shoes products	951,490 (US\$ 29,000,000)	b	-	-	-	-	(85,293) (RMB (19,987,162))	23.00	(19,617) (RMB (4,597,047)) b, 2)	433,131 (RMB 103,347,964)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2020	Accumulated Repatriation of Investment Income as of June 30, 2020	Note
					Outward	Inward							
Zhong Shan Lu Mei Da Shoes Ind., Ltd.	Production and operation of various types of leather shoes products	\$ 39,372 (US\$ 1,200,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 230 (RMB 54,145)	23.00	\$ 53 (RMB 12,453) b, 2)	\$ 9,672 (RMB 2,307,810)	\$ -	
Zhong Ao Multiplex Management Group Co., Ltd.	Stadium management, wholesale and retail of clothing and footwear accessories	2,055,560 (RMB 431,795,000)	b	-	-	-	-	8,090 (RMB 1,897,098)	20.34	1,645 (RMB 385,870) b, 1)	597,655 (RMB 142,604,471)	-	
ShangGao Yisen Ka Yuen Industry Co., Ltd.	Production and sale of footwear products	77,432 (US\$ 2,360,000)	b	-	-	-	-	8,207 (RMB 1,953,710)	25.56	2,098 (RMB 499,368) b, 1)	27,426 (RMB 6,544,002)	-	
Bao Sheng Dao Ji (BeiJing) Trading Company Ltd.	Retail business of sports goods and accessories	1,988,061 (US\$ 65,000,000)	b	-	-	-	-	(575,616) (RMB (134,344,028))	31.79	(182,988) (RMB (42,707,967)) b, 1)	863,755 (RMB 206,097,611)	-	
Qingdao Pou-Sheng International Sport Products Co., Ltd.	Sales of sports and leisure shoes and accessories	94,800 (RMB 20,000,000)	b	-	-	-	-	127,376 (RMB 30,137,181)	22.89	29,156 (RMB 6,898,401) b, 1)	213,837 (RMB 51,022,952)	-	
Guizhou Pou-Sheng Sport Products Co., Ltd.	Sales of sports and leisure shoes and accessories	322,886 (US\$ 10,000,000)	b	-	-	-	-	19,828 (RMB 4,732,550)	31.79	6,303 (RMB 1,504,478) b, 1)	131,533 (RMB 31,384,686)	-	
Nanning Pou-Kung Sport Products Co., Ltd.	Retail business of sports goods and accessories	42,653 (US\$ 1,300,000)	b	-	-	-	-	(26,785) (RMB (6,315,625))	31.79	(8,515) (RMB (2,007,737)) b, 1)	(2,804) (RMB (669,090))	-	
Shanghai Pou-Yuen Sport Products Business Trading Co., Ltd.	Retail business of sports goods and accessories	1,567,250 (US\$ 50,000,000)	b	-	-	-	-	81,864 (RMB 19,717,411)	31.79	26,025 (RMB 6,268,165) b, 1)	1,737,896 (RMB 414,673,439)	-	
Diodite (China) Sports Good Co., Ltd.	Retail and wholesale business of sporting goods and accessories	639,800 (US\$ 20,000,000)	b	-	-	-	-	483 (RMB 113,795)	31.79	153 (RMB 36,175) b, 1)	43,015 (RMB 10,263,658)	-	
Taicang YYSPTS Business Trading Co., Ltd.	Retail business of sports goods and accessories series products	164,050 (US\$ 5,000,000)	b	-	-	-	-	2,341 (RMB 550,660)	31.79	744 (RMB 175,055) b, 1)	126,492 (RMB 30,181,898)	-	
Yangzhou Baoyi Shoes Manufacturing Co., Ltd.	Vulcanized shoes, sports shoes, leisure shoes and other footwear manufacturing, marketing	729,906 (US\$ 22,456,800)	b	-	-	-	-	58,753 (RMB 13,885,474)	25.56	15,017 (RMB 3,549,127) b, 1)	283,199 (RMB 67,573,102)	-	
