

Dyaco International Inc. and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2021 and 2020 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Dyaco International Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Dyaco International Inc. (the "Corporation") and its subsidiaries (collectively referred to as the "Group") as of June 30, 2021 and 2020, the related consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020, and for the six months ended June 30, 2021 and 2020, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes, 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, 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 at June 30, 2021 and 2020, its consolidated financial performance for the three months ended June 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chien-Hsin Hsieh and Chao-Mei Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 11, 2021

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 accepted and 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.

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2021 (Reviewed)		December 31, 2020 (Audited)		June 30, 2020 (Retrospectively Adjusted and Reviewed) (Note 32)	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash (Note 6)	\$ 1,091,551	9	\$ 1,542,324	12	\$ 1,284,240	14
Financial assets at fair value through profit or loss (Note 7)	2,644	-	2,593	-	480	-
Financial assets at amortized cost (Notes 9 and 38)	237,720	2	208,931	1	329,433	3
Notes receivable (Notes 10 and 27)	6,467	-	2,020	-	2,531	-
Accounts receivable (Notes 10 and 27)	2,016,131	17	3,050,265	23	1,296,258	14
Other receivables (Note 10)	38,183	-	86,259	1	52,902	1
Current tax assets	37,028	-	17,980	-	1,267	-
Inventories (Notes 11 and 38)	3,592,469	30	3,141,741	24	1,627,699	17
Prepayments (Note 12)	150,881	1	183,385	1	187,011	2
Other current assets	19,361	-	20,363	-	34,602	-
Total current assets	7,192,435	59	8,255,861	62	4,816,423	51
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 8)	56,409	1	51,165	-	51,765	1
Investments accounted for using the equity method (Note 14)	4,540	-	5,252	-	-	-
Property, plant and equipment (Notes 15 and 38)	2,793,308	23	2,877,597	22	2,604,726	27
Right-of-use assets (Notes 16 and 38)	339,395	3	350,377	3	344,855	4
Investment properties (Note 17)	54,860	-	57,061	-	57,155	1
Goodwill (Notes 18 and 32)	468,513	4	478,118	4	486,508	5
Other intangible assets (Note 19)	718,051	6	760,552	6	881,112	9
Deferred income tax assets (Note 29)	410,254	3	330,238	3	229,729	2
Prepayments for equipment	10,061	-	15,931	-	4,833	-
Refundable deposits	61,368	1	57,918	-	10,303	-
Other non-current assets	7,350	-	11,918	-	14,697	-
Total non-current assets	4,924,109	41	4,996,127	38	4,685,683	49
TOTAL	<u>\$ 12,116,544</u>	<u>100</u>	<u>\$ 13,251,988</u>	<u>100</u>	<u>\$ 9,502,106</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 38)	\$ 1,348,817	11	\$ 1,573,781	12	\$ 1,507,085	16
Financial liabilities at fair value through profit or loss (Note 7)	1,846	-	1,685	-	3,041	-
Notes payable (Note 22)	87,062	1	781,353	6	363,870	4
Accounts payable (Note 22)	1,815,917	15	2,438,687	18	1,239,088	13
Other payables (Note 23)	1,441,795	12	1,075,723	8	919,570	10
Current income tax liabilities	189,896	2	401,093	3	110,082	1
Provisions (Note 24)	17,653	-	18,359	-	17,178	-
Lease liabilities (Note 16)	18,838	-	19,863	-	20,871	-
Contract liabilities (Note 27)	48,170	-	74,531	1	170,095	2
Current portion of bonds payable (Note 21)	-	-	-	-	372,925	4
Current portion of long-term borrowings (Notes 20 and 38)	160,125	1	159,929	1	151,584	1
Other current liabilities	63,428	1	63,901	1	67,375	1
Total current liabilities	5,193,547	43	6,608,905	50	4,942,764	52
NON-CURRENT LIABILITIES						
Bonds payable (Note 21)	1,369,828	11	462,372	4	-	-
Long-term borrowings (Notes 20 and 38)	710,732	6	790,621	6	874,068	9
Deferred tax liabilities (Note 29)	420,432	4	426,806	3	425,745	5
Lease liabilities (Note 16)	43,660	-	44,408	-	45,626	1
Long-term payable (Note 23)	34,742	-	25,878	-	130,050	1
Net defined benefit liabilities (Note 25)	20,582	-	20,399	-	19,671	-
Guarantee deposits received	2,584	-	2,737	-	2,200	-
Total non-current liabilities	2,602,560	21	1,773,221	13	1,497,360	16
Total liabilities	7,796,107	64	8,382,126	63	6,440,124	68
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 26)						
Share capital						
Ordinary shares	1,334,442	11	1,311,496	10	1,151,009	12
Advance share capital	5,380	-	15,027	-	58,811	1
Total share capital	1,339,822	11	1,326,523	10	1,209,820	13
Capital surplus	2,086,720	17	1,986,005	15	1,477,248	16
Retained earnings						
Legal reserve	152,827	2	152,827	1	152,827	1
Special reserve	105,812	1	105,812	1	105,812	1
Unappropriated earnings	752,959	6	1,390,288	10	259,241	3
Total retained earnings	1,011,598	9	1,648,927	12	517,880	5
Other equity	(218,748)	(2)	(175,628)	(1)	(156,549)	(2)
Treasury shares	(244,018)	(2)	(272,651)	(2)	(327,890)	(3)
Total equity attributable to owners of the Corporation	3,975,374	33	4,513,176	34	2,720,509	29
NON-CONTROLLING INTERESTS	345,063	3	356,686	3	341,473	3
Total equity	4,320,437	36	4,869,862	37	3,061,982	32
TOTAL	<u>\$ 12,116,544</u>	<u>100</u>	<u>\$ 13,251,988</u>	<u>100</u>	<u>\$ 9,502,106</u>	<u>100</u>

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

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020 (Retrospectively Adjusted) (Note 32)		2021		2020 (Retrospectively Adjusted) (Note 32)	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUES (Note 27)	\$ 2,802,813	101	\$ 2,546,288	101	\$ 6,690,691	101	\$ 4,229,795	102
LESS: SALES RETURNS	10,755	-	6,739	-	23,853	-	12,540	-
SALES DISCOUNTS AND ALLOWANCES	17,878	1	31,325	1	54,551	1	61,230	2
NET OPERATING REVENUE	2,774,180	100	2,508,224	100	6,612,287	100	4,156,025	100
OPERATING COSTS (Notes 11 and 28)								
Cost of sales	1,830,054	66	1,376,202	55	4,284,654	65	2,561,981	62
GROSS PROFIT	944,126	34	1,132,022	45	2,327,633	35	1,594,044	38
OPERATING EXPENSES (Note 28)								
Selling and marketing	561,079	20	649,771	26	1,385,037	21	943,968	23
General and administrative	176,650	6	156,015	6	362,619	5	302,247	7
Research and development	21,671	1	23,241	1	43,994	1	44,254	1
Expected credit loss (gain) (Note 10)	(3,593)	-	5,339	-	11,738	-	10,008	-
Total operating expenses	755,807	27	834,366	33	1,803,388	27	1,300,477	31
OTHER OPERATING INCOME AND EXPENSES (Note 28)	(2,027)	-	35	-	(1,862)	-	78	-
PROFIT FROM OPERATIONS	186,292	7	297,691	12	522,383	8	293,645	7
NON-OPERATING INCOME AND EXPENSES								
Interest income	447	-	856	-	938	-	2,277	-
Rental income	4,124	-	4,235	-	7,872	-	8,011	-
Other income	2,331	-	17,361	1	7,268	-	20,694	1
Foreign exchange gain or loss, net (Note 28)	(123,262)	(4)	(34,724)	(1)	(120,123)	(2)	(20,650)	-
Other expenses	(176)	-	(413)	-	(259)	-	(527)	-
Gain or loss on valuation of financial instruments	965	-	(1,154)	-	(303)	-	(2,564)	-
Interest expense (Note 28)	(14,845)	(1)	(15,221)	(1)	(28,812)	-	(30,827)	(1)
Share of profit or loss of associates (Note 14)	(638)	-	-	-	(638)	-	-	-
Total non-operating income and expenses	(131,054)	(5)	(29,060)	(1)	(134,057)	(2)	(23,586)	-
PROFIT BEFORE INCOME TAX	55,238	2	268,631	11	388,326	6	270,059	7
INCOME TAX EXPENSE (Note 29)	14,337	1	80,908	3	79,233	1	79,046	2
NET PROFIT	40,901	1	187,723	8	309,093	5	191,013	5

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DYACO INTERNATIONAL INC. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021		2020 (Retrospectively Adjusted) (Note 32)		2021		2020 (Retrospectively Adjusted) (Note 32)	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ (39,519)	(1)	\$ (41,236)	(2)	\$ (48,138)	(1)	\$ (61,232)	(2)
TOTAL COMPREHENSIVE INCOME	\$ 1,382	-	\$ 146,487	6	\$ 260,955	4	\$ 129,781	3
NET PROFIT (LOSS)								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 50,910	2	\$ 190,445	7	\$ 315,698	5	\$ 189,216	5
Non-controlling interests	(10,009)	(1)	(2,722)	-	(6,605)	-	1,797	-
	\$ 40,901	1	\$ 187,723	7	\$ 309,093	5	\$ 191,013	5
TOTAL COMPREHENSIVE INCOME (LOSS)								
ATTRIBUTABLE TO:								
Owners of the Corporation	\$ 13,306	-	\$ 154,106	6	\$ 272,578	4	\$ 138,480	3
Non-controlling interests	(11,924)	-	(7,619)	-	(11,623)	-	(8,699)	-
	\$ 1,382	-	\$ 146,487	6	\$ 260,955	4	\$ 129,781	3
EARNINGS PER SHARE (Note 30)								
Basic	\$ 0.40		\$ 1.79		\$ 2.49		\$ 1.77	
Diluted	\$ 0.39		\$ 1.66		\$ 2.38		\$ 1.66	

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

(Concluded)

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Cash Dividends Per Share)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Corporation (Note 26)											
							Other Equity		Treasury Shares	Total	Non-controlling Interests (Notes 13 and 26)	Total Equity
							Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Share Capital		Capital Surplus	Retained Earnings		Unappropriated Earnings (Retrospectively Adjusted)						
Shares Capital	Advance Capital	Legal Reserve		Special Reserve								
BALANCE AT JANUARY 1, 2020	\$ 961,009	\$ -	\$ 758,304	\$ 133,886	\$ 79,123	\$ 239,976	\$ (109,706)	\$ 3,893	\$ (172,340)	\$ 1,894,145	\$ 350,172	\$ 2,244,317
Issuance of ordinary shares under employee share options (Note 31)	-	500	4,345	-	-	-	-	-	-	4,845	-	4,845
Changes in capital surplus from investments using the equity method	-	-	311	-	-	-	-	-	-	311	-	311
Appropriation of prior year's earnings												
Legal reserve	-	-	-	18,941	-	(18,941)	-	-	-	-	-	-
Special reserve	-	-	-	-	26,689	(26,689)	-	-	-	-	-	-
Cash dividends to shareholder - NT\$1.15 per share	-	-	-	-	-	(124,321)	-	-	-	(124,321)	-	(124,321)
	-	-	-	18,941	26,689	(169,951)	-	-	-	(124,321)	-	(124,321)
Convertible bonds converted to ordinary shares (Note 21)	-	58,311	165,543	-	-	-	-	-	-	223,854	-	223,854
Net profit for the six months ended June 30, 2020	-	-	-	-	-	189,216	-	-	-	189,216	1,797	191,013
Other comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	-	(50,736)	-	-	(50,736)	(10,496)	(61,232)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	189,216	(50,736)	-	-	138,480	(8,699)	129,781
Issuance of ordinary shares for cash (Note 26)	190,000	-	548,745	-	-	-	-	-	-	738,745	-	738,745
Buy-back of ordinary shares (Note 26)	-	-	-	-	-	-	-	-	(155,550)	(155,550)	-	(155,550)
BALANCE AT JUNE 30, 2020	\$ 1,151,009	\$ 58,811	\$ 1,477,248	\$ 152,827	\$ 105,812	\$ 259,241	\$ (160,442)	\$ 3,893	\$ (327,890)	\$ 2,720,509	\$ 341,473	\$ 3,061,982
BALANCE AT JANUARY 1, 2021	\$ 1,311,496	\$ 15,027	\$ 1,986,005	\$ 152,827	\$ 105,812	\$ 1,390,288	\$ (178,468)	\$ 2,840	\$ (272,651)	\$ 4,513,176	\$ 356,686	\$ 4,869,862
Issuance of ordinary shares under employee share options (Note 31)	3,380	4,380	24,276	-	-	-	-	-	-	32,036	-	32,036
Equity component of convertible bonds issued by the Corporation (Note 21)	-	-	38,988	-	-	-	-	-	-	38,988	-	38,988
Changes in capital surplus from investments using the equity method	-	-	102	-	-	-	-	-	-	102	-	102
Gain on disgorgement	-	-	45	-	-	-	-	-	-	45	-	45
Appropriation of prior year's earnings												
Cash dividends to shareholder - NT\$7.50 per share	-	-	-	-	-	(953,027)	-	-	-	(953,027)	-	(953,027)
Convertible bonds converted to ordinary shares (Note 21)	19,566	(14,027)	43,162	-	-	-	-	-	-	48,701	-	48,701
Net profit for the six months ended June 30, 2021	-	-	-	-	-	315,698	-	-	-	315,698	(6,605)	309,093
Other comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	-	(43,120)	-	-	(43,120)	(5,018)	(48,138)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	315,698	(43,120)	-	-	272,578	(11,623)	260,955
Treasury shares transferred to employees (Note 26)	-	-	(5,858)	-	-	-	-	-	28,633	22,775	-	22,775
BALANCE AT JUNE 30, 2021	\$ 1,334,442	\$ 5,380	\$ 2,086,720	\$ 152,827	\$ 105,812	\$ 752,959	\$ (221,588)	\$ 2,840	\$ (244,018)	\$ 3,975,374	\$ 345,063	\$ 4,320,437

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

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	2020 (Retrospectively Adjusted)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	\$ 388,326	\$ 270,059
Adjustments for:		
Depreciation expense	100,212	97,415
Amortization expense	44,565	59,047
Expected credit loss recognized	11,738	10,008
Net loss (gain) on fair value changes of financial instrument at fair value through profit or loss	304	(482)
Interest expense	28,812	30,827
Interest income	(938)	(2,277)
Compensation costs of employee share options	1,021	3,116
Share of loss of associates	638	-
Loss (gain) on disposal of property, plant and equipment	1,860	(107)
Loss on disposal of intangible assets	2	-
Loss on inventories valuation and obsolescence	7,506	9,333
Unrealized loss (gain) on foreign currency exchange	112,065	(62,075)
Loss on lease modification	-	29
Changes in operating assets and liabilities		
Notes receivable	(4,447)	(1,030)
Accounts receivable	966,902	233,209
Other receivables	48,076	(8,362)
Inventories	(538,024)	(89,424)
Prepayments	32,504	(79,141)
Other current assets	(2,873)	(6,333)
Contract liabilities	(26,361)	162,194
Notes payable	(694,291)	55,312
Accounts payable	(590,730)	318,147
Provisions	(766)	1,878
Other payables	(479,501)	167,212
Other current liabilities	(473)	(15,747)
Net defined benefit liabilities	183	108
Cash generated from (used in) operations	(593,690)	1,152,916
Interest received	938	2,268
Interest paid	(26,421)	(27,893)
Income tax paid	(395,868)	(60,663)
Net cash generated from (used in) operating activities	(1,015,041)	1,066,628

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DYACO INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2021	2020 (Retrospectively Adjusted)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (5,400)	\$ (9,075)
Increase in financial assets at amortized cost	(28,789)	(1,076)
Net cash outflow on acquisition of subsidiaries (Note 34)	(94,985)	(776,143)
Payments for property, plant and equipment (Note 34)	(26,047)	(19,930)
Proceeds from disposal of property, plant and equipment	10,223	661
Decrease in refundable deposits	425	4,289
Payments for intangible assets (Note 34)	(16,393)	(15,518)
Decrease (increase) in other non-current assets	<u>4,568</u>	<u>(8,496)</u>
Net cash used in investing activities	<u>(156,398)</u>	<u>(825,288)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	(217,066)	(479,275)
Proceeds from issuance of convertible bonds	994,594	-
Proceeds from long-term borrowings	-	200,000
Repayments of long-term borrowings	(79,929)	(69,626)
Refund of guarantee deposits received	(109)	(462)
Repayment of the principal portion of lease liabilities	(10,352)	(11,418)
Proceeds from issuance of ordinary shares	-	738,745
Exercise of employee stock options	31,117	2,040
Payments for buy-back of ordinary shares	-	(155,550)
Proceeds from treasury shares transferred to employees	22,775	-
Enforce disgorgement	<u>45</u>	<u>-</u>
Net cash generated from financing activities	<u>741,075</u>	<u>224,454</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(20,409)</u>	<u>(7,767)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(450,773)	458,027
CASH, BEGINNING OF THE PERIOD	<u>1,542,324</u>	<u>826,213</u>
CASH, END OF THE PERIOD	<u>\$ 1,091,551</u>	<u>\$ 1,284,240</u>

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

(Concluded)

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Dyaco International Inc. (the “Corporation”) was established in 1990. The Corporation and its subsidiaries are collectively referred to as the Group. The Group mainly manufactures, imports, exports and sells sports equipment and outdoor furniture. The Corporation’s shares have been listed on the Taiwan Stock Exchange since September 20, 2016.

