Paiho Shih Holdings Corporation and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2021 and Independent Auditors' Report (With statements for the six months ended June 30, 2020 reviewed, not audited)

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Paiho Shih Holdings Corporation

Opinion

We have audited the accompanying consolidated financial statements of Paiho Shih Holdings Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheet as of June 30, 2021, the related consolidated statements of comprehensive income for the three months ended June 30, 2021 and for the six months ended June 30, 2021, the consolidated statements of changes in equity and cash flows for the six months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2021, and its consolidated financial performance for the three months ended June 30, 2021 and its consolidated financial performance and its consolidated csah flows for the six months ended June 30, 2021 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.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the six months ended June 30, 2021 are as follows:

Revenue Recognition

The main business items of the Group include the manufacturing and sale of webbingtouch fastener webbing, shoelace, elastic band, jacquard engineered mesh, and relevant peripheral materials as well as the sale of residential buildings constructed by entrusted construction contractors. Among all the goods, the revenue from the sale of webbing and touch fastener significantly influence the operating revenue and profit of the Group. Therefore, we identified the recognition of sales revenue as a key audit matter. Refer to Note 4 to the consolidated financial statements for the accounting policies on revenue recognition.

The key audit procedures that we performed in respect of revenue recognition included the following:

1. We understood the internal controls over revenue recognition, evaluated the design of and tested the operating effectiveness of the key controls. We sampled and inspected original purchase orders and delivery orders to verify the reasonableness of the accrual of the sales revenue.

2. We selected sample entries from sales records and checked the entries against the original orders, delivery orders, invoices and receipt vouchers.

Other Matter

We have reviewed the consolidated financial statements of the Group for the six months ended June 30, 2020, and expressed an unmodified conclusion on the financial statements on August 11, 2020. 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Chin Chiang and Ting-Chien Su.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 25, 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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' report and consolidated financial statements shall prevail.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2021 (Audited)		December 31, 2020 (Audited)		June 30, 2020 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4 and 6)	$ 4,334,559	25	$ 4,421,184	24	$ 2,565,722	18
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	264,376	2	463,871	2	34,361	-
Financial assets at amortized cost - current (Notes 4 and 8)	237,111	1	504,067	3	125,437	1
Notes receivable (Notes 4 and 9)	7,933	-	13,004	-	10,709	-
Trade receivables (Notes 4 and 9)	1,269,122	7	1,132,954	6	880,029	6
Trade receivables - related parties (Notes 4, 9 and 27)	30,963	-	20,621	-	40,258	-
Other receivables	247,543	1	118,496	1	301,434	2
Inventories - manufacturing (Notes 4 and 10)	1,175,249	7	1,011,580	5	1,013,110	7
Inventories - constructing (Notes 4 and 10)	2,379,134	14	3,134,576	17	2,247,764	15
Other current assets (Note 15)	254,289	2	467,495	3	169,859	1
Total current assets	10,200,279	59	11,287,848	61	7,388,683	50
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Notes 4, 8 and 28)	19,796	-	20,205	-	20,748	-
Property, plant and equipment (Notes 4, 12 and 27)	5,812,355	34	5,942,053	32	6,123,725	42
Right-of-use assets (Notes 4 and 13)	889,591	5	922,014	5	949,792	7
Goodwill (Notes 4 and 14)	43,855	-	44,899	-	46,696	-
Other intangible assets (Note 4)	43	-	54	-	61	-
Deferred tax assets (Notes 4 and 23)	50,235	1	103,768	1	33,888	-
Prepayments for machinery and equipment	108,393	1	164,669	1	110,702	1
Other non-current assets (Note 15)	35,171	-	20,656	-	13,024	-
Total non-current assets	6,959,439	41	7,218,318	39	7,298,636	50
TOTAL	$ 17,159,718	100	$ 18,506,166	100	$ 14,687,319	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	$ 3,716,219	22	$ 2,378,080	13	$ 4,254,868	29
Contract liabilities - current (Notes 4, 21 and 27)	377,216	2	3,238,327	18	97,610	1
Trade payables	875,610	5	392,028	2	397,257	3
Trade payable - related parties (Note 27)	94,353	1	86,532	-	30,992	-
Other payables (Notes 17 and 27)	869,545	5	689,640	4	830,893	6
Current tax liabilities (Notes 4 and 23)	318,336	2	150,708	1	78,021	1
Lease liabilities - current (Notes 4 and 13)	6,065	-	7,109	-	5,912	-
Current portion of long-term borrowings (Note 16)	604,910	3	399,432	2	637,045	4
Other current liabilities	78,843	-	59,564	-	72,632	-
Total current liabilities	6,941,097	40	7,401,420	40	6,405,230	44
NON-CURRENT LIABILITIES						
Long-term borrowings (Note 16)	3,100,775	18	4,518,496	24	2,358,523	16
Deferred tax liabilities (Notes 4 and 23)	370,190	2	397,468	2	415,227	3
Lease liabilities - non-current (Notes 4 and 13)	1,210	-	3,800	-	5,103	-
Deferred revenue - non-current (Note 4)	85,178	1	87,849	1	85,359	-
Net defined benefit liabilities - non-current (Notes 4 and 18)	139,071	1	135,524	1	113,686	1
Guarantee deposits received	14,454	-	13,895	-	16,348	-
Total non-current liabilities	3,710,878	22	5,157,032	28	2,994,246	20
Total liabilities	10,651,975	62	12,558,452	68	9,399,476	64
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION						
Common stock	3,151,781	18	3,151,781	17	3,151,781	22
Capital surplus	461,544	3	461,544	2	461,544	3
Retained earnings						
Special reserve	676,483	4	676,483	4	676,483	5
Unappropriated earnings	2,217,657	13	1,591,644	8	1,398,429	9
Other equity	(483,910)	(3)	(418,225)	(2)	(844,537)	(6)
Total equity attributable to owners of the Corporation	6,023,555	35	5,463,227	29	4,843,700	33
NON-CONTROLLING INTERESTS	484,188	3	484,487	3	444,143	3
Total equity	6,507,743	38	5,947,714	32	5,287,843	36
TOTAL	$ 17,159,718	100	$ 18,506,166	100	$ 14,687,319	100