Dalian YYSPTS Sport Industrial Development Co., Ltd.	Development and sale of sports goods, clothing, shoes and hats, fitness equipment and related products	928,000 (RMB 200,000,000)	b	-	-	-	-	1,689 (RMB 396,269)	31.79	537 (RMB 125,974) b, 1)	433,525 (RMB 103,441,956)	-	
YYSPTS (Chengdu) Business Trading Co., Ltd.	Retail business of sports goods and accessories	689,194 (US\$ 22,400,000)	b	-	-	-	-	(4,265) (RMB (935,412))	31.79	(1,356) (RMB (297,368)) b, 1)	149,484 (RMB 35,667,774)	-	
Fujian Baomin Sporting Goods Co., Ltd.	Retail business of sports goods and accessories	147,645 (US\$ 4,500,000)	b	-	-	-	-	145 (RMB 34,009)	28.61	41 (RMB 9,730) b, 1)	66,058 (RMB 15,761,809)	-	
Guangzhou Pou-Yuen Trading Co., Ltd.	Retail business of sports goods and accessories	710,251 (US\$ 23,310,000)	b	-	-	-	-	(5,879) (RMB (1,331,054))	31.79	(1,869) (RMB (423,142)) b, 1)	230,666 (RMB 55,038,311)	-	
Dragon Light (China) Sporting Goods Co., Ltd.	Development and sale of sports goods, clothing, shoes and hats, fitness equipment and related products	2,111,340 (US\$ 66,000,000)	b	-	-	-	-	5,124 (RMB 1,200,506)	31.79	1,629 (RMB 381,641) b, 1)	391,436 (RMB 93,399,187)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2020	Accumulated Repatriation of Investment Income as of June 30, 2020	Note
					Outward	Inward							
Shend Dao (Yang Zhou) Sporting Goods Dev Co., Ltd.	Shopping mall management and property management	\$ 2,111,340 (US\$ 66,000,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 16,908 (RMB 3,933,986)	31.79	\$ 5,375 (RMB 1,250,614) b, 1)	\$ 652,812 (RMB 155,765,187)	\$ -	
Zhong Shan O Li Su Shoe Making Machine Ltd.	Manufacturing shoes and boots or repairing machinery	181,314 (US\$ 5,900,000)	b	-	-	-	-	(3,839) (RMB (903,543))	51.11	(1,962) (RMB (461,801)) b, 2)	13,113 (RMB 3,128,914)	-	
Shaanxi Pousheng Trading Co., Ltd.	Engaged in wholesale, retail and import and export business of sports goods, fitness equipment and sportswear	2,012,320 (US\$ 66,000,000)	b	-	-	-	-	78,455 (RMB 18,412,413)	31.79	24,941 (RMB 5,853,306) b, 1)	2,329,854 (RMB 555,918,311)	-	
Taichang Yue-Shen Sporting Goods Co., Ltd.	Engaged in the production and sales of shoe products, semi-finished products, moulds and related sports goods.	393,720 (US\$ 12,000,000)	b	-	-	-	-	(9,749) (RMB (2,327,064))	31.79	(3,099) (RMB (739,774)) b, 1)	479,817 (RMB 114,487,422)	-	
Hangzhou Pou-Hung Sport Products Co., Ltd.	Design, development, production and processing of sports goods, sports instruments, sportswear, sports shoes and accessories	67,308 (RMB 14,200,000)	b	-	-	-	-	-	15.90	- b, 1)	-	-	
Yangzhou Yijian Software Tech Co., Ltd.	Integration of software and hardware sales service systems (excluding IC design)	35,803 (US\$ 1,170,000)	b	-	-	-	-	30 (RMB 6,984)	51.11	15 (RMB 3,570) b, 1)	9 (RMB 2,059)	-	
Rui Jin Pou Yuen Footwear Development Co., Ltd.	Production and sale of sports shoes, leisure shoes and semi-finished products	356,697 (US\$ 12,000,000)	b	-	-	-	-	(101,706) (RMB (23,776,041))	51.11	(51,982) (RMB (12,151,934)) b, 1)	92,844 (RMB 22,153,205)	-	