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on August 11, 2021.

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

- a. Initial application of the amendments to 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)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note 3)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 4)

Note 1: 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 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 3: 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 4: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
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 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 4)

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 will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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 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 consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 13, Tables 6 and 7 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Please see the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2020 except for the information below.

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.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The accounting judgments and key sources of estimation uncertainty of these consolidated financial statements are the same as the consolidated financial statements for the year ended December 31, 2020.

6. CASH

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand	\$ 2,003	\$ 10,396	\$ 1,188
Checking accounts and demand deposits	<u>1,089,548</u>	<u>1,531,928</u>	<u>1,283,052</u>
	<u>\$ 1,091,551</u>	<u>\$ 1,542,324</u>	<u>\$ 1,284,240</u>

The market interest rates of cash in bank at the end of the reporting period were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Demand deposits	0.001%-0.35%	0.001%-0.35%	0.001%-0.35%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets mandatorily classified as at <u>FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 876	\$ -	\$ 480
Convertible bonds options (Note 21)	<u>1,768</u>	<u>2,593</u>	<u>-</u>
	<u>\$ 2,644</u>	<u>\$ 2,593</u>	<u>\$ 480</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Cross-currency swap contracts	\$ 354	\$ 1,685	\$ 2,876
Foreign exchange forward contracts	-	-	165
Convertible bonds options (Note 21)	<u>1,492</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,846</u>	<u>\$ 1,685</u>	<u>\$ 3,041</u>

At the end of the reporting period, outstanding cross-currency swap contracts and foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>June 30, 2021</u>			
Cross-currency swap contracts	NTD/USD	2021.10.12	NTD14,299/USD500
Foreign exchange forward contracts	NTD/USD	2021.07.29-2021.09.29	NTD28,562/USD1,000
Foreign exchange forward contracts	USD/RMB	2021.09.29	USD500/RMB3,300
<u>December 31, 2020</u>			
Cross-currency swap contracts	NTD/USD	2021.06.18-2021.10.12	NTD43,799/USD1,500
<u>June 30, 2020</u>			
Cross-currency swap contracts	NTD/USD	2020.10.29-2021.06.18	NTD179,712/USD6,000
Foreign exchange forward contracts	USD/NTD	2020.07.06-2020.08.05	USD1,000/NTD30,138
Foreign exchange forward contracts	RMB/USD	2020.08.06	RMB2,085/USD300

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 5,400	\$ -	\$ -
Foreign investments			
Unlisted shares	<u>51,009</u>	<u>51,165</u>	<u>51,765</u>
	<u>\$ 56,409</u>	<u>\$ 51,165</u>	<u>\$ 51,765</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Current</u>			
Restricted deposits	\$ 237,720	\$ 208,931	\$ 329,433

a. The market interest rates of cash in bank at the end of the reporting period were as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Restricted deposits	0.12%-0.22%	0.16%-0.30%	0.01%-0.53%

b. The financial assets at amortized cost pledged as collateral are set out in Note 38.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Notes receivable</u>			
At amortized cost			
Gross carrying amount	\$ 6,467	\$ 2,020	\$ 2,531
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,467</u>	<u>\$ 2,020</u>	<u>\$ 2,531</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 2,166,677	\$ 3,190,624	\$ 1,439,728
Less: Allowance for impairment loss	<u>150,546</u>	<u>140,359</u>	<u>143,470</u>
	<u>\$ 2,016,131</u>	<u>\$ 3,050,265</u>	<u>\$ 1,296,258</u>
<u>Other receivables</u>			
Tax refund receivables	\$ 21,664	\$ 50,901	\$ 28,677
Others	<u>16,519</u>	<u>35,358</u>	<u>24,225</u>
	<u>\$ 38,183</u>	<u>\$ 86,259</u>	<u>\$ 52,902</u>

a. Notes receivable

The average credit period of sales of goods was 30 to 120 days. In the determination of credit risk, the Group takes into consideration any change in credit quality from the invoice date to the reporting date. The Group recognizes 100% allowance for impairment loss if notes receivable become overdue.

At the end of the reporting period, there were no overdue notes receivable for which the Group recognized allowance for impairment loss.

b. Accounts receivable

The average credit period of sales of goods was 30 to 120 days. The Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of concluded transactions is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee periodically.

The Group 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 prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As there are different loss patterns for various customer segments, the Group uses different provision matrixes based on operating area of subsidiaries, and determines the provision for loss allowance is based on past due status.

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

The following table details the loss allowance of accounts receivable based on the Group's provision matrix.

June 30, 2021

	Not Past Due	Less than 60 Days	61 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days and Individually Recognized	Total
Expected credit loss rate	0%-3.76%	0%-21.00%	1.84%-27.90%	2.57%-43.50%	5.00%-100%	100%	
Gross carrying amount	\$ 1,649,255	\$ 315,463	\$ 44,033	\$ 19,231	\$ 11,810	\$ 126,885	\$ 2,166,677
Loss allowance (Lifetime ECLs)	(1,678)	(6,574)	(4,796)	(3,007)	(7,606)	(126,885)	(150,546)
Amortized cost	<u>\$ 1,647,577</u>	<u>\$ 308,889</u>	<u>\$ 39,237</u>	<u>\$ 16,224</u>	<u>\$ 4,204</u>	<u>\$ -</u>	<u>\$ 2,016,131</u>

December 31, 2020

	Not Past Due	Less than 60 Days	61 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days and Individually Recognized	Total
Expected credit loss rate	0%-3.76%	0%-21.00%	1.84%-27.90%	2.57%-43.50%	5.00%-100%	100%	
Gross carrying amount	\$ 2,856,971	\$ 175,155	\$ 20,827	\$ 5,683	\$ 5,673	\$ 126,315	\$ 3,190,624
Loss allowance (Lifetime ECLs)	(3,183)	(3,602)	(1,699)	(1,560)	(4,000)	(126,315)	(140,359)
Amortized cost	<u>\$ 2,853,788</u>	<u>\$ 171,553</u>	<u>\$ 19,128</u>	<u>\$ 4,123</u>	<u>\$ 1,673</u>	<u>\$ -</u>	<u>\$ 3,050,265</u>

June 30, 2020

	Not Past Due	Less than 60 Days	61 to 120 Days	121 to 180 Days	181 to 365 Days	Over 365 Days and Individually Recognized	Total
Expected credit loss rate	0%-5.64%	0%-17.77%	3.45%-38.58%	5.26%-44.70%	6.08%-100%	100%	
Gross carrying amount	\$ 1,024,812	\$ 243,673	\$ 16,494	\$ 19,331	\$ 5,634	\$ 129,784	\$ 1,439,728
Loss allowance (Lifetime ECLs)	(1,702)	(2,874)	(932)	(6,515)	(1,663)	(129,784)	(143,470)
Amortized cost	<u>\$ 1,023,110</u>	<u>\$ 240,799</u>	<u>\$ 15,562</u>	<u>\$ 12,816</u>	<u>\$ 3,971</u>	<u>\$ -</u>	<u>\$ 1,296,258</u>

The Group's customer, New Level UK Ltd., was in severe financial difficulty and went into bankruptcy on February 26, 2018. As of June 30, 2021, accounts receivable from New Level UK Ltd. amounted to \$105,905 thousand (NT\$79,163 thousand and US\$960 thousand). Due to the uncertainty of the recoverability of accounts receivable according to legal proceedings, the Group recognized a loss allowance.

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

	For the Six Months Ended June 30	
	2021	2020
Beginning balance	\$ 140,359	\$ 135,039
Add: Acquisitions through business combinations	-	749
Add: Net remeasurement of loss allowance	11,738	10,008
Less: Amounts written off	(391)	(1,224)
Foreign exchange gains and losses	<u>(1,160)</u>	<u>(1,102)</u>
Ending balance	<u>\$ 150,546</u>	<u>\$ 143,470</u>

c. Other receivables

The Group adopted a policy of only dealing with entities that have good credit ratings and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The Group considers the current financial condition of debtors in order to measure twelve-month expected credit losses or lifetime expected credit losses. As of June 30, 2021, the ratio of allowance for impairment loss of other receivables was 0%.

11. INVENTORIES

	June 30, 2021	December 31, 2020	June 30, 2020
Raw materials	\$ 290,230	\$ 333,062	\$ 251,163
Work in progress	204,164	291,520	151,602
Finished goods	2,630,645	2,218,372	846,050
Merchandise	<u>467,430</u>	<u>298,787</u>	<u>378,884</u>
	<u>\$ 3,592,469</u>	<u>\$ 3,141,741</u>	<u>\$ 1,627,699</u>

The nature of the cost of goods sold is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Cost of inventories sold	\$ 1,803,433	\$ 1,351,593	\$ 4,225,697	\$ 2,520,178
Inventory write-downs	-	9,333	7,506	9,333
Warranties	<u>26,621</u>	<u>15,276</u>	<u>51,451</u>	<u>32,470</u>
	<u>\$ 1,830,054</u>	<u>\$ 1,376,202</u>	<u>\$ 4,284,654</u>	<u>\$ 2,561,981</u>

The inventories pledged as collateral for bank borrowings are set out in Note 38.

12. PREPAYMENTS

	June 30, 2021	December 31, 2020	June 30, 2020
Prepayments for goods	\$ 70,281	\$ 70,289	\$ 83,081
Prepaid expenses	43,385	45,991	47,901
Tax overpayment retained for offsetting future tax payable	26,833	59,690	27,878
Others	<u>10,382</u>	<u>7,415</u>	<u>28,151</u>
	<u>\$ 150,881</u>	<u>\$ 183,385</u>	<u>\$ 187,011</u>

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2021	December 31, 2020	June 30, 2020	
Dyaco International Inc.	Dyaco International Holding Limited	Investment	100	100	100	-
	Dyaco Europe GmbH	Import, export and selling	100	100	100	-
	Daan Health Management Consulting Co., Ltd.	Rental of medical equipment	100	100	100	-
SOLE INC.	Dyaco Japan Co., Ltd.	Import, export and selling	100	100	100	-
	Wing Long Co., Ltd.	Import, export and selling	100	100	100	-
	Dyaco UK Ltd.	Import, export and selling	100	100	100	-
	SOLE INC.	Investment	100	100	100	Note 1
	President Plastic Products MFG Co., Ltd.	Rental of property	100	100	-	Note 2
	Cikayda Inc.	Manufacturing and selling	100	-	-	Note 3
	Fitness Equipment Services LLC.	Import, export and selling	100	100	100	Note 1
Dyaco Europe GmbH	CARDIO fitness GmbH & Co. KG	Import, export and selling	100	100	100	-
	CARDIO fitness Verwaltungs GmbH	Investment	100	100	100	-
Dyaco International Holding Limited	Fuel-Spirit International Inc.	Import, export and selling	100	100	100	-
	Dyaco (Shanghai) Trading Co., Ltd.	Import, export and selling	100	100	100	-
	Shelton Corporation (Jiaxing), Ltd.	Manufacturing and selling	60	60	60	-
Dyaco (Shanghai) Trading Co., Ltd.	Dyaco Health Technology (Beijing) Co., Ltd.	Healthcare management consulting	100	100	100	-
Fuel-Spirit International Inc.	Spirit Manufacturing Inc.	Import, export and selling	100	100	100	-
	Dyaco Canada Inc.	Import, export and selling	100	100	100	-
Spirit Manufacturing Inc.	Spirit Direct, LLC.	Import, export and selling	100	100	100	-
	Dyaco Commercial & Medical North America, LLC.	Import, export and selling	100	100	100	-

Remarks:

- On January 2, 2020, the board of directors resolved to establish SOLE INC., to purchase 100% equity of Fitness Equipment Services, LLC. Also, the board of directors resolved to acquire interests in SOLE INC. for US\$31,490 thousand (NT\$948,631 thousand). In addition, on February 1, 2020, SOLE INC. purchased 100% equity of Fitness Equipment Services, LLC. for US\$31,477 thousand (NT\$948,251 thousand). For related information on business combinations, please refer to Note 32.

2) On August 12, 2020, the board of directors approved the resolution to purchase 100% equity of President Plastic Products Mfg. Co., Ltd. to acquire land in Dajia District, Taichung City, and planned to build the factory. On December 8, 2020, the Corporation purchased 100% equity of President Plastic Products Mfg. Co., Ltd. for NT\$258,640 thousand. As of June 30, 2021, NT\$18,889 thousand was not paid and recognized as other payables. For related information on acquisition of a subsidiary that does not constitute a business, please refer to Note 33.

3) In April 2021, the Corporation established Cikayda Inc. in the amount of NT\$20,000 thousand.

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

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		December 31,		
		June 30, 2021	2020	June 30, 2020
Shelton Corporation (Jiaxing), Ltd.	China	40%	40%	40%

See Table 7 for the information on the places of incorporation and principal places of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended		For the Six Months Ended				
	June 30		June 30		June 30,	December 31,	June 30,
	2021	2020	2021	2020	2021	2020	2020
Shelton Corporation (Jiaxing), Ltd.	\$ (10,009)	\$ (2,722)	\$ (6,605)	\$ 1,797	\$ 345,063	\$ 356,686	\$ 341,473

The summarized financial information below represents amounts before intragroup eliminations and after consideration of acquisition premium amortization.

	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	\$ 1,832,488	\$ 2,218,628	\$ 1,303,997
Non-current assets	943,966	991,059	961,614
Current liabilities	(1,635,362)	(2,031,709)	(1,124,038)
Non-current liabilities	(137,489)	(141,938)	(137,670)
Equity	<u>\$ 1,003,603</u>	<u>\$ 1,036,040</u>	<u>\$ 1,003,903</u>
Equity attributable to:			
Owners of Shelton Corporation (Jiaxing), Ltd.	\$ 658,540	\$ 679,354	\$ 662,430
Non-controlling interests of Shelton Corporation (Jiaxing), Ltd.	<u>345,063</u>	<u>356,686</u>	<u>341,473</u>
	<u>\$ 1,003,603</u>	<u>\$ 1,036,040</u>	<u>\$ 1,003,903</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Revenue	\$ <u>872,036</u>	\$ <u>674,946</u>	\$ <u>2,035,729</u>	\$ <u>1,097,107</u>
Net profit (loss) from continuing operations (Remark)	\$ (25,022)	\$ (6,803)	\$ (16,512)	\$ 4,494
Other comprehensive income for the period	<u>(4,791)</u>	<u>(947)</u>	<u>(12,547)</u>	<u>(26,243)</u>
Total comprehensive income for the period	\$ <u>(29,813)</u>	\$ <u>(7,750)</u>	\$ <u>(29,059)</u>	\$ <u>(21,749)</u>
Profit (loss) attributable to:				
Owners of Shelton Corporation (Jiaxing), Ltd.	\$ (15,013)	\$ (4,081)	\$ (9,907)	\$ 2,697
Non-controlling interests of Shelton Corporation (Jiaxing), Ltd.	<u>(10,009)</u>	<u>(2,722)</u>	<u>(6,605)</u>	<u>1,797</u>
	\$ <u>(25,022)</u>	\$ <u>(6,803)</u>	\$ <u>(16,512)</u>	\$ <u>4,494</u>
Total comprehensive income attributable to:				
Owners of Shelton Corporation (Jiaxing), Ltd.	\$ (17,889)	\$ (11,474)	\$ (17,436)	\$ (13,050)
Non-controlling interests of Shelton Corporation (Jiaxing), Ltd.	<u>(11,924)</u>	<u>(7,619)</u>	<u>(11,623)</u>	<u>(8,699)</u>
	\$ <u>(29,813)</u>	\$ <u>(19,093)</u>	\$ <u>(29,059)</u>	\$ <u>(21,749)</u>
			For the Six Months Ended June 30	
			2021	2020
Net cash inflow (outflow) from:				
Operating activities			\$ (79,153)	\$ (34,570)
Investing activities			(5,340)	(747)
Financing activities			<u>134,974</u>	<u>50,541</u>
Net cash inflow			\$ <u>50,481</u>	\$ <u>15,224</u>

Note: Net loss was \$9,710 thousand less amortization of \$6,802 thousand for the six months ended June 30, 2021. Net profit was \$11,150 thousand less amortization of \$6,656 thousand for the six months ended June 30, 2020.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2021	December 31, 2020	June 30, 2020
Investments in associates	\$ 4,540	\$ 5,252	\$ -
Associates that are not individually material			
Kerr (Shanghai) Rehabilitation Technology Development Co., Ltd.	\$ 4,540	\$ 5,252	\$ -

Refer to Table 7 for the principal places of business and countries of incorporation.