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021 (Audited)		2020 (Reviewed)		2021 (Audited)		2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%	Amount	%
SALES (Notes 4, 21 and 27)	$ 3,850,642	100	$ 1,509,124	100	$ 6,308,313	100	$ 3,765,675	100
COST OF GOODS SOLD (Notes 4, 10, 21, 22 and 27)	2,375,094	62	976,365	64	3,833,377	61	2,382,718	63
GROSS PROFIT	1,475,548	38	532,759	36	2,474,936	39	1,382,957	37
OPERATING EXPENSES (Notes 4, 22 and 27)								
Selling and marketing expenses	211,436	5	141,876	9	371,490	6	300,496	8
General and administrative expenses	121,376	3	69,264	5	238,227	4	178,791	5
Research and development expenses	110,920	3	94,433	6	213,072	3	189,628	5
Expected credit loss (Note 9)	2,134	-	(21,525)	(1)	18,386	-	9,306	-
Total operating expenses	445,866	11	284,048	19	841,175	13	678,221	18
PROFIT FROM OPERATIONS	1,029,682	27	248,711	17	1,633,761	26	704,736	19
NON-OPERATING INCOME AND EXPENSES								
Subsidy revenue	1,887	-	2,153	-	5,178	-	5,235	-
Finance costs (Notes 4 and 22)	(25,264)	(1)	(38,337)	(3)	(52,173)	(1)	(86,924)	(2)
Interest income	23,771	1	18,331	1	48,151	1	32,822	1
Other income	1,176	-	356	-	6,137	-	9,602	-
Other expenses	(7,503)	-	(2,921)	-	(10,577)	-	(6,039)	-
Loss on disposal of property, plant and equipment	(495)	-	(2,575)	-	(481)	-	(2,097)	-
Net foreign exchange gain (loss) (Notes 4 and 22)	(19,059)	(1)	(3,155)	-	(11,373)	-	(2,448)	-
Total non-operating income and expenses	(25,487)	(1)	(26,148)	(2)	(15,138)	-	(49,849)	(1)
PROFIT BEFORE INCOME TAX	1,004,195	26	222,563	15	1,618,623	26	654,887	18
INCOME TAX EXPENSE (Notes 4 and 23)	404,004	10	101,929	7	601,466	10	299,852	8
NET PROFIT FOR THE PERIOD	600,191	16	120,634	8	1,017,157	16	355,035	10

(Continued)

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2021 (Audited)		2020 (Reviewed)		2021 (Audited)		2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss:								
Foreign exchange differences on translation to presentation currency	$ (141,096)	(4)	$ (104,748)	(7)	$ (127,686)	(2)	$ (59,488)	(2)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	144,947	4	33,416	2	60,263	1	(120,321)	(3)
Other comprehensive loss for the period	3,851	-	(71,332)	(5)	(67,423)	(1)	(179,809)	(5)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 604,042	16	$ 49,302	3	$ 949,734	15	$ 175,226	5
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Corporation	$ 551,812	15	$ 102,104	7	$ 941,191	15	$ 304,619	8
Non-controlling interests	48,379	1	18,530	1	75,966	1	50,416	1
	$ 600,191	16	$ 120,634	8	$ 1,017,157	16	$ 355,035	9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Corporation	$ 553,384	15	$ 37,511	2	$ 875,506	14	$ 136,565	4
Non-controlling interests	50,658	1	11,791	1	74,228	1	38,661	1
	$ 604,042	16	$ 49,302	3	$ 949,734	15	$ 175,226	5
EARNINGS PER SHARE (Note 24)								
Basic	$ 1.75		$ 0.32		$ 2.99		$ 0.97	
Diluted	$ 1.75		$ 0.32		$ 2.98		$ 0.97	