Yang Xin Pou Jia Shoes Manufacturing Co., Ltd.	Production and sale of shoes uppers, footwear and garments	1,391,195 (US\$ 45,500,000)	b	-	-	-	-	(1,131,496) (RMB (267,860,022))	51.11	(578,308) (RMB (136,903,257)) b, 1)	155,978 (RMB 37,217,429)	-	
Jiangxi Province Yutai Shoe Co., Ltd.	Production and sale of footwear products and semi-finished products	918,125 (US\$ 30,000,000)	b	-	-	-	-	(13,213) (RMB (3,095,466))	51.11	(6,753) (RMB (1,582,093)) b, 1)	(21,846) (RMB (5,212,615))	-	
Dongguan Yu Xiang Shoes Material Co., Ltd.	Production and sale of footwear products	295,820 (US\$ 9,500,000)	b	-	-	-	-	1,967 (RMB 415,487)	51.11	1,005 (RMB 212,356) b, 1)	250,746 (RMB 59,829,630)	-	
Chen Zhou Glory Shoes Ind., Ltd.	Production and sale of sports shoes, leisure shoes and leather shoes and semi-finished products	59,610 (US\$ 2,000,000)	b	-	-	-	-	(25) (RMB (5,942))	23.00	(6) (RMB (1,367)) b, 2)	41 (RMB 9,857)	-	
Jiang Xi Hwa Ching Foam Ltd.	Manufacturing and sale of plastic foam, plastic packaging materials and other plastic products	63,600 (US\$ 2,000,000)	b	-	-	-	-	120 (RMB 28,117)	19.42	23 (RMB 5,460) b, 1)	15,082 (RMB 3,598,780)	-	
Yue Yuen (Anfu) Footwear Co., Ltd.	Production and marketing of finished shoes, semi-finished products and components and modules	1,763,350 (US\$ 60,000,000)	b	-	-	-	-	33,875 (RMB 8,205,483)	51.11	17,313 (RMB 4,193,822) b, 1)	1,038,630 (RMB 247,823,866)	-	
Dong Guan Bao Yu Shoes Co., Ltd.	Production and sale of sports shoes, leisure shoes, leather shoes, children's shoes, semi-finished footwear and footwear materials	66,780 (US\$ 2,100,000)	b	-	-	-	-	-	51.11	- b, 1)	34,521 (RMB 8,236,989)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2020	Accumulated Repatriation of Investment Income as of June 30, 2020	Note
					Outward	Inward							
Kun Shan Pou-chi Sports Co., Ltd.	Wholesale, commission agency, import and export business of sports goods, sports equipment, clothing, shoes, caps and packaging and related design, technical consultation and service	\$ 399,539 (US\$ 13,500,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 172,506 (RMB 40,668,587)	31.79	\$ 54,840 (RMB 12,928,544) b, 1)	\$ 363,176 (RMB 86,656,196)	\$ -	
Dongguan De Chang Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	7,353 (RMB 1,721,606)	51.11	3,758 (RMB 879,913) b, 1)	24,016 (RMB 5,730,356)	-	
Zhong Shan Bao Song Zi Xun Co., Ltd.	Business management consultation, marketing planning and other services	10,290 (US\$ 350,000)	b	-	-	-	-	3,859 (RMB 909,007)	51.11	1,972 (RMB 464,593) b, 1)	21,047 (RMB 5,021,914)	-	
Yiyang Yujing Shoes Industrial Co., Ltd.	Production and sale of finished and semi-finished sports shoes and leisure shoes	743,983 (US\$ 24,000,000)	b	-	-	-	-	(8,667) (RMB (2,034,006))	51.11	(4,430) (RMB (1,039,581)) b, 1)	18,238 (RMB 4,351,739)	-	