Aggregate information of associates that are not individually material

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
The Group's share of:				
Profit (loss) from continuing operations	\$ (638)	\$ -	\$ (638)	\$ -
Other comprehensive income (loss)	-	-	-	-
	\$ (638)	\$ -	\$ (638)	\$ -

The Group acquired 40% equity of Kerr (Shanghai) Rehabilitation Technology Development Co., Ltd. for \$5,123 thousand in July 2020. The Company provides technology development and consulting in the field of health technology.

The investments were accounted for using the equity method and the share of profit or loss of those investments were calculated based on financial statements which have been reviewed.

15. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Total
<u>Cost</u>							
Balance at January 1, 2021	\$ 1,277,444	\$ 1,911,892	\$ 790,276	\$ 49,855	\$ 74,460	\$ 24,297	\$ 4,128,224
Additions	6	1,437	16,198	2,741	6,593	1,094	28,069
Disposals	(1,442)	(12,974)	(6,045)	(6,000)	(1,757)	(142)	(28,360)
Effects of foreign currency exchange differences	(286)	(18,537)	(5,694)	(880)	(3,896)	(1,070)	(30,363)
Balance at June 30, 2021	<u>1,275,722</u>	<u>1,881,818</u>	<u>794,735</u>	<u>45,716</u>	<u>75,400</u>	<u>24,179</u>	<u>4,097,570</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2021	-	598,857	549,088	32,511	59,623	10,548	1,250,627
Depreciation expenses	-	33,526	41,391	2,406	4,013	1,841	83,177
Disposals	-	(3,263)	(5,404)	(5,746)	(1,722)	(142)	(16,277)
Effects of foreign currency exchange differences	-	(6,826)	(3,896)	(568)	(1,569)	(406)	(13,265)
Balance at June 30, 2021	-	<u>622,294</u>	<u>581,179</u>	<u>28,603</u>	<u>60,345</u>	<u>11,841</u>	<u>1,304,262</u>
Carrying amounts at June 30, 2021	<u>\$ 1,275,722</u>	<u>\$ 1,259,524</u>	<u>\$ 213,556</u>	<u>\$ 17,113</u>	<u>\$ 15,055</u>	<u>\$ 12,338</u>	<u>\$ 2,793,308</u>

(Continued)

	Land	Buildings	Machinery Equipment	Transportation Equipment	Office Equipment	Leasehold Improvements	Total
<u>Cost</u>							
Balance at January 1, 2020	\$ 993,472	\$ 1,911,586	\$ 690,454	\$ 43,768	\$ 72,039	\$ 21,524	\$ 3,732,843
Acquisitions through business combinations (Note 32)	-	-	36,712	-	346	1,599	38,657
Additions	-	1,387	22,642	353	2,182	901	27,465
Disposals	-	-	(886)	(731)	(810)	(957)	(3,384)
Effects of foreign currency exchange differences	(171)	(29,401)	(7,609)	(311)	(1,921)	(194)	(39,607)
Balance at June 30, 2020	<u>993,301</u>	<u>1,883,572</u>	<u>741,313</u>	<u>43,079</u>	<u>71,836</u>	<u>22,873</u>	<u>3,755,974</u>
<u>Accumulated depreciation</u>							
Balance at January 1, 2020	-	527,450	458,061	31,823	53,143	6,316	1,076,793
Acquisitions through business combinations (Note 32)	-	-	13,257	-	75	1,094	14,426
Depreciation expenses	-	33,878	37,263	1,953	3,890	1,808	78,792
Disposals	-	-	(839)	(661)	(752)	(578)	(2,830)
Effects of foreign currency exchange differences	-	(10,180)	(4,703)	(191)	(803)	(56)	(15,933)
Balance at June 30, 2020	<u>-</u>	<u>551,148</u>	<u>503,039</u>	<u>32,924</u>	<u>55,553</u>	<u>8,584</u>	<u>1,151,248</u>
Carrying amounts at June 30, 2020	<u>\$ 993,301</u>	<u>\$ 1,332,424</u>	<u>\$ 238,274</u>	<u>\$ 10,155</u>	<u>\$ 16,283</u>	<u>\$ 14,289</u>	<u>\$ 2,604,726</u>

(Concluded)

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	15-50 years
Decoration	2-49 years
Machinery equipment	1-11 years
Transportation equipment	3-11 years
Office equipment	1-10 years
Leasehold improvements	1-10 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 38.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Carrying amounts</u>			
Land	\$ 279,155	\$ 287,713	\$ 279,463
Buildings	44,622	52,380	58,168
Transportation equipment	15,580	10,209	7,115
Office equipment	<u>38</u>	<u>75</u>	<u>109</u>
	<u>\$ 339,395</u>	<u>\$ 350,377</u>	<u>\$ 344,855</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Additions for right-of-use assets			\$ 11,612	\$ -
Depreciation charge for right-of-use assets				
Land	\$ 2,055	\$ 1,998	\$ 4,131	\$ 4,043
Buildings	4,338	4,922	8,726	10,363
Transportation equipment	1,332	1,213	2,482	2,548
Office equipment	19	18	38	37
	<u>\$ 7,744</u>	<u>\$ 8,151</u>	<u>\$ 15,377</u>	<u>\$ 16,991</u>

Right-of-use assets used by the Group and pledged as collateral for bank borrowings are set out in Note 38.

b. Lease liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Carrying amounts</u>			
Current	\$ 18,838	\$ 19,863	\$ 20,871
Non-current	\$ 43,660	\$ 44,408	\$ 45,626

Range of discount rate for lease liabilities was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Buildings	1.56%-4.90%	1.56%-4.75%	1.56%-4.75%
Transportation equipment	1.66%-2.50%	1.65%-4.07%	1.66%-3.41%
Office equipment	4.07%	4.07%	4.07%

c. Material lease-in activities and terms

The Group leases certain buildings and office equipment for the use of plants, offices and retail stores with lease terms of 2 to 13 years. The Group does not have bargain purchase options to acquire the buildings at the end of the lease terms.

The Group leases transportation equipment for the use of business with lease terms of 3 to 4 years.

The land use rights of the Group are amortized over 50 years.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Expenses relating to short-term leases	\$ 7,393	\$ 4,690	\$ 13,869	\$ 9,724
Expenses relating to low-value asset leases	\$ 224	\$ 65	\$ 389	\$ 131
Total cash outflow for leases	\$ 12,963	\$ 9,833	\$ 24,610	\$ 21,273

The Group leases certain buildings and transportation equipment which qualify as short-term leases and certain office equipment which 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.

17. INVESTMENT PROPERTIES

Completed Investment Properties

Cost

Balance at January 1, 2021	\$ 79,327
Effects of foreign currency exchange differences	(846)
Balance at June 30, 2021	<u>78,481</u>

Accumulated depreciation

Balance at January 1, 2021	22,266
Depreciation expenses	1,658
Effects of foreign currency exchange differences	(303)
Balance at June 30, 2021	<u>23,621</u>

Carrying amount at June 30, 2021	<u>\$ 54,860</u>
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Cost

Balance at January 1, 2020	\$ 78,432
Effects of foreign currency exchange differences	(1,418)
Balance at June 30, 2020	<u>77,014</u>

Accumulated depreciation

Balance at January 1, 2020	18,670
Depreciation expenses	1,632
Effects of foreign currency exchange differences	(443)
Balance at June 30, 2020	<u>19,859</u>

Carrying amount at June 30, 2020	<u>\$ 57,155</u>
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The investment properties were leased out for 1 to 7 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Year 1	\$ 9,973	\$ 14,063	\$ 15,290
Year 2	1,177	4,180	9,892
Year 3	665	654	1,152
Year 4	665	654	650
Year 5	665	654	650
Year 5 onwards	<u>609</u>	<u>926</u>	<u>1,410</u>
	<u>\$ 13,754</u>	<u>\$ 21,131</u>	<u>\$ 29,044</u>

The investment properties used by the Group are depreciated on a straight-line basis over 20 to 33 years.

As of June 30, 2021, December 31, 2020 and June 30, 2020, the fair value of investment property located in Zhongshan District, Taipei City was \$25,530 thousand \$23,294 thousand and \$26,566 thousand, respectively. The determination of fair value was not performed by independent qualified professional valuers. The management used the market-based evidence of transaction price of property, plant and equipment in determining the fair value. Management was unable to reliably measure the fair value of the investment property located in Jiaxing City, Zhejiang Province, China, because the market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property is not reliably measurable.

18. GOODWILL

	For the Six Months Ended June 30	
	2021	2020
<u>Cost</u>		
Balance at January 1	\$ 487,049	\$ 191,049
Acquisitions through business combinations - Fitness Equipment Services, LLC. (Note 32)	-	313,992
Effect of foreign currency exchange differences	<u>(10,082)</u>	<u>(10,049)</u>
Balance at June 30	<u>476,967</u>	<u>494,992</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	8,931	8,566
Effect of foreign currency exchange differences	<u>(477)</u>	<u>(82)</u>
Balance at June 30	<u>8,454</u>	<u>8,484</u>
Carrying amounts at June 30	<u>\$ 468,513</u>	<u>\$ 486,508</u>

The information of business combinations please refer to Note 32.

19. OTHER INTANGIBLE ASSETS

	Computer Software	Patents	Customer Relationship	Existing Technologies	Royalty	Brand Value	Website	Total
<u>Cost</u>								
Balance at January 1, 2021	\$ 87,427	\$ 84,192	\$ 97,402	\$ 7,685	\$ 214,021	\$ 649,344	\$ 1,025	\$ 1,141,096
Additions	4,316	-	-	-	12,740	-	-	17,056
Disposals	(6,306)	-	-	-	-	-	-	(6,306)
Effects of foreign currency exchange differences	(571)	(2,596)	(140)	-	(984)	(14,136)	(22)	(18,449)
Balance at June 30, 2021	<u>84,866</u>	<u>81,596</u>	<u>97,262</u>	<u>7,685</u>	<u>225,777</u>	<u>635,208</u>	<u>1,003</u>	<u>1,133,397</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2021	65,490	60,602	73,267	7,685	141,511	31,749	240	380,544
Amortization expenses	4,640	3,866	847	-	20,145	14,931	136	44,565
Disposals	(6,304)	-	-	-	-	-	-	(6,304)
Effects of foreign currency exchange differences	(460)	(1,604)	376	-	(907)	(856)	(8)	(3,459)
Balance at June 30, 2021	<u>63,366</u>	<u>62,864</u>	<u>74,490</u>	<u>7,685</u>	<u>160,749</u>	<u>45,824</u>	<u>368</u>	<u>415,346</u>
Carrying amounts at June 30, 2021	<u>\$ 21,500</u>	<u>\$ 18,732</u>	<u>\$ 22,772</u>	<u>\$ -</u>	<u>\$ 65,028</u>	<u>\$ 589,384</u>	<u>\$ 635</u>	<u>\$ 718,051</u>
<u>Cost</u>								
Balance at January 1, 2020	\$ 81,261	\$ 83,665	\$ 73,825	\$ 75,924	\$ 292,000	\$ -	\$ -	\$ 606,675
Acquisitions through business combinations (Note 32)	-	-	27,112	-	-	686,846	1,084	715,042
Additions	3,972	-	-	-	-	-	-	3,972
Disposals	(991)	-	-	(67,541)	-	-	-	(68,532)
Effects of foreign currency exchange differences	(525)	(2,075)	(4,651)	(698)	(1,506)	(11,282)	(17)	(20,754)
Balance at June 30, 2020	<u>83,717</u>	<u>81,590</u>	<u>96,286</u>	<u>7,685</u>	<u>290,494</u>	<u>675,564</u>	<u>1,067</u>	<u>1,236,403</u>
<u>Accumulated amortization</u>								
Balance at January 1, 2020	54,903	52,798	73,825	75,924	115,387	-	-	372,837
Amortization expenses	5,512	3,800	706	-	34,247	14,669	113	59,047
Disposals	(991)	-	-	(67,541)	-	-	-	(68,532)
Effects of foreign currency exchange differences	(407)	(1,751)	(4,215)	(698)	(808)	(181)	(1)	(8,061)
Balance at June 30, 2020	<u>59,017</u>	<u>54,847</u>	<u>70,316</u>	<u>7,685</u>	<u>148,826</u>	<u>14,488</u>	<u>112</u>	<u>355,291</u>
Carrying amounts at June 30, 2020	<u>\$ 24,700</u>	<u>\$ 26,743</u>	<u>\$ 25,970</u>	<u>\$ -</u>	<u>\$ 141,668</u>	<u>\$ 661,076</u>	<u>\$ 955</u>	<u>\$ 881,112</u>

- The Group signed royalty agreements for a duration of authorization from January 1, 2018 to December 31, 2023 with several foreign well-known sports brands to manufacture and sell products. The discounted cost was recognized as royalty in intangible assets at the beginning of authorization period, and the related liability was recognized as long-term payable as well as current portion of long-term payable. The interest expenses were calculated by the effective interest method.
- Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-13 years
Patents	5-15 years
Customer relationship	7-16 years
Existing technologies	3-5 years
Royalty	2-5 years
Brand value	23 years
Website	4 years

20. BORROWINGS

- Short-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured borrowings	\$ 357,837	\$ 421,659	\$ 448,100
Secured borrowings	<u>990,980</u>	<u>1,152,122</u>	<u>1,058,985</u>
	<u>\$ 1,348,817</u>	<u>\$ 1,573,781</u>	<u>\$ 1,507,085</u>

	June 30, 2021	December 31, 2020	June 30, 2020
Range of interest rates			
Unsecured borrowings	0.68%-3.06%	0.68%-4.78%	0.68%-1.37%
Secured borrowings	0.85%-4.45%	1.15%-4.45%	1.01%-4.87%

b. Long-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Secured borrowings</u>			
Mega Bank	\$ 332,200	\$ 382,900	\$ 433,600
Taishin Bank	180,000	187,500	195,000
Taiwan Cooperative Bank	174,850	179,267	180,000
Bank SinoPac	123,226	134,068	144,910
Bank of Montreal	39,053	39,772	39,477
Chang Hua Bank	21,528	27,043	32,517
Kölner Bank	-	-	148
	<u>870,857</u>	<u>950,550</u>	<u>1,025,652</u>
Less: Current portion	<u>160,125</u>	<u>159,929</u>	<u>151,584</u>
Long-term borrowings	<u>\$ 710,732</u>	<u>\$ 790,621</u>	<u>\$ 874,068</u>

- 1) Secured borrowings from Mega Bank: In 2007, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly from December 2007 to December 2022. As of June 30, 2021, December 31, 2020 and June 30, 2020, the borrowings were \$15,300 thousand, \$20,400 thousand and \$25,500 thousand, respectively, at the annual borrowing interest rate were 1.38%, 1.38% and 1.65%, respectively. In September 2019, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly to September 2024. As of June 30, 2021, December 31, 2020 and June 30, 2020, the borrowings were \$169,700 thousand, \$195,500 thousand and \$221,300 thousand, respectively, at the annual borrowing interest rate were 1.40%, 1.40% and 1.65%, respectively. In February 2020, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly to February 2025. As of June 30, 2021, December 31, 2020 and June 30, 2020, the amount of borrowings were \$147,200 thousand, \$167,000 thousand and \$186,800 thousand, at the annual borrowing interest rate were 1.45%, 1.45% and 1.70%.
- 2) Secured borrowings from Taishin Bank: In June 2019, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly to June 2034. As of June 30, 2021, December 31, 2020 and June 30, 2020, the borrowings were \$153,000 thousand, \$156,000 thousand and \$159,000 thousand, respectively, at annual borrowing interest rate were 1.23%, 1.23% and 1.45%, respectively. In June 2019, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly to June 2024. As of June 30, 2021, December 31, 2020 and June 30, 2020, the borrowings were \$27,000 thousand, \$31,500 thousand and \$36,000 thousand, respectively, at annual borrowing interest rate were 1.23%, 1.23% and 1.45%, respectively.
- 3) Secured borrowings from Taiwan Cooperative Bank: In November 2018, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly from December 2020 to November 2038 after two years of interest payments. As of June 30, 2021, December 31, 2020 and June 30, 2020, the borrowings were \$174,850 thousand, \$179,267 thousand and \$180,000 thousand, respectively, at annual borrowing interest rate were 1.40%, 1.40% and 1.48%.