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation								
		Capital Surplus (Note 20)		Retained Earnings (Note 20)		Other Equity			
	Common Stock (Note 20)	Additional Paid-in Capital	Changes in Percentage of Ownership Interest in Subsidiaries	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations (Note 21)	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2020	$ 3,151,781	$ 456,751	$ 4,793	$ 477,488	$ 1,481,912	$ (676,483)	$ 4,896,242	$ 426,025	$ 5,322,267
Appropriation of 2019 earnings									
Special reserve	-	-	-	198,995	(198,995)	-	-	-	-
Cash dividend	-	-	-	-	(189,107)	-	(189,107)	-	(189,107)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	(20,543)	(20,543)
Net profit for the six months ended June 30, 2020	-	-	-	-	304,619	-	304,619	50,416	355,035
Other comprehensive loss for the six months ended June 30, 2020	-	-	-	-	-	(168,054)	(168,054)	(11,755)	(179,809)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	304,619	(168,054)	136,565	38,661	175,226
BALANCE AT JUNE 30, 2020 (REVIEWED, NOT AUDITED)	$ 3,151,781	$ 456,751	$ 4,793	$ 676,483	$ 1,398,429	$ (844,537)	$ 4,843,700	$ 444,143	$ 5,287,843
BALANCE AT JANUARY 1, 2021	$ 3,151,781	$ 456,751	$ 4,793	$ 676,483	$ 1,591,644	$ (418,225)	$ 5,463,227	$ 484,487	$ 5,947,714
Appropriation of 2020 earnings									
Cash dividend	-	-	-	-	(315,178)	-	(315,178)	-	(315,178)
Cash dividends distributed by the subsidiaries	-	-	-	-	-	-	-	(74,527)	(74,527)
Net profit for the six months ended June 30, 2021	-	-	-	-	941,191	-	941,191	75,966	1,017,157
Other comprehensive loss for the six months ended June 30, 2021	-	-	-	-	-	(65,685)	(65,685)	(1,738)	(67,423)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	941,191	(65,685)	875,506	74,228	949,734
BALANCE AT JUNE 30, 2021	$ 3,151,781	$ 456,751	$ 4,793	$ 676,483	$ 2,217,657	$ (483,910)	$ 6,023,555	$ 484,188	$ 6,507,743

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

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2021 (Audited)	**2020 (Reviewed)**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,618,623	$ 654,887
Adjustments for :		
Depreciation expense	308,593	301,288
Amortization expense	10	10
Expected credit loss recognized	18,386	9,306
Finance costs	52,173	86,924
Interest income	(48,151)	(32,822)
Loss on disposal of property, plant and equipment	481	2,097
Write-downs of inventories	22,523	27,090
Unrealized foreign currency exchange loss (gain), net	(10,617)	1,346
Others	(1,330)	(1,304)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	194,295	(34,741)
Notes receivable	4,842	1,763
Trade receivables	(182,012)	164,490
Other receivables	(132,617)	(1,234)
Inventories - manufacturing	(211,636)	(173,208)
Inventories - constructing	689,945	456,723
Other current assets	205,116	(86,381)
Contract liabilities	(2,816,298)	40,185
Trade payables	508,045	63,769
Other payables	(102,993)	(100,944)
Other current liabilities	20,881	(15,621)
Net defined benefit liabilities	(569)	9,526
Cash generated from operations	137,690	1,373,149
Interest received	48,151	32,822
Interest paid	(55,808)	(96,379)
Income tax paid	(397,513)	(216,338)
Net cash generated from (used in) operating activities	(267,480)	1,093,254
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(1,969,586)	(1,825,237)
Proceeds from disposal of financial assets at amortized cost	2,231,397	1,697,363
Payments for property, plant and equipment	(185,317)	(123,062)
Proceeds from disposal of property, plant and equipment	3,068	2,589
Increase in refundable deposits	(13,563)	(657)
Payments for right-of-use assets	-	(155,939)
Decrease (increase) in other non-current assets	(1,621)	1,902
Increase in prepayments for machinery and equipment	(45,921)	(57,330)
Net cash generated from (used in) investing activities	18,457	(460,371)

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PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2021 (Audited)	**2020 (Reviewed)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	$ 1,405,450	$ 435,007
Proceeds from long-term borrowings	760,631	1,005,017
Repayments of long-term borrowings	(1,878,169)	(1,100,091)
Proceeds from guarantee deposits received	871	5,533
Repayment of the principal portion of lease liabilities	(3,501)	(2,736)
Dividends paid to non-controlling interests	(74,527)	(20,543)
Net cash generated from financing activities	210,755	322,187
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(48,357)	(134,967)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(86,625)	820,103
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,421,184	1,745,619
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 4,334,559	$ 2,565,722

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

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

1. GENERAL INFORMATION

Paiho Shih Holdings Corporation (the "Corporation") was incorporated on November 6, 2006. It was established in Cayman Island and its main business is international investment.

The shares of the Corporation have been listed on the Taiwan Stock Exchange (TWSE) since May 18, 2011.

The functional currency of the Corporation is the United States dollar. For greater comparability and consistency in financial reporting, the consolidated financial statements of the Corporation and its subsidiaries (collectively, the "Group") are presented in New Taiwan dollars since the Corporation's shares are listed on the TWSE.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on August 25, 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 any material impact on the accounting policies of the Corporation and its subsidiaries (collectively referred to as the "Group").

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 above 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 that deferred taxes 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 above 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

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which 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 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. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

The Group is engaged in the construction business, which has an operating cycle of over 1 year. The normal operating cycle applies when considering the classification of the Group’s construction-related assets and liabilities.

d. 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.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

See Note 11, Tables 8 and 9 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting consolidated financial statements, the functional currencies of the Corporation and other entities in the Group (including subsidiaries or associates in other countries that use currencies which are different from the currency of the Corporation) are translated into the presentation currency, the United States dollars, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income and attributed to the owners of the Company and non-controlling interests as appropriate. The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group into the presentation currency, are not subsequently reclassified to profit or loss.