Jiangxi Uniscien Consulting Co., Ltd.	Business management consultation, marketing planning and other services	10,442 (US\$ 350,000)	b	-	-	-	-	2,151 (RMB 503,892)	51.11	1,100 (RMB 257,539) b, 1)	15,957 (RMB 3,807,343)	-	
Yu Xing (Jishui) Footwear Co., Ltd.	Production and sale of sports shoes	183,840 (US\$ 6,400,000)	b	-	-	-	-	(2,992) (RMB (702,200))	51.11	(1,529) (RMB (358,894)) b, 1)	40,146 (RMB 9,579,154)	-	
Dongguan Xingtai Consulting Co., Ltd.	Business management consultation, marketing planning and other services	41,945 (US\$ 1,400,000)	b	-	-	-	-	3,376 (RMB 790,150)	51.11	1,725 (RMB 403,846) b, 1)	34,900 (RMB 8,327,332)	-	
Yang Xin Zhang Yuan Shoe Co., Ltd.	Production and sale of footwear products	61,029 (US\$ 2,100,000)	b	-	-	-	-	(769) (RMB (180,563))	25.56	(197) (RMB (46,152)) b, 1)	6,566 (RMB 1,566,605)	-	
YangXin Pou Jia Yuen Shoes Manufacturing Co., Ltd.	Production and sale of rubber soles	72,990 (US\$ 2,500,000)	b	-	-	-	-	(71,750) (RMB (16,971,349))	25.56	(18,339) (RMB (4,337,877)) b, 1)	(964) (RMB (230,028))	-	
Pou Sheng (China) Investment Co., Ltd.	Business of investment, technical services and wholesale, import and export sports goods, sportswear, sports shoes and leisure shoes	4,550,741 (US\$ 152,922,400)	b	-	-	-	-	(17,743) (RMB (3,730,076))	31.79	(5,640) (RMB (1,185,791)) b, 1)	1,178,992 (RMB 281,315,208)	-	
Yichun Yisen Industry Co., Ltd.	Production and sale of footwear and mold products	410,130 (US\$ 14,000,000)	b	-	-	-	-	(14,318) (RMB (3,344,765))	51.11	(7,318) (RMB (1,709,509)) b, 1)	320,373 (RMB 76,443,205)	-	
Zhong Xiang Yue-Shen Sporting Goods Co., Ltd.	Production, processing of shoes, semi-finished products, moulds and related sporting goods, sales of self-produce products	94,380 (US\$ 3,250,000)	b	-	-	-	-	(399) (RMB (92,397))	51.11	(204) (RMB (47,224)) b, 1)	(5,995) (RMB (1,430,502))	-	
Zhang Shan Shi Bi Fu Material Co., Ltd.	Production and operation of knitted fabrics and carbon fiber shoes, especially for shoes, sports shoes, etc.	43,290 (US\$ 1,395,100)	b	-	-	-	-	(5,753) (RMB (1,345,333))	24.92	(1,434) (RMB (335,257)) b, 1)	9,139 (RMB 2,180,599)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2020	Accumulated Repatriation of Investment Income as of June 30, 2020	Note
					Outward	Inward							
Dong Guan Pou Chen Footwear Company Limited	Production and sale of footwear products, semi-finished footwear products and accessories, moulding tools and engaged in the wholesale and import and export business of footwear products	\$ 1,223,925 (RMB 263,827,800)	b	\$ -	\$ -	\$ -	\$ -	\$ (28,048) (RMB (5,797,245))	51.11	\$ (14,335) (RMB (2,962,972)) b, 1)	\$ 726,604 (RMB 173,372,516)	\$ -	
Dongguan Yusheng Shoe Industry Co., Ltd.	Production and sale of finished shoes, semi-finished shoes and mold products and engaged in research and development of shoes, finished shoes, mold products	1,469,176 (RMB 319,970,250)	b	-	-	-	-	(255,751) (RMB (60,207,603))	51.11	(130,714) (RMB (30,772,106)) b, 1)	687,721 (RMB 164,094,613)	-	