- 4) Secured borrowings from Bank SinoPac: In 2009, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly from September 2009 to September 2024. As of June 30, 2021, December 31, 2020 and June 30, 2020, the borrowings were \$29,231 thousand, \$33,846 thousand and \$38,462 thousand, respectively, at annual borrowing interest rate were 1.44%, 1.44% and 1.71%, respectively. In 2015, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly from December 2017 to November 2022. As of June 30, 2021, December 31, 2020 and June 30, 2020, the borrowings were \$86,329 thousand, \$90,913 thousand and \$95,496 thousand, respectively, at annual borrowing interest rate were 1.26%, 1.26% and 1.51%, respectively. In 2016, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly from October 2016 to October 2023. As of June 30, 2021, December 31, 2020 and June 30, 2020, the borrowings were \$7,666 thousand, \$9,309 thousand and \$10,952 thousand, respectively, at annual borrowing interest rate were 1.33%, 1.33% and 1.60%, respectively.
- 5) Secured borrowings from Bank of Montreal: In 2016, Dyaco Canada Inc. signed a contract for borrowings, under which the principal and interest are repayable monthly from May 2016 to April 2023. As of June 30, 2021, December 31, 2020 and June 30, 2020, the annual borrowing interest rate was 4.07%.
- 6) Secured borrowings from Chang Hua Bank: In May 2008, the Corporation signed a contract for borrowings, under which the principal and interest are repayable monthly to May 2023. As of June 30, 2021, December 31, 2020 and June 30, 2020, the annual borrowing interest rates were 1.50%, 1.50% and 1.54%, respectively.
- 7) Secured borrowings from Kölner Bank: CARDIO fitness GmbH & Co. KG signed a contract for borrowings, under which the principal and interest are repayable monthly from February 2016 to July 2020. As of June 30, 2020, the annual borrowing interest rate was 2.50%.

21. BONDS PAYABLE

	June 30, 2021	December 31, 2020	June 30, 2021
Secured domestic convertible bonds	\$ 415,714	\$ 462,372	\$ 372,925
Unsecured domestic convertible bonds	954,114	-	-
Less: Current portion	<u>-</u>	<u>-</u>	<u>(372,925)</u>
	<u>\$ 1,369,828</u>	<u>\$ 462,372</u>	<u>\$ -</u>

- a. On September 20, 2017, the Corporation issued 0% three-year secured domestic convertible bonds at 100.5% of face value of \$600,000 thousand for the first time, with maturity date of September 20, 2020, totaling \$603,000 thousand. The convertible bonds are guaranteed by Bank SinoPac.

Each bond entitles the holder to convert it into ordinary shares of the Corporation at a conversion price of \$40.1. Conversion may occur at any time between December 21, 2017 and September 20, 2020.

According to restrictions for first-time issuance and conversion of secured convertible bond, the Corporation is entitled to redeem the bonds by cash at face value from December 21, 2017 to August 11 2020, if the closing price of common shares is 30% higher than its conversion price within thirty business days in a row or the balance of outstanding bonds is 10% lower than the original face value.

The record date that the holder is entitled to sell back the convertible bond in advance is September 20, 2019. The holder is required to inform the stock agency of the Corporation regarding the sale by giving 30-day prior written notice. The Corporation will redeem the convertible bonds based on the face value and accrued interests. The redemption amount of the bonds which have been held for full two years is 101.0025% of face value.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.31% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$8,943 thousand)	\$ 594,057
Equity component (less transaction costs allocated to the equity component of \$238 thousand)	(15,802)
Financial liabilities held for trading - selling options	<u>(1,426)</u>
Liability component at the date of issue	576,829
Interest charged at an effective interest rate of 1.31%	17,526
Convertible bonds converted into ordinary shares	<u>(1,481)</u>
Liability component at December 31, 2019	592,874
Interest charged at an effective interest rate of 1.31%	3,905
Convertible bonds converted into ordinary shares	<u>(223,854)</u>
Liability component at June 30, 2020	<u>\$ 372,925</u>

- b. On August 24, 2020, the Corporation issued 0% three-year secured domestic convertible bonds at 100.5% of face value of \$600,000 thousand for the second time, with maturity date of August 24, 2023, totaling \$603,000 thousand. The convertible bonds are guaranteed by Bank SinoPac.

Each bond entitles the holder to convert it into ordinary shares of the Corporation at a conversion price of \$89.9. Conversion may occur at any time between November 25, 2020 and August 24, 2023.

According to restrictions for second-time issuance and conversion of secured convertible bond, the Corporation is entitled to redeem the bonds by cash at face value from November 25, 2020 to July 15, 2023, if the closing price of common shares is 30% higher than its conversion price within thirty business days in a row or the balance of outstanding bonds is 10% lower than the original face value.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 0.93% per annum on initial recognition.

As of June 30, 2021, the amount of convertible bonds of NT\$49,800 thousand was reclassified to share capital at NT\$5,539 thousand. Capital surplus - options and bonds payable discounts on the conversion date decreased in the amounts of NT\$1,051 thousand and NT\$1,099 thousand, respectively. The capital surplus - options of NT\$44,213 thousand was recognized on the conversion date.

Proceeds from issuance (less transaction costs of \$8,352 thousand)	\$ 594,648
Equity component (less transaction costs allocated to the equity component of \$178 thousand)	(12,666)
Financial assets at fair value through profit or loss - options	<u>1,487</u>
Liability component at the date of issue	583,469
Interest charged at an effective interest rate of 0.93%	1,936
Convertible bonds converted into ordinary shares	<u>(123,033)</u>
Liability component at December 31, 2020	462,372
Interest charged at an effective interest rate of 0.93%	2,043
Convertible bonds converted into ordinary shares	<u>(48,701)</u>
Liability component at June 30, 2021	<u>\$ 415,714</u>

Financial assets at fair value through profit or loss - options are measured at FVTPL. Gain on changes in fair value of financial assets at fair value through profit or loss - options was \$825 thousand for the six months ended June 30, 2021.

- c. On June 28, 2021, the Corporation issued 0% three-year unsecured domestic convertible bonds at 100.0% of face value of \$1,000,000 thousand for the third time, with maturity date of June 28, 2024, totaling \$1,000,000 thousand, and the thoustee is Bank SinoPac.

Each bond entitles the holder to convert it into ordinary shares of the Corporation at a conversion price of \$100.6. Conversion may occur at any time between September 29, 2021 and June 28, 2024.

According to restrictions for third-time issuance and conversion of secured convertible bond, the Corporation is entitled to redeem the bonds by cash at face value from September 29, 2021 to May 19 2024, if the closing price of common shares is 30% higher than its conversion price within thirty business days in a row or the balance of outstanding bonds is 10% lower than the original face value.

The record date that the holder is entitled to sell back the convertible bond in advance is June 28, 2024. The holder is required to inform the stock agency of the Corporation regarding the sale by giving 40-day prior written notice. The Corporation will redeem the convertible bonds based on the face value and accrued interests. The redemption amount of the bonds which have been held for full two years is 101.0% of face value.

The convertible bonds contain both liability and equity components. The equity component was presented in equity under the heading of capital surplus - options. The effective interest rate of the liability component was 1.57% per annum on initial recognition.

Proceeds from issuance (less transaction costs of \$5,406 thousand)	\$ 994,594
Equity component (less transaction costs allocated to the equity component of \$212 thousand)	(38,988)
Financial liabilities held for trading - selling options	<u>(1,492)</u>
Liability component at the date of issue	954,114
Interest charged at an effective interest rate of 1.57%	<u>-</u>
Liability component at June 30, 2021	<u>\$ 954,114</u>

22. NOTES PAYABLE AND ACCOUNTS PAYABLE

- a. Notes payable

The Group issues notes payable for payment and business expenditure.

- b. Accounts payable

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

23. OTHER PAYABLE AND LONG-TERM PAYABLE

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Current</u>			
Payables for dividends	\$ 953,027	\$ -	\$ 124,321
Payables for freight	92,584	324,203	272,752
Payables for royalties (Note 19)	69,391	77,592	73,654
Payables for salaries and bonuses	60,161	107,474	53,424
Payables for employee benefits	43,870	44,563	35,031
Payables for employees' compensation	20,194	16,236	4,698
Payables for labor costs	19,331	32,207	11,350
Payables for investments (Note 13)	18,889	113,874	168,616
Payables for advertisements	18,680	138,272	40,192
Payables for value added taxes	12,903	46,161	25,989
Payables for insurance	12,599	12,044	9,309
Payables for annual leave	11,011	11,177	7,289
Payables for commissions	8,047	7,038	5,713
Payables for remuneration of directors	5,055	5,055	-
Payables for purchases of equipment	1,012	4,788	12,121
Others	<u>95,041</u>	<u>135,039</u>	<u>75,111</u>
	<u>\$ 1,441,795</u>	<u>\$ 1,075,723</u>	<u>\$ 919,570</u>
<u>Non-current</u>			
Payables for royalties (Note 19)	<u>\$ 34,742</u>	<u>\$ 25,878</u>	<u>\$ 130,050</u>

24. PROVISIONS

	June 30, 2021	December 31, 2020	June 30, 2020
Warranties	<u>\$ 17,653</u>	<u>\$ 18,359</u>	<u>\$ 17,178</u>
			Warranties
Balance at January 1, 2021			\$ 18,359
Amount used			(52,096)
Additional provisions recognized			51,451
Effect of foreign currency exchange differences			<u>(61)</u>
Balance at June 30, 2021			<u>\$ 17,653</u>
Balance at January 1, 2020			\$ 15,835
Amount used			(30,592)
Additional provisions recognized			32,470
Effect of foreign currency exchange differences			<u>(535)</u>
Balance at June 30, 2020			<u>\$ 17,178</u>

25. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation, Daan Health Management Consulting Co., Ltd., Wing Long Co., Ltd., President Plastic Products Mft. Co., Ltd. and Cikayda Inc. adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Corporation Daan Health Management Consulting Co., Ltd., Wing Long Co., Ltd. and President Plastic Products Mft. Co., Ltd. make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in the US, China, Japan, UK and Germany are members of a state-managed retirement benefit plan operated by the government of the US, China, Japan, UK and Germany, respectively. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Dyaco International Holding Limited and Fuel-Spirit International Inc. do not have pension plan.

b. Defined benefit plans

The Group calculated the pension obligations of the defined benefit plans for the six months ended June 30, 2021 and 2020 by using the pension rate based on actuarial valuations as of December 31, 2020 and 2019, respectively. An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Operating costs	\$ 26	\$ 26	\$ 52	\$ 52
Operating expenses	<u>65</u>	<u>65</u>	<u>131</u>	<u>131</u>
	<u>\$ 91</u>	<u>\$ 91</u>	<u>\$ 183</u>	<u>\$ 183</u>

26. EQUITY

a. Share capital

Ordinary shares

	June 30, 2021	December 31, 2020	June 30, 2020
Number of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Share capital authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>133,444</u>	<u>131,149</u>	<u>115,100</u>
Ordinary shares issued	<u>\$ 1,334,442</u>	<u>\$ 1,311,496</u>	<u>\$ 1,151,009</u>

A holder of issued ordinary shares with par value of \$10 is entitled to vote and to receive dividends.

The Corporation's board of directors resolved to increase cash capital on September 17, 2019 through issuance of 19,000,000 shares, which was approved by the Financial Supervisory Commission on October 28, 2019 in accordance with Rule No. 1080333602. The base date of capital increase was January 13, 2020. The issued price is \$39 and paid-up capital is \$741,000 thousand.

b. Capital surplus

	June 30, 2021	December 31, 2020	June 30, 2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital			
Issuance of ordinary shares	\$ 1,324,009	\$ 1,269,348	\$ 1,255,142
Conversion of bonds	613,057	568,844	172,602
Treasury share transaction	93,507	37,685	
May only be used to offset a deficit			
Conversion of employee share options	1,460	1,460	1,460
Gain on disgorgement	45	-	-
May not be used for any purpose			
Conversion of bonds	47,941	10,004	9,850
Employee share options	2,813	94,878	34,655
Employee share options in subsidiaries	3,888	3,786	3,539
	<u>\$ 2,086,720</u>	<u>\$ 1,986,005</u>	<u>\$ 1,477,248</u>

The capital surplus generated from shares issued in excess of par may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

The balance adjustment in capital surplus for the six months ended June 30 in 2021 and 2020 were as follows:

	Issuance of Ordinary Shares	Convertible Bond Premium	Treasury Shares Transaction	Conversion of Employee Share Options	Enforce Disgorgement	Conversion of Bond-options	Employee Share Options	Employee Share Options in Subsidiaries
Balance at January 1, 2021	\$ 1,269,348	\$ 568,844	\$ 37,685	\$ 1,460	\$ -	\$ 10,004	\$ 94,878	\$ 3,786
Convertible bond premium	-	44,213	-	-	-	(1,051)	-	-
Exercise of employee share options	54,661	-	-	-	-	-	(31,304)	-
Compensation costs of employee share options	-	-	55,822	-	-	-	919	102
Treasury shares transferred to employees	-	-	-	-	-	-	(61,680)	-
Issuance of convertible bonds	-	-	-	-	-	38,988	-	-
Gain on disgorgement	-	-	-	-	45	-	-	-
Balance at June 30, 2021	<u>\$ 1,324,009</u>	<u>\$ 613,057</u>	<u>\$ 93,507</u>	<u>\$ 1,460</u>	<u>\$ 45</u>	<u>\$ 47,941</u>	<u>\$ 2,813</u>	<u>\$ 3,888</u>
Balance at January 1, 2020	\$ 704,409	\$ 1,147	\$ -	\$ 1,460	\$ -	\$ 15,762	\$ 32,298	\$ 3,228
Increase cash capital	548,745	-	-	-	-	-	-	-
Conversion of bonds	-	171,455	-	-	-	(5,912)	-	-
Exercise of employee share options	1,988	-	-	-	-	-	(448)	-
Compensation costs of employee share options	-	-	-	-	-	-	2,805	311
Balance at June 30, 2020	<u>\$ 1,255,142</u>	<u>\$ 172,602</u>	<u>\$ -</u>	<u>\$ 1,460</u>	<u>\$ -</u>	<u>\$ 9,850</u>	<u>\$ 34,655</u>	<u>\$ 3,539</u>

c. Retained earnings and dividend policy

The Corporation has resolved the amended Articles on May 30, 2019, which authorize special resolution the board of directors to distribute the dividends and bonuses, or all or part of the legal reserve and capital surplus in cash and reported to the shareholders' meeting.

Under the dividends policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings from previous years shall be used by the Corporation's board of directors as the basis for proposing a distribution plan of new issued shares which should be resolved in the shareholders' meeting for the distribution. The board of directors is authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 28-d.

The Corporation considered overall business environment, industrial growth, undistributed retained earnings, capital surplus, financial structure, and operating condition for the distribution of earnings in order to maintain stable development and secure equity of investors. The appropriations of earnings should be higher than ten percent of undistributed retained earnings. If the undistributed retained earnings are less than one percent of the paid-in capital, then the earnings shall be transferred to retained earnings and not distributed to shareholders. The Corporation is entitled to distribute bonuses in shares or in cash; cash bonus should not be less than ten percent of total bonuses. If cash bonus will be less than \$1 per share, then the Corporation shall distribute all bonuses in shares.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2020 and 2019 were as follows:

	Appropriation of Earnings		Dividends Per Share	
	2020	2019	(NT\$)	
			2020	2019
Legal reserve	\$ 132,026	\$ 18,941		
Special reserve	69,816	26,689		
Cash dividends	953,027	124,321	\$ 7.50	\$ 1.15

The above 2020 and 2019 appropriation for cash dividends had been resolved by the Corporation's board of directors on March 30, 2021 and March 27, 2020, respectively; the other proposed appropriations for 2019 had been resolved by the shareholders in their meeting on May 28, 2020. The Corporation suspends its originally scheduled shareholders' meeting in response to the FSC's announcement: "For pandemic prevention, the FSC demands public companies to postpone their shareholders' meetings." The other proposed appropriations for 2020 will be resolved by the shareholders in their meeting to be held on August 27, 2021.

d. Other equity

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

The exchange differences on translating the net assets of foreign operations from its functional currency to the Group's presentation currency (NTD) are recognized as exchange differences on translating the financial statements of foreign operations under other comprehensive income.

2) Unrealized gain/(loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 2,840	\$ 3,893
Recognized for the period		
Unrealized gain (loss) on equity instruments	<u>-</u>	<u>-</u>
Balance at June 30	<u>\$ 2,840</u>	<u>\$ 3,893</u>

e. Treasury shares

Purpose of Buy-back	Shares Transferred to Employees (In Thousands of Shares)
Number of shares at January 1, 2021	7,122
Decrease during the period	<u>(748)</u>
Number of shares at June 30, 2021	<u>6,374</u>
Number of shares at January 1, 2020	4,000
Increase during the period	<u>4,565</u>
Number of shares at June 30, 2020	<u>8,565</u>

On February 21, 2020, the Corporation's board of directors resolved to redeem 3,000 thousand shares at \$30 to \$50 per share from February 24, 2020 to April 23, 2020. Even if the share price of the Corporation is below the lower limit mentioned above, the Corporation is entitled to redeem shares. The Corporation has redeemed 3,000 thousand shares, with total cost of \$104,927 thousand.

On March 20, 2020, the Corporation's board of directors resolved to redeem 4,500 thousand shares at \$25 to \$45 per share from March 23, 2020 to May 19, 2020. Even if the share price of the Corporation is below the lower limit mentioned above, the Corporation is entitled to redeem shares. The Corporation has accumulatively redeemed 1,565 thousand shares, with total cost of \$50,623 thousand.

On December 25, 2020, the Corporation's board of directors resolved to transfer 748 thousand shares of treasury shares to employees. For related information on employees exercised the treasury share options, please refer to Note 31.