In the consolidated financial statements, the common stock has a value of US$56,212 thousand with a par value of US$1 at an exchange rate of 3.1385 (the basis was calculated by the exchange rate US$1=NT$31.385 on April 24, 2010, the date before the meeting of board of directors) to par value of NT$10. The rest of the shares were issued with a par value of NT$10 and the total common stock issued amounted to NT$3,151,781 thousand at June 30, 2021. Besides, assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; equity is translated at the historical exchange rates; and income and expense items are translated at the average exchange rates for the period. The exchange differences arising from the consolidation of the financial statements are recognized in other comprehensive income and attributable to the owners of the Corporation and the non-controlling interests.

f. Inventories

<u>Manufacturing</u>

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

<u>Construction industry</u>

The properties to be developed refer to the expenditure on land use right and construction which will be reclassified as construction in progress at the start of the construction and obtaining of construction certificates of the properties.

Before acquiring land use right and before completing the construction, the interest incurred on land payment and the actual construction cost are capitalized as cost of land use right and as development cost, respectively.

Land for construction and real estate for sale are accounted for at cost. If there is sufficient evidence to show that the net realizable value is lower than the cost at the end of the period, then the difference is recognized as allowance for loss.

g. Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Assets related to contract costs

When a sales contract is obtained, selling service fees paid to agents under exclusive sale agreements are recognized as incremental costs of obtaining a contract to the extent that the costs are expected to be recovered and are recognized in profit or loss when the property is transferred to the customers. However, the Group elects not to capitalize the incremental costs of obtaining a contract if the amortization period of the related asset, which the Group otherwise would have recognized, is expected to be one year or less.

k. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount (less amortization and depreciation) that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 26: Financial Instruments.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, restricted deposits at amortized cost, debt instruments, notes receivable, trade receivables, other receivables and refundable deposit, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (i.e. ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

n. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

o. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from the sale of goods

Revenue from the sale of goods are recognized when the goods are delivered to the customer's specific location and the goods are shipped or picked up because it is the time when the customer has the right to use and bears the risks on the goods.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the sale of realty estate

The Group identifies the contract with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from sales of real estate is recognized on the day the real estate is transferred, i.e. the buyer and seller have signed the sales contract and have filed the relevant documents in the local real estate institution, acceptance has been qualified by relevant departments and the filing procedures are completed, and the seller issues a notice of real estate transfer according to the provisions of the contract.

Until such revenue is recognized, deposits and installment payments received from the buyer of properties are reported as contract liabilities - current in the consolidated balance sheets.

p. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee’s incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term that causes a change in the amounts expected to be payable under a residual value guarantee, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

q. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

s. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurred. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

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.

t. Taxation

The Corporation is tax-exempt from the offshore income according to the relevant regulations in the Cayman Islands.

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.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.
Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	June 30, 2021	December 31, 2020	June 30, 2020
Petty cash and cash on hand	$ 23,646	$ 24,910	$ 27,842
Checking accounts and demand deposits	2,065,846	1,059,982	625,317
Cash equivalents (deposit accounts with original maturities of less than 3 months)	2,245,067	3,336,292	1,912,563
	$ 4,334,559	$ 4,421,184	$ 2,565,722
Rate of interest per annum (%)			
Bank balance	0-1.27	0-1.27	0-1.10
Deposit accounts with original maturities of less than 3 months	1.35-2.80	1.76-2.80	1.76-2.8

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets at fair value through profit or loss (FVTPL) - current			
Financial assets mandatorily classified as at FVTPL			
Non derivative assets			
Structured deposits	$ 264,376	$ 463,871	$ 34,361

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Restricted deposits	$ 237,111	$ 504,067	$ 125,437
Non-current			
Restricted deposits	$ 19,796	$ 20,205	$ 20,748

Refer to Note 28 for information relating to investments in financial assets at amortized cost pledged as security.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable			
At amortized cost	$ 7,933	$ 13,004	$ 10,709
Trade receivables			
At amortized cost			
Gross carrying amount	$ 1,366,307	$ 1,203,100	$ 974,748
Less: Allowance for impairment loss	(66,222)	(49,525)	(54,461)
	$ 1,300,085	$ 1,153,575	$ 920,287

The average credit period of sales of goods was 30 to 90 days. No interest was charged on trade receivables. The Group uses 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 measures the loss allowance for trade receivables at an amount equal to lifetimes ECLs. The expected credit losses on trade receivables are estimated by reference to past default experience of the customer and an analysis of the customer's current financial position, adjusted for general economic conditions of the industry in which the customer operates and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date, and by distinguishing different risk groups, setting expected credit loss rate for each group.

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

The Group does not have overdue notes receivable. The following table details the loss allowance of trade receivables.