Dong Guan Yue Yuan Footwear Products Company Limited	Production and sale of footwear products, semi-finished footwear products, mold products and engaged in wholesale and import and export business of footwear products	1,026,777 (RMB 217,720,430)	b	-	-	-	-	(8,831) (RMB (1,989,859))	51.11	(4,514) (RMB (1,017,017)) b, 1)	279,359 (RMB 66,656,784)	-	
Jilin Xinfangwei Sports Goods Company Limited	Sports goods sales	196,160 (RMB 40,000,000)	b	-	-	-	-	-	15.90	- b, 1)	-	-	
Zhang Yuan (Dong Guan) Shoe Materials Co., Ltd.	Prepare for research and development of shoe materials and composite materials	114,804 (RMB 23,000,000)	b	-	-	-	-	(22,265) (RMB (5,217,566))	25.56	(5,691) (RMB (1,333,610)) b, 1)	31,720 (RMB 7,568,571)	-	
Dong Guan Jia Yuan Shoe Materials Products Company Limited	Prepare shoe material	108,805 (RMB 21,600,000)	b	-	-	-	-	(21,643) (RMB (5,141,034))	51.11	(11,062) (RMB (2,627,582)) b, 1)	39,983 (RMB 9,540,282)	-	
Dong Guan Yue Guan Paper Products Co., Ltd.	Production and sale of cartons and engaged in research and development of cartons	48,693 (RMB 10,000,000)	b	-	-	-	-	(824) (RMB (190,272))	10.22	(84) (RMB (19,446)) b, 1)	4,234 (RMB 1,010,254)	-	
Kun Shan YYSPO RTS E-Commerce Co., Ltd.	Network technology development, technical consultation, technical services and retail and wholesale of sports goods, sports equipment	89,367 (US\$ 3,000,000)	b	-	-	-	-	118,949 (RMB 28,070,713)	31.79	37,814 (RMB 8,923,680) b, 1)	41,816 (RMB 9,977,612)	-	
Hunan Huaqing Foam Products Co., Ltd.	Processing and production of plastic foam, foam daily products, shoe products and composite products	76,819 (US\$ 2,500,000)	b	-	-	-	-	(1,963) (RMB (457,038))	6.80	(134) (RMB (31,079)) b, 1)	3,521 (RMB 840,208)	-	
Kun Shan Taisong Trading Co., Ltd.	Wholesale and retail of clothing, footwear, glasses and watches	790,110 (US\$ 26,500,000)	b	-	-	-	-	(29,274) (RMB (6,854,595))	31.79	(9,306) (RMB (2,179,076)) b, 1)	(125,648) (RMB (29,980,509))	-	
Shanghai Pou-Lo Sport Culture Co., Ltd.	Management consultants, wholesale of sports goods and equipment wholesale, other sports services and other art performance assistant services	16,093 (US\$ 500,000)	b	-	-	-	-	(60) (RMB (14,168))	26.08	(16) (RMB (3,695)) b, 1)	1,362 (RMB 325,094)	-	
Kun Shan Pou-Han Sport Culture Development Co., Ltd.	Management consultants, wholesale of sports goods and equipment wholesale, other sports services and other art performance assistant services	48,278 (US\$ 1,500,000)	b	-	-	-	-	(2,150) (RMB (505,589))	26.08	(561) (RMB (131,858)) b, 1)	10,135 (RMB 2,418,316)	-	
Yisen (YiFeng) Mould Co., Ltd.	Production and sale of mould products	479,284 (US\$ 14,850,000)	b	-	-	-	-	(13,967) (RMB (3,275,699))	51.11	(7,139) (RMB (1,674,210)) b, 1)	165,152 (RMB 39,406,403)	-	