Under the Securities and Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote

f. Non-controlling interests

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	\$ 356,686	\$ 350,172
Profit (loss) for the period attributable to non-controlling interests	(6,605)	1,797
Exchange differences on translation of the financial statements of foreign entities	<u>(5,018)</u>	<u>(10,496)</u>
Balance at June 30	<u><u>\$ 345,063</u></u>	<u><u>\$ 341,473</u></u>

27. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Revenue from contracts with customers				
Sporting goods	\$ 2,576,383	\$ 2,441,024	\$ 6,022,983	\$ 3,826,956
Furniture	194,404	60,614	581,036	317,983
Other revenue	<u>3,393</u>	<u>6,586</u>	<u>8,268</u>	<u>11,086</u>
	<u><u>\$ 2,774,180</u></u>	<u><u>\$ 2,508,224</u></u>	<u><u>\$ 6,612,287</u></u>	<u><u>\$ 4,156,025</u></u>

a. Contract balances

	June 30, 2021	December 31, 2020	June 30, 2020	January 1, 2020
Notes receivable (Note 10)	<u>\$ 6,467</u>	<u>\$ 2,020</u>	<u>\$ 2,531</u>	<u>\$ 1,501</u>
Accounts receivable (Note 10)	<u>\$ 2,016,131</u>	<u>\$ 3,050,265</u>	<u>\$ 1,296,258</u>	<u>\$ 1,009,492</u>
Contracts liabilities	<u>\$ 48,170</u>	<u>\$ 74,531</u>	<u>\$ 170,095</u>	<u>\$ 7,901</u>

b. Disaggregation of revenue

Refer to Note 41 for information about the disaggregation of revenue.

28. NET PROFIT

a. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Property, plant and equipment	\$ 41,504	\$ 39,957	\$ 83,177	\$ 78,792
Intangible assets	22,605	31,330	44,565	59,047
Right-of-use assets	7,744	8,151	15,377	16,991
Investment properties	<u>826</u>	<u>809</u>	<u>1,658</u>	<u>1,632</u>
	<u>\$ 72,679</u>	<u>\$ 80,247</u>	<u>\$ 144,777</u>	<u>\$ 156,462</u>
An analysis of depreciation by function				
Operating costs	\$ 25,308	\$ 25,672	\$ 50,709	\$ 48,701
Operating expenses	23,940	22,436	47,845	47,082
Non-operating income and expenses	<u>826</u>	<u>809</u>	<u>1,658</u>	<u>1,632</u>
	<u>\$ 50,074</u>	<u>\$ 48,917</u>	<u>\$ 100,212</u>	<u>\$ 97,415</u>
An analysis of amortization by function				
Operating costs	\$ -	\$ -	\$ -	\$ -
Operating expenses	<u>22,605</u>	<u>31,330</u>	<u>44,565</u>	<u>59,047</u>
	<u>\$ 22,605</u>	<u>\$ 31,330</u>	<u>\$ 44,565</u>	<u>\$ 59,047</u>

b. Other operating income and expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Gain (loss) on disposal of property, plant and equipment	\$ (2,027)	\$ 64	\$ (1,860)	\$ 107
Loss on disposal of intangible assets	-	-	(2)	-
Loss on lease modification	<u>-</u>	<u>(29)</u>	<u>-</u>	<u>(29)</u>
	<u>\$ (2,027)</u>	<u>\$ 35</u>	<u>\$ (1,862)</u>	<u>\$ 78</u>

c. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Post-employment benefits (Note 25)				
Defined contribution plan	\$ 7,184	\$ 6,832	\$ 14,798	\$ 16,232
Defined benefit plans	<u>91</u>	<u>91</u>	<u>183</u>	<u>183</u>
	<u>7,275</u>	<u>6,923</u>	<u>14,981</u>	<u>16,415</u>
Employees' compensation	216,999	214,026	462,619	393,141
Labor and national health insurance expenses	19,041	16,830	39,523	32,984
Other employee benefits	<u>8,889</u>	<u>8,950</u>	<u>21,244</u>	<u>16,031</u>
	<u>244,929</u>	<u>239,806</u>	<u>523,386</u>	<u>442,156</u>
Total employee benefits expense	<u>\$ 252,204</u>	<u>\$ 246,729</u>	<u>\$ 538,367</u>	<u>\$ 458,571</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 89,042	\$ 92,574	\$ 209,546	\$ 170,234
Operating expenses	<u>163,162</u>	<u>154,155</u>	<u>328,821</u>	<u>288,337</u>
	<u>\$ 252,204</u>	<u>\$ 246,729</u>	<u>\$ 538,367</u>	<u>\$ 458,571</u>

d. Compensation of employees and remuneration of directors

The Corporation accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation of employees, and remuneration of directors. For the six months ended June 30, 2021 and 2020, the compensation of employees and remuneration of directors were as follows:

	For the Six Months Ended June 30			
	2021		2020	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	1.00%	\$ 3,958	1.00%	\$ 4,698
Remuneration of directors	-	-	-	-

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

The compensation of employees and remuneration of directors for the years ended December 31, 2020 and 2019 which had been approved by the Corporation's board of directors on March 30, 2021 and March 27, 2020, respectively, were as follows:

	For the Year Ended December 31			
	2020		2019	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	1.00%	\$ 16,236	1.00%	\$ 2,451
Remuneration of directors	0.31%	5,055	0.50%	1,225

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

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

e. Gains or losses on foreign currency exchange

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Foreign exchange gains	\$ 24,337	\$ 27,074	\$ 70,006	\$ 52,866
Foreign exchange losses	<u>(147,599)</u>	<u>(61,798)</u>	<u>(190,129)</u>	<u>(73,516)</u>
Net losses	<u>\$ (123,262)</u>	<u>\$ (34,724)</u>	<u>\$ (120,123)</u>	<u>\$ (20,650)</u>

f. Interest expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Interest on bank loans	\$ 13,470	\$ 12,930	\$ 25,929	\$ 26,201
Interest on convertible bonds	967	1,956	2,043	3,905
Interest on lease liabilities	<u>408</u>	<u>335</u>	<u>840</u>	<u>721</u>
	<u>\$ 14,845</u>	<u>\$ 15,221</u>	<u>\$ 28,812</u>	<u>\$ 30,827</u>

29. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Current tax				
In respect of the current period	\$ 54,127	\$ 105,398	\$ 166,759	\$ 116,343
Adjustments for prior periods	<u>(7,886)</u>	<u>(6,477)</u>	<u>(6,549)</u>	<u>(8,315)</u>
	<u>46,241</u>	<u>98,921</u>	<u>160,210</u>	<u>108,028</u>
Deferred tax	<u>(31,904)</u>	<u>(18,013)</u>	<u>(80,977)</u>	<u>(28,982)</u>
Income tax expense recognized in profit or loss	<u>\$ 14,337</u>	<u>\$ 80,908</u>	<u>\$ 79,233</u>	<u>\$ 79,046</u>

b. Income tax assessments

The income tax returns of the Corporation, Daan Health Management Consulting Co., Ltd., Wing Long Co., Ltd. and President Plastic Products MFG Co., Ltd. through 2019 have been assessed by the tax authorities.

30. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net profit for the period is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Profit for the period attributable to owners of the Corporation	<u>\$ 50,910</u>	<u>\$ 190,445</u>	<u>\$ 315,698</u>	<u>\$ 189,216</u>
Earnings used in the computation of basic earnings per share	\$ 50,910	\$ 190,445	\$ 315,698	\$ 189,216
Effect of potentially dilutive ordinary shares				
Interest on convertible bonds (after tax) and gain on financial assets at FVTPL	<u>1,316</u>	<u>1,568</u>	<u>2,295</u>	<u>3,131</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 52,226</u>	<u>\$ 192,013</u>	<u>\$ 317,993</u>	<u>\$ 192,347</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	127,070	106,552	126,561	106,605
Effect of potentially dilutive ordinary shares				
Compensation of employees	40	75	103	75
Convertible bonds	5,045	9,289	4,882	9,289
Employee share options*	<u>1,920</u>	<u>-</u>	<u>2,025</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>134,075</u>	<u>115,916</u>	<u>133,571</u>	<u>115,969</u>

* The employee share options for the three months ended June 30, 2020 and for the six months ended June 30, 2020 were not used in the computation of diluted earnings per share due to the antidilution.

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are 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 number of shares to be distributed to employees is resolved in the following year.

31. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share options

Qualified employees of the Corporation and its subsidiaries were granted 4,000 options in December 2017. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Corporation. The options granted are valid for 6 years and exercisable at the following schedule after the second anniversary from the grant date.

- 1) The options are exercisable at fifty percent after the second anniversary from the grant date.
- 2) The options are exercisable at seventy five percent after the third anniversary from the grant date.
- 3) The options are fully exercisable after the fourth anniversary from the grant date.

The options were granted at an exercise price equal to the closing price of the Corporation's ordinary shares at the grant date. For any subsequent changes in the Corporation's capital surplus, the exercise price is adjusted accordingly.

Information on employee share options is as follows:

	For the Six Months Ended June 30			
	2021		2020	
	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (\$)	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (\$)
Employee Share Options				
Balance at January 1	3,600	\$ 40.45	4,000	\$ 42.95
Options exercised	<u>(776)</u>	40.10	<u>(50)</u>	40.80
Balance at June 30	<u>2,824</u>		<u>3,950</u>	
Options exercisable, end of period	<u>1,749</u>		<u>1,900</u>	

As of the balance sheet date, outstanding options were as follows:

	June 30	
	2021	2020
Range of exercise price (\$)	\$ 40.1	\$ 40.8
Weighted-average remaining contractual life (in years)	2.5 years	3.5 years

Options granted in December 2017 were priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	December 2017
Grant-date share price	\$42.95
Exercise price	\$42.95
Expected volatility	28.17%
Expected life (in years)	4-5 years
Expected dividend yield	-
Risk-free interest rate	0.63%-0.71%
Weighted-average fair value of options granted	\$10.42

Expected volatility was based on the annualized standard deviation of daily returns of the Corporation's historical share price over the expected life of the employee share options.

As of June 30, 2021, the abovementioned employee share option certificate was exercised by the holder, the capital surplus - employee share option of NT\$31,304 thousand was reclassified to the capital surplus - ordinary shares premium on the conversion date. The capital surplus - ordinary shares premium of NT\$23,357 thousand was recognized on the conversion date.

Compensation cost recognized by the Group was \$1,021 thousand for the six months ended June 30, 2021.

Compensation cost recognized by the Group was \$3,116 thousand for the six months ended June 30, 2020.

b. Treasury shares transferred to employees

The second treasury shares transferred to employees in 2020

Qualified employees of the Group were granted 748 thousand treasury share options on December 25, 2020. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Corporation.

Information on treasury share options is as follows:

	For the Six Months Ended June 30, 2021	
Employee Share Options	Number of Options (In Thousands of Units)	Weighted- average Exercise Price (\$)
Balance at January 1	\$ 748	\$ -
Options granted	<u>(748)</u>	30.54
Balance at June 30	<u><u>-</u></u>	
Options exercisable, end of period	<u><u>-</u></u>	

The base date of employee share options was January 15, 2021. Employees exercised the treasury share options from January 13 to January 15, 2021.

Options granted in December 2020 were priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	December 2020
Grant-date share price	\$113.00
Exercise price	\$30.54
Expected volatility	61.05%
Expected life (in days)	24 days
Risk-free interest rate	0.18%
Weighted-average fair value of options granted	\$82.46

Expected volatility was based on the Corporation's historical share price volatility for the past six months.

As of June 30, 2021, the abovementioned treasury share options was exercised by the employees, the capital surplus - employee share option of NT\$61,680 thousand was reclassified to the capital surplus - treasury shares transaction on the conversion date. The transfer price was lower than the average price of treasury shares, reducing the capital surplus - treasury shares transaction of \$5,858 thousand.

32. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Fitness Equipment Services, LLC.	Sporting goods retail	February 1, 2020	100	<u>\$ 948,251</u>

Fitness Equipment Services, LLC. were acquired in order to stabilize the North American market of the Group.

b. Assets acquired and liabilities assumed at the date of acquisition

	Fitness Equipment Services, LLC.
Current assets	
Cash	\$ 3,492
Accounts receivables	542,218
Inventories	286,131
Other current assets	4,193
Non-current assets	
Property, plant and equipment (Note 15)	24,231
Other intangible assets (Note 19)	715,042
Other non-current assets	5,549
	(Continued)

**Fitness
Equipment
Services, LLC.**

Current liabilities	
Short-term borrowings	\$ (480,242)
Accounts payable	(147,072)
Other payables	(133,743)
Non-current liabilities	
Deferred tax liabilities	<u>(185,540)</u>
	<u>\$ 634,259</u>
	(Concluded)

The Group has adjusted the initial accounting and the provisional amount since the acquisition date. Information on relevant items of balance sheets and statements of comprehensive income that were adjusted retrospectively are as follows:

	June 30, 2020	
Goodwill		<u>\$ 92,149</u>
Other intangible assets		<u>\$ (124,593)</u>
Deferred tax liabilities		<u>\$ (31,898)</u>
Retained earnings		<u>\$ (556)</u>
Other equity		<u>\$ 10</u>
	For the Three Months Ended June 30, 2020	For the Six Months Ended June 30, 2020
Selling and marketing	<u>\$ (2,744)</u>	<u>\$ 149</u>
Income tax benefit	<u>\$ 1,479</u>	<u>\$ 407</u>
Net profit	<u>\$ 1,265</u>	<u>\$ (556)</u>
Other comprehensive income	<u>\$ 19</u>	<u>\$ 10</u>
Total comprehensive income	<u>\$ 1,284</u>	<u>\$ (546)</u>

- c. Goodwill recognized on acquisitions

	Fitness Equipment Services, LLC.
Consideration transferred	\$ 948,251
Less: Fair value of identifiable net assets acquired	<u>(634,259)</u>
Goodwill recognized on acquisitions	<u>\$ 313,992</u>

The goodwill recognized in the acquisition of Fitness Equipment services, LLC. mainly included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

d. Net cash outflow on the acquisition of subsidiaries

	Fitness Equipment Services, LLC.
Consideration paid in cash	\$ 948,251
Less: Cash and cash equivalent balances acquired	<u>(3,492)</u>
Net cash outflow on the acquisition of subsidiaries	<u>\$ 944,759</u>

e. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income from February 1, 2020 to June 30, 2020, are as follows:

	Fitness Equipment Services, LLC.
Revenue	<u>\$ 1,681,870</u>
Profit	<u>\$ 90,133</u>

33. ACQUISITION OF A SUBSIDIARY THAT DOES NOT CONSTITUTE A BUSINESS

Due to the demand of production capacity for business expansion. On December 8, 2020, the Group acquired 100% of the equity shares of President Plastic Products MFG. Co., Ltd. at a consideration of \$258,640 thousand. In accordance with IFRS 3, the Group evaluated and concluded that the acquired shares of President Plastic Products MFG. Co., Ltd. did not constitute a business; therefore, the share purchase transaction is accounted for as acquisition of a group of assets.