	0 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 181 Days	Total
Expected credit loss rate	0%-2%	1%-20%	1%-40%	1%-80%	1%-100%	
June 30, 2021						
Gross carrying amount	$ 1,197,315	$ 92,522	$ 19,254	$ 16,799	$ 40,417	$ 1,366,307
Loss allowance (Lifetime ECLs)	(11,972)	(16,631)	(6,111)	(8,704)	(22,804)	(66,222)
Amortized cost	$ 1,185,343	$ 75,891	$ 13,143	$ 8,095	$ 17,613	$ 1,300,085
December 31, 2020						
Gross carrying amount	$ 1,053,108	$ 93,423	$ 30,755	$ 5,808	$ 20,006	$ 1,203,100
Loss allowance (Lifetime ECLs)	(11,117)	(16,451)	(11,000)	(2,744)	(8,213)	(49,525)
Amortized cost	$ 1,041,991	$ 76,972	$ 19,755	$ 3,064	$ 11,793	$ 1,153,575

	0 to 90 Days	91 to 120 Days	121 to 150 Days	151 to 180 Days	Over 181 Days	Total
June 30, 2020						
Gross carrying amount	$ 793,551	$ 128,977	$ 15,095	$ 9,383	$ 27,742	$ 974,748
Loss allowance (Lifetime ECLs)	(8,472)	(23,426)	(5,786)	(5,785)	(10,992)	(54,461)
Amortized cost	$ 785,079	$ 105,551	$ 9,309	$ 3,598	$ 16,750	$ 920,287

The movements of the loss allowance of trade receivables were as follows:

	For the Six Months Ended June 30	
	2021	2020
Balance at January 1	$ 49,525	$ 46,615
Add: Net remeasurement of loss allowance	18,386	9,306
Less: Amounts written off	(727)	(88)
Foreign exchange gains and losses	(962)	(1,372)
Balance at June 30	$ 66,222	$ 54,461

10. INVENTORIES

a. Manufacturing

	June 30, 2021	December 31, 2020	June 30, 2020
Finished goods	$ 434,306	$ 313,967	$ 289,935
Work in process	316,171	290,042	245,643
Raw materials and supplies	412,689	372,112	449,875
Inventory in transit	12,083	35,459	27,657
	$ 1,175,249	$ 1,011,580	$ 1,013,110

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020 was $1,022,997 thousand, $675,204 thousand, $1,929,275 thousand and $1,393,953 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020 included inventory write-downs of $32,633 thousand, $24,966 thousand, $22,523 thousand and $27,090 thousand.

b. Construction industry

	June 30, 2021	December 31, 2020	June 30, 2020
Construction under development	$ 1,251,813	$ 2,725,435	$ 1,766,049
Construction to be sold	1,127,321	409,141	481,715
	$ 2,379,134	$ 3,134,576	$ 2,247,764

Construction under development

Location	Project Name	Estimated Year of Completion	June 30, 2021	December 31, 2020	June 30, 2020
Xishan District, Wuxi	Paiho International Mansion - Season Two	2021	$ -	$ 1,843,081	$ 1,166,576
	Paiho Commercial Plaza	2021	1,251,813	882,354	599,473
			$ 1,251,813	$ 2,725,435	$ 1,766,049

Construction to be sold

Location	Project Name	June 30, 2021	December 31, 2020	June 30, 2020
Xishan District, Wuxi	Paiho International Mansion - Season One	$ 329,443	$ 409,141	$ 481,715
	Paiho International Mansion - Season Two	797,878	-	-
		$ 1,127,321	$ 409,141	$ 481,715

The cost of inventories recognized as cost of real estate sold for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020 was $1,352,097 thousand, $301,161 thousand, $1,904,102 thousand and $988,765 thousand, respectively.

11. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) June 30, 2021	December 31, 2020	June 30, 2020
The Corporation	Hong Kong Antex Limited	International investment	100	100	100
	Pai Lon International Trading Limited	International trading	100	100	100
	Hon Shin Corp.	International investment and trading	100	100	100
	Taiwan Pai Lon Biotechnology Co., Ltd (Note)	Production and sales of masks and non-woven products	100	100	-
Hong Kong Antex Limited	Wuxi Paiho Textile Co., Limited	Processing of touch fastener, webbing and embroidery	93	93	93
	Dongguan Paihong Industry Co., Ltd	Production & marketing of touch fastener, elastic, various type of webbings and jacquard engineered mesh, and consumer electronic accessories, etc.	34	34	34
Wuxi Paiho Textile Co., Limited	Dongguan Paihong Industry Co., Ltd	Production & marketing of touch fastener, elastic, various type of webbings and jacquard engineered mesh, and consumer electronic accessories, etc.	66	66	66

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) June 30, 2021	December 31, 2020	June 30, 2020
Wuxi Paiho Textile Co., Limited	Wuxi Paihong Real Estate Co., Ltd.	Commercial property management; planning consultants, sales, development & leasing of real estate and design decoration.	100	100	100
	Wuxi Paiwei Biotechnology Co. Ltd	Production and sales of masks and non-woven products	100	100	100
Hon Shin Corp.	Vietnam Paihong Limited Company	Production & marketing of mesh and other fabrics.	100	100	100

(Concluded)

Note : Taiwan Pai Lon Biotechnology Co., Ltd was set up in September, 2020. The Corporation's board of directors decided to dissolve and liquidate Taiwan Pai Lon Biotechnology Co., Ltd on May 7, 2021 and finished the registration of the dissolution with the document received on June 6, 2021, but has not yet finished the liquidation.

See Tables 8 and 9 for the information on places of incorporation and principal places of business for each subsidiary.