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2020	Accumulated Repatriation of Investment Income as of June 30, 2020	Note
					Outward	Inward							
Zhu Hai Yu Yuan Industrial Co., Ltd.	Processing, production and sale of footwear products	\$ 1,408 (RMB 300,000)	b	\$ -	\$ -	\$ -	\$ -	\$ 9,810 (RMB 2,301,573)	51.11	\$ 5,014 (RMB 1,176,334) b, 1)	\$ 15,868 (RMB 3,786,289)	\$ -	
Yang Xin Pou Shou Sporting Goods Co., Ltd.	Processing, production and sale of footwear products	236,574 (US\$ 7,800,000)	b	-	-	-	-	(88,564) (RMB (20,878,098))	51.11	(45,265) (RMB (10,670,796)) b, 1)	37,423 (RMB 8,929,440)	-	
Changsha YYSPTS Sport Products Co., Ltd.	Sales of sports goods and equipments	22,825 (RMB 5,000,000)	b	-	-	-	-	28,103 (RMB 6,595,755)	31.79	8,934 (RMB 2,096,790) b, 1)	19,317 (RMB 4,609,277)	-	
Henan YYSPTS Sport Products Co., Ltd.	Retail business of sports goods and accessories	9,130 (RMB 2,000,000)	b	-	-	-	-	17,325 (RMB 4,253,391)	31.79	5,508 (RMB 1,352,153) b, 1)	139,237 (RMB 33,222,954)	-	
Shenyang Pou-Yi Trading Co., Ltd.	Retail business of sports goods and accessories	182,600 (RMB 40,000,000)	b	-	-	-	-	(21,470) (RMB (5,009,661))	31.79	(6,825) (RMB (1,592,571)) b, 1)	3,151 (RMB 751,733)	-	
Zhejiang shengdao Sporting-goods Co., Ltd.	Retail business of sports goods and accessories	228,250 (RMB 50,000,000)	b	-	-	-	-	132,430 (RMB 31,445,952)	31.79	42,100 (RMB 9,996,668) b, 1)	474,942 (RMB 113,324,380)	-	
Mudanjiang YYSPTS Sport Technology Co., Ltd.	Sports service, research and development of sports fitness equipment and retail business of sports goods	4,565 (RMB 1,000,000)	b	-	-	-	-	(1,862) (RMB (441,203))	31.79	(592) (RMB (140,258)) b, 1)	3,274 (RMB 781,183)	-	
Widevision Investment (Shenzhen) Co., Ltd.	Business management consulting, economic information consulting and market management planning	13,833 (RMB 3,000,000)	b	-	-	-	-	5,599 (RMB 1,331,888)	100.00	5,599 (RMB 1,331,888) b, 1)	15,165 (RMB 3,618,356)	-	
Chongqing Baoyu Sports Goods Company Limited	Wholesale and retail of sports goods, sports equipment, clothing, shoes, caps and accessories and premises leasing	4,521 (RMB 1,000,000)	b	-	-	-	-	(14,879) (RMB (3,479,050))	31.79	(4,730) (RMB (1,105,990)) b, 1)	(8,350) (RMB (1,992,270))	-	
Kuo Yuen Tannery	Production, processing, sales, research and development of shoe materials, import and export goods or technic	176,844 (RMB 41,047,490)	b	-	-	-	-	(64,569) (RMB (15,318,974))	25.56	(16,504) (RMB (3,915,530)) b, 1)	27,299 (RMB 6,513,738)	-	
Akenz (ShangHai) Trading Co., Ltd.	Management consultants, wholesale of sports goods and equipment wholesale, other sports services and other art performance assistant services	108,652 (RMB 25,300,000)	b	-	-	-	-	(20,116) (RMB (4,721,755))	28.29	(6,218) (RMB (1,459,062)) b, 1)	20,480 (RMB 4,886,613)	-	
Yangzhou Yuhong Garment Co., Ltd.	Engaged in the processing and production of apparel, apparel accessories, and apparel accessories, and selling our own products	588,725 (US\$ 19,749,000)	b	-	-	-	-	(21,208) (US\$ (4,943,168))	51.11	(10,840) (RMB (2,526,453)) b, 1)	345,445 (RMB 82,425,513)	-	
Yifeng Kun Ching Foam Ltd.	Production, sales, processing of plastic foam and foam daily products	8,994 (US\$ 300,000)	b	-	-	-	-	(250) (US\$ (57,821))	19.42	(48) (RMB (11,229)) b, 1)	2,936 (RMB 700,485)	-	
Zhongshan Hwa Ching Foam Co., Ltd.	Production of foam products	29,980 (US\$ 1,000,000)	b	-	-	-	-	11,215 (US\$ 2,631,415)	19.58	2,196 (RMB 515,231) b, 1)	13,815 (RMB 3,296,374)	-	
Hubei PouShou Sports Goods Trading Company Limited	Management consultants, wholesale of sports goods, sports equipment, clothing, shoes, caps and accessories and advertising design agency	4,191 (RMB 1,000,000)	b	-	-	-	-	- (RMB 598)	31.79	- (RMB 95) b, 1)	1,333 (RMB 318,090)	-	