The information relating to the assets acquired and liabilities assumed and the relevant net cash outflow at the date of acquisition:

a. Assets acquired and liabilities assumed

	President Plastic Products MFG. Co., Ltd.
Current assets	
Cash	\$ 192
Other receivables	4,690
Non-current assets	
Property, plant and equipment	284,704
Current liabilities	
Short-term borrowings	(28,177)
Other payables	(16)
Other current liabilities	(3)
Non-current liabilities	
Other non-current liabilities	<u>(2,750)</u>
	<u>\$ 258,640</u>

b. Net cash outflow on the acquisition of subsidiaries

	President Plastic Products MFG. Co., Ltd.
Consideration paid in cash	\$ 258,640
Less: Payable for investments (Notes 13 and 23)	(18,889)
Less: Cash balances acquired	<u>(192)</u>
Net cash outflow on the acquisition of subsidiaries	<u>\$ 239,559</u>

34. PARTIAL CASH TRANSACTIONS

For the six months ended June 30, 2021 and 2020, the Corporation entered into the following partial cash investing and financing activities:

a. From cash investing activities

	For the Six Months Ended June 30	
	2021	2020
Partial cash paid for property, plant and equipment		
Purchase of property, plant and equipment	\$ 28,069	\$ 27,465
Changes in prepayments for purchases of equipment	(5,798)	(55)
Changes in payables for purchase of equipment	<u>3,776</u>	<u>(7,480)</u>
Cash paid	<u>\$ 26,047</u>	<u>\$ 19,930</u>
Partial cash paid for other intangible assets		
Purchase of other intangible assets	\$ 17,056	\$ 3,972
Changes in payables for royalties	(663)	11,323
Changes in prepayments for purchases of equipment	<u>-</u>	<u>223</u>
Cash paid	<u>\$ 16,393</u>	<u>\$ 15,518</u>
Subsidiaries acquired		
Consideration paid in cash	\$ -	\$ 948,251
Changes in payables for investments	85,440	(168,616)
Cash balances acquired	<u>-</u>	<u>(3,492)</u>
Cash paid	<u>\$ 85,440</u>	<u>\$ 776,143</u>
Acquisition of a subsidiary that does not constitute a business		
Consideration paid in cash	\$ -	\$ -
Changes in payables for investments	<u>9,545</u>	<u>-</u>
Cash paid	<u>\$ 9,545</u>	<u>\$ -</u>

b. The cash dividends approved in the shareholders' meetings was not yet distributed as of June 30, 2021 (refer to Notes 23 and 26, respectively).

c. Changes in liabilities arising from financing activities

	Short-term Borrowings	Bonds Payable	Long-term Borrowings	Guarantee Deposits Received	Lease Liabilities
Balance at January 1, 2021	\$ 1,573,781	\$ 462,372	\$ 950,550	\$ 2,737	\$ 64,271
Cash flows	(217,066)	994,594	(79,929)	(109)	(10,352)
Non-cash changes					
New leases	-	-	-	-	11,612
Decrease during the period	-	-	-	-	(260)
Liability component	-	(1,492)	-	-	-
Equity component	-	(87,689)	-	-	-
Interests	-	2,043	-	-	840
Exchange rate impact	(7,898)	-	236	(44)	(3,613)
Balance at June 30, 2021	<u>\$ 1,348,817</u>	<u>\$ 1,369,828</u>	<u>\$ 870,857</u>	<u>\$ 2,584</u>	<u>\$ 62,498</u>
Balance at January 1, 2020	\$ 1,513,300	\$ 592,874	\$ 897,718	\$ 2,671	\$ 82,361
Cash flows	(479,275)	-	130,374	(462)	(11,418)
Non-cash changes					
Acquisitions through business combinations (Note 32)	480,242	-	-	-	-
Decrease during the period	-	-	-	-	(2,185)
Equity component	-	(223,854)	-	-	-
Other Gain and Loss	-	-	-	-	29
Interests	-	3,905	-	-	721
Exchange rate impact	(7,182)	-	(2,440)	(9)	(3,011)
Balance at June 30, 2020	<u>\$ 1,507,085</u>	<u>\$ 372,925</u>	<u>\$ 1,025,652</u>	<u>\$ 2,200</u>	<u>\$ 66,497</u>

35. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

36. FINANCIAL INSTRUMENTS

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

The Group believes the carrying amounts of the financial assets and financial liabilities not carried at fair value except for bonds payable are approximately equal to their fair values.

June 30, 2021

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 1,369,828	\$ -	\$ 1,378,565	\$ -	\$ 1,378,565

December 31, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 462,372	\$ -	\$ 466,792	\$ -	\$ 466,792

June 30, 2020

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 372,925	\$ -	\$ 373,589	\$ -	\$ 373,589

The fair values of the financial liabilities included in the Level 2 categories above have been determined in accordance with a binomial-tree model for convertible bond pricing.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial liabilities held for trading				
Foreign exchange forward contracts	\$ -	\$ 876	\$ -	\$ 876
Convertible bonds	-	1,768	-	1,768
	\$ -	\$ 2,644	\$ -	\$ 2,644
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
Domestic unlisted shares	\$ -	\$ -	\$ 5,400	\$ 5,400
Foreign unlisted shares	-	-	51,009	51,009
	\$ -	\$ -	\$ 56,409	\$ 56,409
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities held for trading				
Swap contracts	\$ -	\$ 354	\$ -	\$ 354
Convertible bonds	-	1,492	-	1,492
	\$ -	\$ 1,846	\$ -	\$ 1,846

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial liabilities held for trading				
Convertible bonds option	\$ <u>-</u>	\$ <u>2,593</u>	\$ <u>-</u>	\$ <u>2,593</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Foreign unlisted shares	\$ <u>-</u>	\$ <u>-</u>	\$ <u>51,165</u>	\$ <u>51,165</u>
Financial liabilities at FVTPL				
Derivative financial liabilities held for trading				
Swap contracts	\$ <u>-</u>	\$ <u>1,685</u>	\$ <u>-</u>	\$ <u>1,685</u>

June 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial liabilities held for trading				
Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>480</u>	\$ <u>-</u>	\$ <u>480</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Foreign unlisted shares	\$ <u>-</u>	\$ <u>-</u>	\$ <u>51,765</u>	\$ <u>51,765</u>
Financial liabilities at FVTPL				
Derivative financial liabilities held for trading				
Swap contracts	\$ -	\$ 2,876	\$ -	\$ 2,876
Foreign exchange forward contracts	<u>-</u>	<u>165</u>	<u>-</u>	<u>165</u>
	\$ <u>-</u>	\$ <u>3,041</u>	\$ <u>-</u>	\$ <u>3,041</u>

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

No gain or loss was recognized in profit or loss for the six months ended June 30, 2021 and 2020 due to no significant changes in the fair values of the financial instruments included in the Level 3 categories.

3) Valuation techniques and assumptions applied for fair value measurement

Financial Instrument	Valuation Technique and Inputs
Domestic and foreign unlisted shares	The fair values of non-publicly traded equity investments are mainly determined by using the income approach and asset approach. The income approach utilizes discounted cash flows to determine the present value of the expected future economic benefits that will be derived from the investment. The asset approach measures the total value of individual assets and individual liabilities included in the valuation objectives.
Derivative financial instruments - swap contracts and foreign exchange forward contracts	Swap contracts and foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
Derivative financial instruments - put options	Binomial-tree model for convertible bond pricing: The fair values are determined using ending observable share price, risk-free interest rate and risk discount rate.

The use of estimates and hypotheses of the Group's valuation method is consistent with the market participants, when pricing such financial instruments.

c. Categories of financial instruments

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 2,644	\$ 2,593	\$ 480
Financial assets at amortized cost (Note 1)	3,429,756	4,896,816	2,946,990
Financial assets at FVTOCI - equity instruments	56,409	51,165	51,765

Financial liabilities

FVTPL			
Held for trading	1,846	1,685	3,041
Amortized cost (Note 2)	5,852,782	7,068,371	5,300,379

Note 1: The balances included financial assets measured at amortized cost, which comprised cash, financial assets at amortized cost, notes receivable, accounts receivable, partial other receivables and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprised short-term borrowings, notes payable, accounts payable, bonds payable, long-term borrowings (including current portion), long-term payables, partial other payables and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include accounts receivable, accounts payable, and borrowings. The Group's corporate treasury function coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, and interest rate risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 39.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollars, Renminbi, Euros and British pound.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. A positive (negative) number below indicates an increase (decrease) in pre-tax profit associated with the functional currency strengthening (weakening) 5% against the relevant currency.

	USD Impact		RMB Impact	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2021	2020	2021	2020
Profit or loss	\$ (226,269)	\$ (100,583)	\$ 33,595	\$ 23,717
	EUR Impact		GBP Impact	
	For the Six Months Ended		For the Six Months Ended	
	June 30		June 30	
	2021	2020	2021	2020
Profit or loss	\$ (8,732)	\$ (5,260)	\$ (10,879)	\$ (7,616)

b) Interest rate risk

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

	June 30, 2021	December 31, 2020	June 30, 2020
Fair value interest rate risk			
Financial assets	\$ 237,711	\$ 208,923	\$ 329,428
Financial liabilities	2,619,823	2,045,107	1,780,165
Cash flow interest rate risk			
Financial assets	595,925	1,065,612	829,936
Financial liabilities	1,136,310	1,109,337	1,395,698

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2021 and 2020 would decrease/increase by \$675 thousand and \$707 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its demand deposit and variable-rate bank borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopts a policy of doing business with a counterparty with good reputation.

The credit risk of the Group arises mainly from the top five customers. The accounts receivable from the above customers accounted for 67.08%, 75.29% and 54.17% of total accounts receivable as of June 30, 2021, December 31, 2020 and June 30, 2020, respectively.

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.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2021, December 31, 2020 and June 30, 2020, the Group had available unutilized short-term bank loan facilities of \$2,924,916 thousand, \$2,393,779 thousand and \$1,013,940 thousand, respectively.

The following table details the Group's contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

June 30, 2021

	Weighted Average Effective Interest Rate	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing		\$ 515,320	\$ 1,622,145	\$ 19,100	\$ 2,475	\$ 107
Variable interest rate liabilities	1.15%-4.45%	113,186	43,641	307,147	402,345	296,253
Fixed interest rate liabilities	0.68%-4.45%	70,937	671,864	373,591	1,447,743	-
Lease liabilities	1.56%-4.90%	<u>1,980</u>	<u>3,618</u>	<u>14,627</u>	<u>40,996</u>	<u>4,765</u>
		<u>\$ 701,423</u>	<u>\$ 2,341,268</u>	<u>\$ 714,465</u>	<u>\$ 1,893,559</u>	<u>\$ 301,125</u>

December 31, 2020

	Weighted Average Effective Interest Rate	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing		\$ 1,177,308	\$ 2,440,870	\$ 360,020	\$ -	\$ -
Variable interest rate liabilities	1.15%-4.78%	91,731	126,381	139,767	472,916	308,735
Fixed interest rate liabilities	0.68%-4.07%	100,195	420,493	936,263	532,508	-
Lease liabilities	1.56%-4.75%	<u>2,159</u>	<u>3,927</u>	<u>16,127</u>	<u>44,075</u>	<u>2,710</u>
		<u>\$ 1,371,393</u>	<u>\$ 2,991,671</u>	<u>\$ 1,452,177</u>	<u>\$ 1,049,499</u>	<u>\$ 311,445</u>

June 30, 2020

	Weighted Average Effective Interest Rate	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing		\$ 512,908	\$ 1,265,956	\$ 409,845	\$ -	\$ 104
Variable interest rate liabilities	1.25%-4.45%	12,418	224,874	323,454	542,846	331,645
Fixed interest rate liabilities	0.68%-4.45%	87,779	577,422	900,796	173,844	-
Lease liabilities	1.56%-4.75%	<u>2,400</u>	<u>4,030</u>	<u>15,893</u>	<u>39,022</u>	<u>9,196</u>
		<u>\$ 615,505</u>	<u>\$ 2,072,282</u>	<u>\$ 1,649,988</u>	<u>\$ 755,712</u>	<u>\$ 340,945</u>

The following table details the Group's liquidity analysis for its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis.

June 30, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>					
Swap contracts	\$ -	\$ -	\$ (213)	\$ -	\$ -
Foreign exchange forward contracts	<u>(198)</u>	<u>(510)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (198)</u>	<u>\$ (510)</u>	<u>\$ (213)</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>					
Swap contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,079)</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>					
Swap contracts	\$ -	\$ -	\$ (1,932)	\$ -	\$ -
Foreign exchange forward contracts	<u>(262)</u>	<u>(637)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (262)</u>	<u>\$ (637)</u>	<u>\$ (1,932)</u>	<u>\$ -</u>	<u>\$ -</u>

4) Financing facilities

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 357,837	\$ 421,659	\$ 448,100
Amount unused	<u>1,459,600</u>	<u>1,352,000</u>	<u>963,940</u>
	<u>\$ 1,817,437</u>	<u>\$ 1,773,659</u>	<u>\$ 1,412,040</u>
Secured bank overdraft facilities:			
Amount used	\$ 1,861,837	\$ 2,102,672	\$ 2,084,637
Amount unused	<u>1,465,316</u>	<u>1,041,779</u>	<u>654,500</u>
	<u>\$ 3,327,153</u>	<u>\$ 3,144,451</u>	<u>\$ 2,739,137</u>

37. RELATED PARTY TRANSACTIONS

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

The details of the compensation of key management personnel for the six months ended June 30, 2021 and 2020 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Short-term employee benefits	\$ 19,694	\$ 26,554	\$ 45,918	\$ 43,301
Post-employment benefits	<u>183</u>	<u>289</u>	<u>451</u>	<u>494</u>
	<u>\$ 19,877</u>	<u>\$ 26,843</u>	<u>\$ 46,369</u>	<u>\$ 43,795</u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

38. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	June 30, 2021	December 31, 2020	June 30, 2020
Property, plant and equipment	\$ 1,730,129	\$ 1,753,849	\$ 1,768,158
Right-of-use assets	279,155	287,713	279,463
Pledge deposits - current	237,720	208,931	329,433
Inventories	<u>136,579</u>	<u>70,425</u>	<u>41,522</u>
	<u>\$ 2,383,583</u>	<u>\$ 2,320,918</u>	<u>\$ 2,418,576</u>

39. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

June 30, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 150,948	27.8600 (USD:NTD)	\$ 4,205,400
USD	15,317	6.4655 (USD:RMB)	426,732
USD	1,756	1.2393 (USD:CAD)	48,909
RMB	51,274	4.3090 (RMB:NTD)	220,938
RMB	207	0.1547 (RMB:USD)	893
EUR	5,047	33.1500 (EUR:NTD)	167,319
EUR	238	1.1899 (EUR:USD)	7,889
EUR	1	0.8601 (EUR:GBP)	34
GBP	5,640	38.5400 (GBP:NTD)	217,368
GBP	10	1.1626 (GBP:EUR)	386
Non-monetary items			
HKD	274,687	3.5870 (HKD:NTD)	985,304
USD	26,914	7.7669 (USD:HKD)	749,835
USD	20,818	27.8600 (USD:NTD)	579,982
RMB	192,358	1.2013(RMB:HKD)	828,870
CAD	11,852	0.8069 (CAD:USD)	266,431
EUR	3,261	33.1500 (EUR:NTD)	108,087
<u>Financial liabilities</u>			
Monetary items			
USD	1,586	27.8600 (USD:NTD)	44,191
USD	193	1.2393 (USD:CAD)	5,365
USD	1,670	110.5117 (USD:JPY)	46,536
USD	2,138	6.4655 (USD:RMB)	59,562
RMB	198,314	4.3090 (RMB:NTD)	854,533
RMB	9,098	0.1547 (RMB:USD)	39,202
EUR	18	1.1899 (EUR:NTD)	597
GBP	4	1.1626 (GBP:USD)	169
Non-monetary items			
GBP	2,640	38.5400 (GBP:NTD)	101,754
JPY	63,665	0.2521 (JPY:NTD)	16,050

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 170,342	28.4800 (USD:NTD)	\$ 4,851,332
USD	4,587	6.5067 (USD:RMB)	130,623
USD	2,205	1.2743 (USD:CAD)	62,785
RMB	55,746	4.3770 (RMB:NTD)	244,002
RMB	40	0.1537 (RMB:USD)	175
EUR	2,828	35.0200 (EUR:NTD)	99,027
EUR	91	1.2296 (EUR:USD)	3,181
EUR	2	0.9003 (EUR:GBP)	55
GBP	5,138	38.9000 (GBP:NTD)	199,872
GBP	4	1.1108 (GBP:EUR)	166
Non-monetary items			
USD	33,986	28.4800 (USD:NTD)	967,933
USD	23,867	7.7539 (USD:HKD)	679,733
HKD	289,218	3.6730 (HKD:NTD)	1,062,298
RMB	195,228	1.1917 (RMB:HKD)	854,514
CAD	10,512	0.7848 (CAD:USD)	234,956
EUR	2,284	35.0200 (EUR:NTD)	79,979
<u>Financial liabilities</u>			
Monetary items			
USD	5,319	28.4800 (USD:NTD)	151,486
USD	225	1.2743 (USD:CAD)	6,412
USD	1,110	103.0764 (USD:JPY)	31,606
USD	2	0.7321 (USD:GBP)	53
USD	1,833	6.5067 (USD:RMB)	52,201
RMB	285,008	4.3770 (RMB:NTD)	1,247,482
RMB	26,365	0.1537 (RMB:USD)	115,400
EUR	18	1.2296 (EUR:USD)	630
GBP	4	1.1108 (GBP:EUR)	145
Non-monetary items			
GBP	2,127	38.9000 (GBP:NTD)	82,757
JPY	28,111	0.2763 (JPY:NTD)	7,767

June 30, 2020

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 60,760	29.6300 (USD:NTD)	\$ 1,800,318
USD	11,038	7.0699 (USD:RMB)	327,069
USD	298	1.3667 (USD:CAD)	8,837
RMB	45,969	4.1910 (RMB:NTD)	192,655
RMB	15	0.1414 (RMB:USD)	63
EUR	3,202	33.2700 (EUR:NTD)	106,531
EUR	1	1.1228 (EUR:USD)	38
EUR	1	0.9133 (EUR:GBP)	41
GBP	4,181	36.4300 (GBP:NTD)	152,325
Non-monetary items			
USD	54,376	7.7505 (USD:HKD)	1,611,184
HKD	337,160	3.8230 (HKD:NTD)	1,288,963
RMB	198,733	1.0963 (RMB:HKD)	832,891
CAD	8,918	0.7317 (CAD:USD)	193,334
EUR	1,557	33.2700 (EUR:NTD)	51,794
<u>Financial liabilities</u>			
Monetary items			
USD	881	29.6300 (USD:NTD)	26,102
USD	873	1.3667 (USD:CAD)	25,872
USD	1,244	107.7063 (USD:JPY)	36,864
USD	1,206	7.0699 (USD:RMB)	35,729
RMB	141,422	4.1910 (RMB:NTD)	592,701
RMB	17,743	0.1414 (RMB:USD)	74,361
EUR	24	33.2700 (EUR:NTD)	806
EUR	18	1.1228 (EUR:USD)	599
Non-monetary items			
GBP	1,695	36.4300 (GBP:NTD)	61,746
JPY	8,943	0.2751 (JPY:NTD)	2,460