12. PROPERTY, PLANT AND EQUIPMENT

	For the Six Months Ended June 30, 2021 Beginning Balance	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
Cost						
Buildings	$ 3,159,988	$ 2,943	$ (9,285)	$ 3,299	$ (60,087)	$ 3,096,858
Machinery and equipment	4,914,308	72,905	(11,435)	106,593	(94,152)	4,988,219
Transportation equipment	146,225	7,572	(6,429)	-	(2,645)	144,723
Miscellaneous equipment	537,340	15,247	(13,358)	(4,833)	(8,649)	525,747
Construction in progress	239,119	79,914	-	(4,761)	(4,431)	309,841
	8,996,980	$ 178,581	$ (40,507)	$ 100,298	$ (169,964)	9,065,388
Accumulated depreciation and impairment						
Buildings	863,020	$ 58,036	$ (9,284)	$ -	$ (14,073)	897,699
Machinery and equipment	1,715,113	200,647	(10,296)	2,301	(38,523)	1,869,242
Transportation equipment	77,363	5,927	(5,951)	-	(1,302)	76,037
Miscellaneous equipment	399,431	29,885	(11,427)	(1,360)	(6,474)	410,055
	3,054,927	$ 294,495	$ (36,958)	$ 941	$ (60,372)	3,253,033
	$ 5,942,053					$ 5,812,355

	For the Six Months Ended June 30, 2020					
	Beginning Balance	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
Cost						
Buildings	$ 2,630,007	$ -	$ (278)	$ 8,914	$ (51,042)	$ 2,587,601
Machinery and equipment	4,767,931	20,088	(18,559)	258,412	(92,807)	4,935,065
Transportation equipment	150,812	3,996	(6,949)	2,632	(3,108)	147,383
Miscellaneous equipment	498,154	16,271	(4,036)	(8,139)	(12,503)	489,747
Construction in progress	602,585	82,321	-	(6,299)	(8,635)	669,972
	8,649,489	$ 122,676	$ (29,822)	$ 255,520	$ (168,095)	8,829,768
Accumulated depreciation and impairment						
Buildings	746,611	$ 51,442	$ (278)	$ 4,936	$ (20,679)	782,032
Machinery and equipment	1,346,945	200,310	(15,540)	-	(36,301)	1,495,414
Transportation equipment	69,962	7,496	(5,603)	1,181	(1,751)	71,285
Miscellaneous equipment	347,436	28,016	(3,715)	(4,936)	(9,489)	357,312
	2,510,954	$ 287,264	$ (25,136)	$ 1,181	$ (68,220)	2,706,043
	$ 6,138,535					$ 6,123,725

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

Buildings and improvements	5-40 years
Machinery and equipment	2-15 years
Transportation equipment	2-11 years
Miscellaneous equipment	3-11 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amounts			
Land	$ 882,762	$ 911,701	$ 939,392
Buildings	4,863	7,903	10,400
Transportation equipment	1,966	2,410	-
	$ 889,591	$ 922,014	$ 949,792

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Depreciation charge for right-of-use assets				
Land	$ 5,336	$ 5,537	$ 10,739	$ 11,134
Buildings	1,467	1,431	2,948	2,890
Transportation equipment	204	-	411	-
	$ 7,007	$ 6,968	$ 14,098	$ 14,024

Except for the aforementioned recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the six months ended June 30, 2021 and 2020.

b. Lease liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
Carrying amounts			
Current	$ 6,065	$ 7,109	$ 5,912
Non-current	$ 1,210	$ 3,800	$ 5,103

Range of discount rate for lease liabilities was as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Buildings	3.85%	3.85%	3.85%
Transportation equipment	3.85%	3.85%	-

c. 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	$ 2,912	$ 2,997	$ 5,769	$ 6,424
Total cash outflow for leases			$ (9,861)	$ (9,611)

14. GOODWILL

	For the Six Months Ended June 30	
	2021	2020
Cost		
Balance at January 1	$ 44,899	$ 47,031
Effect of foreign currency exchange differences	(1,044)	(335)
Balance at June 30	$ 43,855	$ 46,696

15. OTHER ASSETS

	June 30, 2021	December 31, 2020	June 30, 2020
Current			
Tax overpayment for offset with future tax payable	$ 157,968	$ 317,543	$ 102,626
Prepayments	39,858	38,955	29,530
Prepaid expenses	24,795	21,135	12,280
Others	31,668	89,862	25,423
	$ 254,289	$ 467,495	$ 169,859
Non-current			
Refundable deposits	$ 22,199	$ 8,982	$ 9,692
Others	12,972	11,674	3,332
	$ 35,171	$ 20,656	$ 13,024

16. BORROWINGS

a. Short-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured borrowings			
Line of credit borrowings	$ 3,716,219	$ 2,378,080	$ 4,254,868
Rate of interest per annum (%)			
Line of credit borrowings	0.75-1.93	1.15-2.95	0.94-2.95

b. Long-term borrowings

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured borrowings			
Line of credit borrowings - due in July 2021 - December 2023	$ 3,705,685	$ 4,917,928	$ 2,995,568
Less: Current portion	(604,910)	(399,432)	(637,045)
Long-term borrowings	$ 3,100,775	$ 4,518,496	$ 2,358,523
Rate of interest per annum (%)			
Unsecured loans	1.04-1.69	1.32-1.75	1.18-2.51

In order to repay the loans, support overseas investment and provide sufficient operation funds, the Corporation obtained a syndicated loan with a credit line of US$150 million from KGI Commercial Bank and multiple financial institutions in October 2018. According to the loan contract, the Corporation is required to maintain its financial ratios as follows:

1) Current ratio [current assets ÷ current liabilities minus advance real estate receipts (classified as contract liabilities - current)] not less than 100%;

2) Debt ratio [total liabilities minus advance real estate receipts (classified as contract liabilities - current) ÷ tangible net assets] not higher than 180%;

3) Interest coverage ratio [profit before income tax plus interest expense, depreciation and amortization amount ÷ interest expense] not less than 3 times and;

4) Tangible net assets [total equity minus intangible assets] not less than $3.5 billion.