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2020	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 4)
\$ -	\$ 21,263,246 (US\$ 717,625,598)	\$ 110,354,250

- Note 1: Methods of investments have following types:
- a. Direct investment in mainland China.
 - b. Indirect investment in the Company located in mainland China through a third place.
 - c. Other.
- Note 2: Investment profit or loss recognized in the current period:
- a. If it is in the preparation stage, there is no investment gains and losses, it should be noted.
 - b. The amount of investment gain (loss) was recognized in following bases:
 - 1) Based on the financial statements audited by an ROC CPA firm cooperating with an international CPA firm.
 - 2) Based on the financial statements audited by the auditor of parent company.
- Note 3: Financial assets at FVTOCI
- Note 4: The limitation of the amount is in accordance with the provisions of the “Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area” which was passed on August 29, 2008.

(Concluded)

TABLE 10-1

POU CHEN CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, U.S. Dollars and Renminbi)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2020	Accumulated Repatriation of Investment Income as of June 30, 2020	Note
					Outward	Inward							
Kunshan Yuanying Electronics Technology Co., Ltd.	Manufacturing and sale of alloy	\$ 85,936 (US\$ 2,620,000)	b	\$ -	\$ -	\$ -	\$ -	\$ (2,783) (RMB (652,860))	100.00	\$ (2,783) (RMB (652,860)) b, 2)	\$ 65,916 (RMB 15,727,976)	-	

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2020	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ -	\$ 170,965 (US\$ 5,770,000)	\$ 408,558

Note 1: Methods of investments have following types:

a. Direct investment in mainland China.

b. Indirect investment in the Company located in mainland China through a third place.

c. Other.

Note 2: Investment profit or loss recognized in the current period

a. If it is in the preparation stage, there is no investment gains and losses, it should be noted.

b. The amount of investment gain (loss) was recognized on following bases:

1) Based on the financial statements audited by an ROC CPA firm cooperating with an international CPA firm.

2) Based on the financial statements audited by the auditor of parent company.

Note 3: The limitation of the amount is in accordance with the provisions of the “Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area” which was passed on August 29, 2008.

TABLE 11

POU CHEN CORPORATION AND SUBSIDIARIES

**INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2020**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
PC Brothers Corporation	213,280,710	7.23
Chuan Mou Investments Co., Limited	163,425,022	5.54

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (included treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.