For the three months ended June 30, 2021 and 2020, for the six months ended June 30, 2021 and 2020, (realized and unrealized) net foreign exchange gains (losses) were \$123,262 thousand, \$34,724 thousand, \$120,123 thousand and \$20,650 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

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 (excluding investments in subsidiaries, associates and joint ventures):
Table 3

- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5
 - 9) Trading in derivative instruments: Notes 7 and 36
- b. Information on investees (excluding investees in mainland China): Table 6
- c. 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 7
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 8
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 8
 - c) The amount of property transactions and the amount of the resultant gains or losses: None
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2
 - e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None
- d. Intercompany relationships and significant intercompany transactions: Table 9
- e. 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 10

41. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Group's reportable segments were Asia, Americas and Europe, which mainly manufacture and sell treadmills, elliptical machines, and outdoor furniture.

a. Segment revenues and results

	Asia	Americas	Europe	Eliminations	Total
For the six months ended <u>June 30, 2021</u>					
Revenues from external customers	\$ 1,359,795	\$ 4,792,666	\$ 459,826	\$ -	\$ 6,612,287
Intersegment revenues	<u>5,087,909</u>	<u>31,110</u>	<u>12,494</u>	<u>(5,131,513)</u>	<u>-</u>
Consolidated revenues	<u>\$ 6,447,704</u>	<u>\$ 4,823,776</u>	<u>\$ 472,320</u>	<u>\$ (5,131,513)</u>	<u>\$ 6,612,287</u>
Segment income (loss)	<u>\$ 502,816</u>	<u>\$ (270,410)</u>	<u>\$ 22,799</u>	<u>\$ 133,121</u>	<u>\$ 388,326</u>
For the six months ended <u>June 30, 2020</u>					
Revenues from external customers	\$ 823,507	\$ 3,076,002	\$ 256,516	\$ -	\$ 4,156,025
Intersegment revenues	<u>1,844,867</u>	<u>1,211,780</u>	<u>-</u>	<u>(3,056,647)</u>	<u>-</u>
Consolidated revenues	<u>\$ 2,668,374</u>	<u>\$ 4,287,782</u>	<u>\$ 256,516</u>	<u>\$ (3,056,647)</u>	<u>\$ 4,156,025</u>
Segment income (loss)	<u>\$ 3,589</u>	<u>\$ 186,153</u>	<u>\$ (35,427)</u>	<u>\$ 115,742</u>	<u>\$ 270,059</u>

b. Segment assets and liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
<u>Segment assets</u>			
Asia	\$ 6,531,742	\$ 5,879,763	\$ 5,628,829
Americas	5,077,327	6,948,127	3,532,083
Europe	<u>507,475</u>	<u>424,098</u>	<u>341,194</u>
Total segment assets	<u>\$ 12,116,544</u>	<u>\$ 13,251,988</u>	<u>\$ 9,502,106</u>
<u>Segment liabilities</u>			
Asia	\$ 2,789,587	\$ 1,867,130	\$ 3,364,738
Americas	4,531,461	6,104,024	2,739,327
Europe	<u>475,059</u>	<u>410,972</u>	<u>336,059</u>
Total segment liabilities	<u>\$ 7,796,107</u>	<u>\$ 8,382,126</u>	<u>\$ 6,440,124</u>

TABLE 1

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Note 5)	Ending Balance (Note 5)	Actual Borrowing Amount (Note 6)	Interest Rate	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limits	Note
													Item	Value			
0	Dyaco International Inc.	Dyaco Japan Co., Ltd.	Other receivables from related parties	Yes	\$ 27,473 (JPY 108,997 thousand)	\$ 27,473 (JPY 108,997 thousand)	\$ 27,473 (JPY 108,997 thousand)	-	Business transaction	\$ 61,442	-	\$ -	-	\$ -	\$ 61,442 (Note 2)	\$ 1,590,150 (Note 4)	
		Dyaco Europe GmbH	Other receivables from related parties	Yes	30,151 (EUR 910 thousand)	30,151 (EUR 910 thousand)	30,151 (EUR 910 thousand)	-	Business transaction	116,467	-	-	-	-	116,467 (Note 2)	1,590,150 (Note 4)	
		CARDIO Fitness GmbH & Co. KG	Other receivables from related parties	Yes	13,260 (EUR 400 thousand)	8,288 (EUR 250 thousand)	8,288 (EUR 250 thousand)	-	Short-term financing	-	Operating turnover	-	-	-	1,590,150 (Note 1)	1,590,150 (Note 4)	
		Dyaco UK Ltd.	Other receivables from related parties	Yes	122,880 (GBP 3,188 thousand)	122,880 (GBP 3,188 thousand)	122,880 (GBP 3,188 thousand)	-	Business transaction	208,940	-	-	-	-	208,940 (Note 2)	1,590,150 (Note 4)	
		Spirit Direct, LLC.	Other receivables from related parties	Yes	2,988 (US\$ 107 thousand)	2,988 (US\$ 107 thousand)	2,988 (US\$ 107 thousand)	-	Business transaction	18,144	-	-	-	-	18,144 (Note 2)	1,590,150 (Note 4)	
		Wing Long Co., Ltd.	Other receivables from related parties	Yes	2,914	2,914	2,914	-	Business transaction	3,150	-	-	-	-	3,150 (Note 2)	1,590,150 (Note 4)	
1	Spirit Manufacturing Inc.	Spirit Direct, LLC.	Other receivables from related parties	Yes	2,786 (US\$ 100 thousand)	-	-	-	Short-term financing	-	Operating turnover	-	-	-	330,995 (Note 3)	330,995 (Note 3)	

Note 1: The maximum financing of a parent to a subsidiary in which the parent entity directly and indirectly holds over 90% voting shares is limited to 40% of the net value of the parent entity; the maximum financing to other individual corporations is limited to 20% of the net value of the parent entity.

Note 2: The amount of financing provided to companies with which the parent entity has business transactions is limited to the transaction amount.

Note 3: The maximum financing to companies in which the parent entity directly and indirectly holds 100% voting shares is limited to net value of the lender, the maximum financing allowed to other corporations is limited to 40% of the net value of the lender.

Note 4: The maximum financing allowed is limited to 40% of the net value of the parent entity.

Note 5: The maximum balance for the period and ending balances were approved by the board of directors.

Note 6: Eliminated from the consolidated financial statements.

TABLE 2

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Provided to Each Guaranteed Party (Note 1)	Maximum Balance for the Period (Note 2)	Ending Balance (Note 2)	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth in Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 3)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 3)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 3)	Note
		Name	Relationship											
0	Dyaco International Inc.	Shelton Corporation (Jiaxing), Ltd.	Indirectly held subsidiary	\$ 397,537	\$ 200,220 (US\$ 1,000 thousand) and (RMB 40,000 thousand)	\$ 200,220 (US\$ 1,000 thousand) and (RMB 40,000 thousand)	\$ 27,860 (US\$ 1,000 thousand)	\$ -	5.04	\$ 397,537	Y	-	Y	
		Dyaco UK Ltd.	Directly held subsidiary	1,987,687	1,156 (GBP 30 thousand)	1,156 (GBP 30 thousand)	145 (GBP 12 thousand)	-	0.03	1,987,687	Y	-	-	
		Fuel-Spirit International Inc.	Indirectly held subsidiary	1,987,687	41,790 (US\$ 1,500 thousand)	41,790 (US\$ 1,500 thousand)	-	-	1.05	1,987,687	Y	-	-	
1	President Plastic Products MFG Co., Ltd.	Dyaco International Inc.	Ultimate parent	1,987,687	400,000	400,000	-	400,000	10.06	1,987,687	-	Y	-	

Note 1: The maximum amount of endorsement provided to a subsidiary in which the guarantor directly and indirectly holds over 90% voting shares is limited to 50% of the net value of the guarantor the maximum amount of endorsement provided to other individual corporations is limited to 10% of the net value of the guarantor, the maximum amount of endorsement guarantee given by subsidiaries on behalf of parent is limited to 50% of the net value of the parent entity and the total amount provided is limited to 50% of net value of the guarantor.

Note 2: The maximum balance for the period and ending balances were approved by the board of directors.

Note 3: “Y” means the endorsement/guarantee is given by a parent entity on behalf of subsidiaries, or given by subsidiaries on behalf of a parent entity or on behalf of corporations in mainland China.

TABLE 3

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

**MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES)
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Thousands of Shares)**

Holding Company Name	Type and Name of Marketable Securities	Relationship	Line Item	June 30, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Dyaco International Inc.	Energy Moana Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	300,000	\$ 5,400	0.81	\$ 5,400	Note 1
	Uniigym Global Holdings Limited.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	-	8,585 (US\$ 300 thousand)	2.50	8,585 (US\$ 300 thousand)	Note 1
	Gomore Inc.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	-	32,556 (US\$ 1,000 thousand)	10.00	32,556 (US\$ 1,000 thousand)	Note 1
Dyaco (Shanghai) Trading Co., Ltd.	Bigger Fit Technology (Beijing) Co., Ltd.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	-	5,008 (RMB 1,162 thousand)	2.50	5,008 (RMB 1,162 thousand)	Note 1
	Beijing Huoli Zhenghe Intelligent Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income (FVTOCI)	-	4,860 (RMB 1,128 thousand)	9.00	4,860 (RMB 1,128 thousand)	Note 1

Note 1: The fair value of unlisted shares classified as financial assets at FVTOCI without quoted price of the shares was calculated by fair value method.

Note 2: For the information on investments in subsidiaries, refer to Tables 6 and 7.

TABLE 4

DYACO INTERNATIONAL INC. 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, 2021
(In Thousands of New Taiwan Dollars)**

Buyer/Seller	Related Party	Relationship	Transaction Details				Transaction with Terms Different from Others		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note 2)	% to Total (Note 1)	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 2)	% to Total (Note 1)	
Dyaco International Inc.	Fitness Equipment Services, LLC.	Indirectly held subsidiary	Sales	\$ 1,676,066	38	Flexible	Based on mutual agreement	Flexible	\$ 2,181,943	48	
	Spirit Manufacturing Inc.	Indirectly held subsidiary	Sales	1,558,262	35	Flexible	Based on mutual agreement	Flexible	1,798,006	40	
	Shelton Corporation (Jiaxing), Ltd.	Indirectly held subsidiary	Purchase	1,283,588	48	Flexible	Based on mutual agreement	Flexible	(852,581)	50	
	Dyaco Canada Inc.	Indirectly held subsidiary	Sales	269,482	6	Flexible	Based on mutual agreement	Flexible	40,315	1	
	Dyaco (Shanghai) Trading Co., Ltd.	Indirectly held subsidiary	Sales	107,031	2	Flexible	Based on mutual agreement	Flexible	136,854	3	
Fitness Equipment Services, LLC.	Dyaco International Inc.	Ultimate parent	Purchase	1,676,066	99	Flexible	Based on mutual agreement	Flexible	(2,181,943)	100	
Spirit Manufacturing Inc.	Dyaco International Inc.	Ultimate parent	Purchase	1,558,262	100	Flexible	Based on mutual agreement	Flexible	(1,798,006)	95	
Shelton Corporation (Jiaxing), Ltd.	Fuel Spirit International Inc.	Ultimate parent is Dyaco International Inc	Sales	145,375	7	Flexible	Based on mutual agreement	Flexible	36,439	3	
Fuel Spirit International Inc.	Shelton Corporation (Jiaxing), Ltd.	Ultimate parent is Dyaco International Inc	Purchase	145,375	100	Flexible	Based on mutual agreement	Flexible	(36,439)	94	
Shelton Corporation (Jiaxing), Ltd.	Dyaco International Inc.	Ultimate parent	Sales	1,283,588	63	Flexible	Based on mutual agreement	Flexible	852,581	65	
Dyaco Canada Inc.	Dyaco International Inc.	Ultimate parent	Purchase	269,482	100	Flexible	Based on mutual agreement	Flexible	(40,315)	59	
Dyaco (Shanghai) Trading Co., Ltd.	Dyaco International Inc.	Ultimate parent	Purchase	107,031	100	Flexible	Based on mutual agreement	Flexible	(136,854)	77	

Note 1: The rate is calculated in accordance with individual financial statements.

Note 2: Eliminated from the consolidated financial statements.

TABLE 5

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Receivables From Related Party		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
			Financial Statement Accounts	Ending Balance (Note 3)		Amount	Actions Taken		
Dyaco International Inc.	Fitness Equipment Services, LLC.	Indirectly held subsidiary	Accounts receivable	\$ 2,181,943	1.80%	\$ -	-	\$ 150,927	\$ -
	Spirit Manufacturing Inc.	Indirectly held subsidiary	Accounts receivable	1,798,006	1.55%	-	-	394,587	-
	Dyaco (Shanghai) Trading Co., Ltd.	Indirectly held subsidiary	Accounts receivable	136,854	1.43%	-	-	32,355	-
	Dyaco UK Ltd.	Directly held subsidiary	Accounts receivable	90,406	1.90%	-	-	-	-
	Dyaco Europe GmbH.	Directly held subsidiary	Accounts receivable	71,647	2.24%	-	-	-	-
Shelton Corporation (Jiaxing), Ltd.	Dyaco International Inc.	Ultimate parent	Accounts receivable	852,581	2.45%	-	-	246,984	-
Dyaco International Inc.	Dyaco UK Ltd.	Directly held subsidiary	Other receivables	122,880	Note 1	-	-	-	-
	Fitness Equipment Services, LLC.	Indirectly held subsidiary	Other receivables	111,987	Note 2	-	-	-	-
	Spirit Manufacturing Inc.	Indirectly held subsidiary	Other receivables	64,635	Note 2	-	-	-	-
	Dyaco Europe GmbH.	Directly held subsidiary	Other receivables	30,151	Note 1	-	-	-	-

Note 1: Other receivables refer to financing provided.

Note 2: Other receivables refer to product service revenue.

Note 3: Eliminated from the consolidated financial statements.

TABLE 6

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

**NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(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, 2021			Net Profit (Loss) of the Investee	Share of Profit (Loss) (Notes 1 and 6)
				June 30, 2021	December 31, 2020	Number of Shares (In Thousands)	%	Carrying Amount (Notes 1 and 6)		
Dyaco International Inc.	Dyaco International Holding Limited	Hong Kong	Investment	\$ 1,128,018	\$ 1,128,018	290,634,628	100	\$ 985,304	\$ 71,065	\$ 70,998 (Note 2)
	Dyaco Europe GmbH.	Germany	Import, export and selling	358,161	358,161	-	100	108,087	40,623	40,623
	Daan Health Management Consulting Co., Ltd.	Taiwan	Rental of medical equipment	10,010	10,010	1,000,000	100	9,081	(428)	(428)
	Dyaco Japan Co., Ltd.	Japan	Import, export and selling	28,404	28,404	1,020	100	(16,050)	(7,787)	(7,787)
	Wing Long Co., Ltd.	Taiwan	Import, export and selling	20,000	20,000	2,000,000	100	6,060	(5,646)	(5,646)
	Dyaco UK Ltd.	United Kingdom	Import, export and selling	80,574	80,574	-	100	(101,754)	(16,703)	(16,703)
	SOLE INC.	America	Investment	948,631	948,631	-	100	538,841	(360,110)	(371,895) (Note 3)
	President Plastic Products MFG Co., Ltd.	Taiwan	Rental of property	258,640	258,640	1,100,000	100	258,164	(346)	(346)
	Cikayda Inc.	Taiwan	Manufacturing and selling	20,000	-	2,000,000	100	19,677	(323)	(323)
Dyaco Europe GmbH.	CARDIO fitness GmbH & Co KG	Germany	Import, export and selling	216,813 (EUR 6,296 thousand)	216,813 (EUR 6,296 thousand)	-	100	125,555 (EUR 3,787 thousand)	49,150 (EUR 1,447 thousand)	46,804 (EUR 1,378 thousand) (Note 4)
	CARDIO fitness Verwaltungs GmbH	Germany	Investment	977 (EUR 29 thousand)	977 (EUR 29 thousand)	-	100	942 (EUR 28 thousand)	21 (EUR 1 thousand)	21 (EUR 1 thousand)
SOLE INC.	Fitness Equipment Services, LLC.	America	Import, export and selling	63,262 (US\$ 2,100 thousand)	63,262 (US\$ 2,100 thousand)	-	100	(219,911) (US\$ -7,893 thousand)	(360,108) (US\$ -12,782 thousand)	(360,108) (US\$ -12,782 thousand)
Dyaco International Holding Limited	Fuel Spirit International Inc.	Mauritius	Import, export and selling	379,727 (US\$ 12,400 thousand)	379,727 (US\$ 12,400 thousand)	12,400,000	100	749,835 (HK\$ 209,042 thousand)	79,005 (HK\$ 21,764 thousand)	79,005 (HK\$ 21,764 thousand)
Fuel Spirit International Inc.	Spirit Manufacturing Inc.	America	Import, export and selling	265,734 (US\$ 8,890 thousand)	265,734 (US\$ 8,890 thousand)	1,667.50	100	313,222 (US\$ 11,243 thousand)	(366) (US\$ -13 thousand)	(366) (US\$ -13 thousand)
	Dyaco Canada Inc.	Canada	Import, export and selling	271,752 (US\$ 9,058 thousand)	271,752 (US\$ 9,058 thousand)	1,000	100	266,431 (US\$ 9,563 thousand)	30,381 (US\$ 1,078 thousand)	30,256 (US\$ 1,074 thousand) (Note 5)
Spirit Manufacturing Inc.	Spirit Direct, LLC	America	Import, export and selling	62,118 (US\$ 2,000 thousand)	62,118 (US\$ 2,000 thousand)	-	100	(32,016) (US\$ -1,149 thousand)	(158) (US\$ -6 thousand)	(158) (US\$ -6 thousand)
	Dyaco Commercial & Medical North America, LLC.	America	Import, export and selling	6,092 (US\$ 200 thousand)	6,092 (US\$ 200 thousand)	-	100	2,219 (US\$ 80 thousand)	(11,952) (US\$ -424 thousand)	(11,952) (US\$ -424 thousand)

Note 1: The investees’ financial statements used as basis for calculating investment gains (losses) recognized had all been reviewed.