Furthermore, the Corporation cannot dispose any material assets or rights and repurchase stocks or reduce capital without the permissions of the creditor banks during the loan period.

17. OTHER PAYABLES

	June 30, 2021	December 31, 2020	June 30, 2020
Payables for dividends	$ 315,178	$ -	$ 217,677
Payables for salaries and bonuses	313,393	408,469	296,177
Payables for compensation of employees and directors	30,267	12,961	8,774
Payables for purchases of building and equipment	14,371	21,522	97,302
Tax payable	9,606	21,817	10,315
Others	186,730	224,871	200,648
	$ 869,545	$ 689,640	$ 830,893

18. RETIREMENT BENEFIT PLANS

For the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the pension expenses of defined benefit plans were $3,712 thousand, $3,621 thousand, $7,425 thousand and $7,241 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2020 and 2019 for 2021 and 2020, respectively.

19. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The current and non-current classifications of the Group's assets and liabilities relating to the construction business are based on the operating cycle. The amounts of assets and liabilities expected to be recovered or settled within 1 year and more than 1 year after the reporting period are as follows:

	Within 1 Year	More Than 1 Year	Total
June 30, 2021			
Assets			
Trade receivables	$ 2,994	$ -	$ 2,994
Other receivables	6,129	-	6,129
Inventory - constructing	1,127,321	1,251,813	2,379,134
Other current assets	80,802	-	80,802
	$ 1,217,246	$ 1,251,813	$ 2,469,059
Liabilities			
Accounts payable	$ 596,863	$ -	$ 596,863
Other payables	67,409	-	67,409
Contract liabilities	377,216	-	377,216
	$ 1,041,488	$ -	$ 1,041,488
December 31, 2020			
Assets			
Other receivables	$ 7,103	$ -	$ 7,103
Inventory - constructing	2,252,222	882,354	3,134,576
Other current assets	183,234	-	183,234
	$ 2,442,559	$ 882,354	$ 3,324,913
Liabilities			
Accounts payable	$ 112,180	$ -	$ 112,180
Other payables	89,267	-	89,267
Contract liabilities	3,238,327	-	3,238,327
	$ 3,439,774	$ -	$ 3,439,774
June 30, 2020			
Assets			
Trade receivables	$ 1,173	$ -	$ 1,173
Other receivables	1,969	-	1,969
Inventory - constructing	1,648,291	599,473	2,247,764
Other current assets	83,794	-	83,794
	$ 1,735,227	$ 599,473	$ 2,334,700

(Continued)

	Within 1 Year	More Than 1 Year	Total
June 30, 2020			
Liabilities			
Accounts payable	$ 173,253	$ -	$ 173,253
Other payables	42,016	-	42,016
Contract liabilities	97,610	-	97,610
	$ 312,879	$ -	$ 312,879

(Concluded)

20. EQUITY

a. Common stock

	June 30, 2021	December 31, 2020	June 30, 2020
Number of shares authorized (in thousands)	400,000	400,000	400,000
Shares authorized	$ 4,000,000	$ 4,000,000	$ 4,000,000
Number of shares issued and fully paid (in thousands)	315,178	315,178	315,178
Shares issued	$ 3,151,781	$ 3,151,781	$ 3,151,781

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

Capital surplus may be used to offset a deficit; when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital.

However, capital surplus recognized from the effect of changes in percentage of ownership interests in subsidiaries, which resulted from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method may not be used for any purpose.

c. Retained earnings and dividends policy

According to the Corporation's Articles of Incorporation, the board of directors may, before recommending the distribution of any dividends, first appropriate for reserves which may be used at their discretion to meet unforeseen needs or any appropriate purpose. The board of directors may also, at its discretion, suspend the use of the reserves and use funds in the Corporation's business or appropriate investment. The Corporation may, in accordance with the law or the applicable listing rules and pursuant to a resolution in the shareholders' meeting, make a special reserve. The annual surplus earnings, after payment of taxes, offset of previous losses, deduction for special reserve, and other adjustments for the current year, if there is still a balance, the balance together with prior years' unappropriated earnings, if any, should be distributed upon proposal by the board of directors and approval in the shareholders' meeting. The dividends could be distributed in whole by cash after a resolution has been adopted by a majority of directors present at a meeting of the board of directors attended by two-thirds of the total number of directors, and in addition thereto, a report of such distribution shall be submitted to the shareholders' meeting.

The Corporation's policy is to distribute dividends to shareholders in the form of stock dividends and cash dividends after taking into consideration the needs for future capital expenditure and operating capital demand. The distribution amount of surplus will make up the loss at not less than the current post-tax surplus, and the deduction which is based on the surplus reserve of the Company's shareholders' meeting, and 25% of the balance of other undistributed earnings in the current year, and The cash dividend ratio shall not be less than 20% of the total cash dividend and stock dividend.

The Corporation's policies on the distribution of employees' and directors' compensation are described in Note 22 (c) Employees' compensation and directors' compensation.