Note 2: Including share of profit of \$71,065 thousand and realized profits of \$67 thousand from upstream intercompany transactions.

Note 3: Including share of loss of \$360,110 thousand minus amortization of investment premium of \$11,785 thousand.

Note 4: Including share of profit of \$49,150 thousand minus amortization of investment premium of \$2,346 thousand.

Note 5: Including share of profit of \$30,381 thousand minus amortization of investment premium of \$125 thousand.

Note 6: Eliminated from the consolidated financial statements.

TABLE 7

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2021 (Note 2)	Accumulated Repatriation of Investment Income as of June 30, 2021
						Outward	Inward						
Dyaco International Inc.	Dyaco (Shanghai) Trading Co., Ltd.	Import, export and selling	\$ 88,780 (US\$ 3,000 thousand)	Through an investment company registered in a third region (Note 1)	\$ 88,870 (US\$ 3,000 thousand)	\$ -	\$ -	\$ 88,780 (US\$ 3,000 thousand)	\$ (2,133) (HK\$ -587 thousand)	100	\$ (2,133) (HK\$ -587 thousand)	\$ 170,329 (HK\$ 47,485 thousand)	\$ -
	Shelton Corporation (Jiaxing), Ltd.	Manufacturing and selling	568,888 (US\$ 18,800 thousand)	Through an investment company registered in a third region (Note 1)	659,471 (US\$ 21,830 thousand)	-	-	659,471 (US\$ 21,830 thousand)	(9,710) (HK\$ -2,675 thousand)	60	(12,483) (HK\$ -3,493 thousand) (Note 3)	658,541 (HK\$ 183,591 thousand)	-
	Dyaco Health Technology (Beijing) Co., Ltd.	Healthcare management consulting	16,029 (RMB 3,500 thousand)	Others (Note 4)	-	-	-	Others (Note 4)	(597) (RMB -137 thousand)	100	(597) (RMB -137 thousand)	3,957 (RMB 918 thousand)	-
	Kerr (Shanghai) Rehabilitation Technology Development Co., Ltd.	Healthcare management consulting	12,807 (RMB 3,000 thousand)	Others (Note 5)	-	-	-	Others (Note 5)	(1,594) (RMB -366 thousand)	40	(638) (RMB -146 thousand)	4,540 (RMB 1,054 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 6)
\$ 748,251 (US\$ 24,830 thousand)	\$ 748,251 (US\$ 24,830 thousand)	\$ -

- Note 1: The investment company required in third region is Dyaco International Holding Limited.
- Note 2: The investees’ financial statements used as basis for calculating investment gains (losses) recognized had all been audited.
- Note 3: Including 60% share of loss of \$5,826 thousand minus amortization of investment premium of \$4,081 thousand and unrealized profits of \$2,576 thousand from side stream intercompany transactions.
- Note 4: Reinvested RMB3,500 thousand own fund of Dyaco (Shanghai) Trading Co., Ltd.
- Note 5: Reinvested RMB1,200 thousand own fund of Dyaco (Shanghai) Trading Co., Ltd.
- Note 6: According to Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China announced by Ministry of Economic Affairs (MOEA), the Corporation is not subject to an upper limit due to obtaining supporting document for operation headquarters of the company issued by Industrial Development Bureau, MOEA.
- Note 7: Eliminated from the consolidated financial statements.

TABLE 8

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)**

No.	Investor Company	Investee Company	Transaction Type	Purchase/Sale		Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
				Amount (Note 2)	% (Note 1)	Payment Terms	Comparison with Normal Transactions	Ending Balance (Note 2)	% (Note 1)		
0	Dyaco International Inc.	Dyaco (Shanghai) Trading Co., Ltd. Shelton Corporation (Jiaxing), Ltd.	Sales Purchase	\$ 107,031 1,283,588	2 48	Flexible Flexible	Based on mutual agreement Based on mutual agreement	\$ 136,584 (852,581)	3 50	\$ 20,416 4,234	

Note 1: The rate is calculated in accordance with individual financial statements of each corporation.

Note 2: Eliminated from the consolidated financial statements.

TABLE 9

DYACO INTERNATIONAL INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars)

Year	No. (Note 1)	Company	Investee Company	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 4)
					Financial Statement Accounts	Amount (Note 5)	Payment Terms (Note 3)	
2021	0	Dyaco International Inc.	Spirit Direct, LLC.	a	Sales	\$ 10,816	-	-
					Other operating revenue	2,311	-	-
					Accounts receivable from related parties	17,438	-	-
					Other receivables from related parties	2,988	-	-
					Investments accounted for using the equity method	446	-	-
			Fuel-Spirit International Inc.	a	Other receivables from related parties	3,050	-	-
					Other payables to related parties	16	-	-
					Other operating revenue	383	-	-
					Sales	20,717	-	-
					Other operating revenue	177	-	-
			Dyaco Japan Co., Ltd.	a	Accounts receivable from related parties	22,737	-	-
					Other receivables from related parties	27,473	-	-
					Investments accounted for using the equity method	3,981	-	-
					Sales	106,844	-	2
					Other operating revenue	187	-	-
			Dyaco (Shanghai) Trading Co., Ltd.	a	Accounts receivable from related parties	136,584	-	1
					Investments accounted for using the equity method	20,416	-	-
					Sales	1,364,145	-	21
					Other operating revenue	194,117	-	3
					Accounts receivable from related parties	1,798,006	-	15
			Spirit Manufacturing Inc.	a	Other receivables from related parties	64,635	-	1
					Investments accounted for using the equity method	170,073	-	1
					Sales	269,482	-	4
					Accounts receivable from related parties	40,315	-	-
					Investments accounted for using the equity method	31,822	-	-
			Dyaco Canada Inc.	a	Sales	60,432	-	1
					Other operating revenue	3	-	-
					Accounts receivable from related parties	71,647	-	1
					Other receivables from related parties	30,151	-	-
					Investments accounted for using the equity method	12,491	-	-
			Dyaco Europe GmbH	a	Rental revenue	12	-	-
					Accounts receivable from related parties	446	-	-
					Other receivables from related parties	2,914	-	-
					Other payables to related parties	197	-	-
					Sales	425	-	-
			Daan Health Management Consulting Co., Ltd. Wing Long Co., Ltd.	a	Other expenses	197	-	-

(Continued)

Year	No. (Note 1)	Company	Investee Company	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 4)
					Financial Statement Accounts	Amount (Note 5)	Payment Terms (Note 3)	
			Dyaco UK Ltd.	a	Sales	\$ 79,454	-	1
					Other operating revenue	2	-	-
					Accounts receivable from related parties	90,406	-	1
					Other receivables from related parties	122,880	-	1
					Investments accounted for using the equity method	13,338	-	-
			Shelton Corporation (Jiaxing), Ltd.	a	Cost of goods sold	1,283,483	-	19
					Accounts payable to related parties	852,581	-	7
					Other receivables from related parties	4	-	-
					Other expenses	105	-	-
					Inventories	519	-	-
			CARDIO Fitness GmbH&Co.KG	a	Accounts receivable from related parties	51,082	-	-
					Other receivables from related parties	8,288	-	-
					Sales	46,419	-	1
					Investments accounted for using the equity method	2,936	-	-
			SOLE INC.	a	Other receivables from related parties	257	-	-
			Fitness Equipment Services, LLC.	a	Accounts receivable from related parties	2,181,943	-	18
					Other receivables from related parties	111,987	-	1
					Sales	1,675,280	-	25
					Other operation revenue	786	-	-
					Investments accounted for using the equity method	331,833	-	3
			President Plastic Products MFG Co., Ltd.	a	Prepayments	1,800	-	-
					Refundable deposits	900	-	-
			Cikayda Inc.	a	Other receivables from related parties	105	-	-
					Rental revenue	105	-	-
	1	Spirit Direct, LLC.	Dyaco International Inc.	b	Accounts payable to related parties	20,426	-	-
					Inventories	446	-	-
			Spirit Manufacturing Inc.	c	Cost of goods sold	13,127	-	-
					Other payables to related parties	33,153	-	-
					Accounts payable to related parties	15,986	-	-
					Cost of goods sold	14,577	-	-
	2	Fuel-Spirit International Inc.	Dyaco International Inc.	b	Accounts payable to related parties	3,050	-	-
					Accounts receivable from related parties	16	-	-
					Other operating costs	383	-	-
			Spirit Manufacturing Inc.	c	Accounts receivable from related parties	91,938	-	1
			Dyaco Canada Inc.	c	Other operating revenue	9,753	-	-
					Accounts receivable from related parties	3,877	-	-
			Shelton Corporation (Jiaxing), Ltd.	c	Cost of goods sold	145,375	-	2
					Accounts payable to related parties	36,439	-	-
	3	Dyaco Japan Co., Ltd.	Dyaco International Inc.	b	Cost of goods sold	20,820	-	-
					Other expenses	74	-	-
					Accounts payable to related parties	50,200	-	-
					Other payables to related parties	10	-	-
					Inventories	3,981	-	-

(Continued)

Year	No. (Note 1)	Company	Investee Company	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 4)
					Financial Statement Accounts	Amount (Note 5)	Payment Terms (Note 3)	
	4	Dyaco (Shanghai) Trading Co., Ltd.	Dyaco International Inc.	b	Cost of goods sold	\$ 107,031	-	2
					Accounts payable to related parties	136,854	-	1
			Shelton Corporation (Jiaxing), Ltd.	c	Inventories	20,416	-	-
					Cost of goods sold	24,544	-	-
					Accounts payable to related parties	22,606	-	-
					Inventories	2,027	-	-
			Dyaco Health Technology (Beijing) Co., Ltd.	c	Accounts receivable from related parties	116	-	-
					Other receivables from related parties	88	-	-
	5	Spirit Manufacturing Inc.	Dyaco International Inc.	b	Cost of goods sold	1,535,725	-	24
					Other expenses	22,537	-	-
					Accounts payable to related parties	1,798,006	-	15
					Other payables to related parties	64,635	-	1
					Inventories	170,073	-	1
			Spirit Direct, LLC.	c	Other receivables from related parties	33,153	-	-
					Accounts receivable from related parties	15,986	-	-
					Sales	14,577	-	-
			Dyaco Canada Inc.	c	Sales	652	-	-
			Fuel-Spirit International Inc.	c	Accounts payable to related parties	91,938	-	1
			Fitness Equipment Services, LLC.	c	Sales	15,832	-	-
					Other receivables from related parties	2,639	-	-
					Accounts receivable from related parties	153	-	-
			Dyaco UK Ltd.	c	Sales	49	-	-
	6	Dyaco Canada Inc.	Dyaco International Inc.	b	Cost of goods sold	269,482	-	4
					Accounts payable to related parties	40,315	-	-
					Inventories	31,822	-	-
			Fuel-Spirit International Inc.	c	Other expenses	9,753	-	-
					Other payables to related parties	3,877	-	-
			Spirit Manufacturing Inc.	c	Cost of goods sold	652	-	-
	7	Dyaco Europe GmbH	Dyaco International Inc.	b	Cost of goods sold	60,435	-	1
					Accounts payable to related parties	101,798	-	1
					Inventories	12,941	-	-
			CARDIO Fitness GmbH&Co.KG	c	Sales	12,309	-	-
					Cost of goods sold	62	-	-
					Other operating revenue	385	-	-
					Other expenses	275	-	-
					Accounts receivable from related parties	8,812	-	-
					Accounts payable to related parties	51	-	-
			Dyaco UK Ltd.	c	Accounts payable to related parties	109	-	-
					Cost of goods sold	111	-	-
	8	Daan Health Management Consulting Co., Ltd.	Dyaco International Inc.	b	Rental expenses	12	-	-

(Continued)

Year	No. (Note 1)	Company	Investee Company	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 4)
					Financial Statement Accounts	Amount (Note 5)	Payment Terms (Note 3)	
	9	CARDIO Fitness GmbH&Co.KG	Dyaco International Inc. Dyaco Europe GmbH	b c	Accounts payable to related parties Other payables to related parties Cost of goods sold Inventories Cost of goods sold Sales Other operating revenue Other expenses Accounts payable to related parties Accounts receivable from related parties	\$ 51,082 8,288 46,419 2,936 12,309 74 263 385 8,812 51	- - - - - - - - - -	- - 1 - - - - - - -
	10	Wing Long Co., Ltd.	Dyaco International Inc.	b	Accounts payable to related parties Accounts receivable from related parties Cost of goods sold Sales	3,360 197 425 197	- - - -	- - - -
	11	Dyaco UK Ltd.	Dyaco International Inc. Dyaco Europe GmbH Spirit Manufacturing Inc.	b c b	Cost of goods sold Accounts payable to related parties Inventories Accounts receivable from related parties Sales Cost of goods sold	79,456 213,286 13,338 109 111 49	- - - - - -	1 2 - - - -
	12	Shelton Corporation (Jiaxing), Ltd.	Dyaco International Inc. Fuel-Spirit International Inc. Dyaco (Shanghai) Trading Co., Ltd.	b c c	Sales Accounts receivable from related parties Other payables to related parties Cost of goods sold Sales Accounts receivable from related parties Sales Accounts receivable from related parties Cost of goods sold	1,283,588 852,581 4 519 145,375 36,439 24,544 22,606 2,027	- - - - - - - - -	19 7 - - 2 - - - -
	13	Dyaco Health Technology (Beijing) Co., Ltd.	Dyaco (Shanghai) Trading Co., Ltd.	c	Other payables to related parties Other payables	116 88	- -	- -
	14	Fitness Equipment Services, LLC.	Spirit Manufacturing Inc. Dyaco International Inc.	c b	Cost of goods sold Accounts payable to related parties Accounts payable to related parties Other payables to related parties Inventories Cost of goods sold	15,832 2,792 2,181,943 111,987 331,833 1,676,066	- - - - - -	- - 18 1 3 25
	15	SOLE INC.	Dyaco International Inc.	c	Other payables to related parties	257	-	-
	16	President Plastic Products MFG Co., Ltd.	Dyaco International Inc.	b	Advance receipts Guarantee deposits received	1,800 900	- -	- -

(Continued)

Year	No. (Note 1)	Company	Investee Company	Relationship (Note 2)	Transaction Details			% of Total Sales or Assets (Note 4)
					Financial Statement Accounts	Amount (Note 5)	Payment Terms (Note 3)	
	17	Cikayda Inc.	Dyaco International Inc.	b	Other payables to related parties Rental expenses	\$ 105 105	- -	- -

Note 1: Companies are numbered as follows:

- a. The parent is numbered as “0.”
- b. Subsidiaries are numbered from “1” onward.

Note 2: The flow of transactions is as follows:

- a. From the parent to the subsidiary.
- b. From the subsidiary to the parent.
- c. From the subsidiary to the subsidiary.

Note 3: The prices and payment terms for related-party transactions were based on agreements.

Note 4: If the transaction amounts are related to the balance sheet accounts, the percentages are those of the year-end balances to the consolidated total assets. If the transaction amounts are related to the income statement accounts, the percentages are the total amounts of the year to the consolidated total sales.

Note 5: Eliminated from the consolidated financial statements.

(Concluded)

TABLE 10**DYACO INTERNATIONAL INC.****INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Lin, Ing-Gin	10,053,283	7.50
Guang-Ying Limited	9,796,727	7.31
Chuan-Feng Investment Corporation	8,111,882	6.05
Ho, I-Hsing Investment Corporation	6,865,725	5.12

Note: The table discloses stockholding information of stockholders whose percentages are more than 5%. The Taiwan Depository & Clearing Corporation calculates the total number of common stocks and special stocks (including treasury stocks) that have completed the dematerialized registration and delivery on the last business day of the quarter. The stocks reported in the financial statements and the actual number of stocks that have completed the dematerialized registration and delivery may be different due to the basis of calculation.