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

	Appropriation of Earnings For the Year Ended December 31	
	2020	**2019**
Special reserve	$ (258,258)	$ 198,995
Cash dividends	$ 315,178	$ 189,107
Cash dividends per share (NT$)	$ 1	$ 0.6

The above appropriations for cash dividends from the 2020 and 2019 earnings had been resolved by the Corporation's board of directors on March 24, 2021 and March 19, 2020, respectively; the other proposed appropriations for 2019 had been resolved by the shareholders in their meeting on June 9, 2021. The Group suspended 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 had been resolved by the shareholders in their meeting on July 7, 2021.

21. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	**2020**	**2021**	**2020**
Revenue from contracts with customers				
Revenue from sale of goods	$ 1,612,229	$ 1,020,235	$ 3,193,045	$ 2,125,931
Revenue from sale of real estate	2,238,413	488,889	3,115,268	1,639,744
	$ 3,850,642	$ 1,509,124	$ 6,308,313	$ 3,765,675
Operating cost				
Cost of goods sold	$ 1,022,997	$ 675,204	$ 1,929,275	$ 1,393,953
Cost of real estate sold	1,352,097	301,161	1,904,102	988,765
	$ 2,375,094	$ 976,365	$ 3,833,377	$ 2,382,718

Contract balances

	June 30, 2021	December 31, 2020	June 30, 2020
Contract liabilities - current			
Sales of real estate	$ 377,216	$ 3,238,327	$ 97,610

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Interest on bank loans	$ 25,182	$ 38,221	$ 51,992	$ 86,677
Interest on lease liabilities	82	116	181	247
	$ 25,264	$ 38,337	$ 52,173	$ 86,924

Information about capitalized interest:

	For the Six Months Ended June 30	
	2021	2020
Capitalized interest	$ 3,770	$ 9,453
Capitalization rates (%)	2.10-2.78	2.10-3.42

b. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses	Total
For the Three Months Ended June 30, 2021			
Short-term employee benefits	$ 222,309	$ 235,640	$ 457,949
Post-employment benefits			
Defined contribution plans	13,044	6,956	20,000
Defined benefit plans (Note 18)	-	3,712	3,712
Other employee benefits	17,964	8,231	26,195
Depreciation expenses	118,982	35,239	154,221
Amortization expenses	-	5	5
For the Three Months Ended June 30, 2020			
Short-term employee benefits	185,093	136,332	321,425
Post-employment benefits			
Defined contribution plans	4,664	3,406	8,070
Defined benefit plans (Note 18)	-	3,621	3,621
Other employee benefits	13,944	8,944	22,888
Depreciation expenses	110,935	40,572	151,507
Amortization expenses	-	5	5

	Operating Costs	Operating Expenses	Total
For the Six Months Ended June 30, 2021			
Short-term employee benefits	$ 398,311	$ 444,843	$ 843,154
Post-employment benefits			
Defined contribution plans	24,757	13,244	38,001
Defined benefit plans (Note 18)	-	7,425	7,425
Other employee benefits	34,195	18,386	52,581
Depreciation expenses	234,483	74,110	308,593
Amortization expenses	-	10	10
For the Six Months Ended June 30, 2020			
Short-term employee benefits	392,122	332,465	724,587
Post-employment benefits			
Defined contribution plans	13,280	7,531	20,811
Defined benefit plans (Note 18)	-	7,241	7,241
Other employee benefits	30,894	16,782	47,676
Depreciation expenses	220,691	80,597	301,288
Amortization expenses	-	10	10

c. Employees' compensation and remuneration of directors

According to the articles of incorporation of the Corporation, the Corporation accrued employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the employees' compensation and the remuneration of directors were as follows:

	For the Six Months Ended June 30	
Accrual rate	**2021**	**2020**
Employees' compensation	1.15%	1.02%
Remuneration of directors	0.93%	0.66%

	For the Three Months Ended June 30		For the Six Months Ended June 30	
Amount	**2021**	**2020**	**2021**	**2020**
Employees' compensation (US Dollars)	$ 240,000	$ 36,000	$ 382,000	$ 105,226
Remuneration of directors (US Dollars)	$ 190,000	$ 28,000	$ 307,000	$ 68,405

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 actual amounts of the employees' compensation and remuneration of directors and supervisors paid for March 24, 2021 and March 19, 2020 differed from the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019, respectively. The differences were adjusted to profit and loss for the years ended December 31, 2021 and 2020, respectively.

	For the Year Ended December 31			
	2020 (US Dollars)		2019 (US Dollars)	
	Employees' Compensation	Remuneration of Directors and Supervisors	Employees' Compensation	Remuneration of Directors and Supervisors
Amounts resolved in the board of directors' meetings	$ 183,149	$ 149,438	$ 122,516	$ 99,965
Amounts recognized in the financial statements	$ 195,226	$ 153,390	$ 131,742	$ 100,370

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Corporation's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the TWSE.

d. 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	$ 31,659	$ 21,827	$ 50,680	$ 43,304
Foreign exchange losses	(50,718)	(24,982)	(62,053)	(45,752)
Net losses	$ (19,059)	$ (3,155)	$ (11,373)	$ (2,448)

23. TAXES

Major components of tax expense recognized in profit or loss:

	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	$ 182,023	$ 62,965	$ 281,802	$ 209,575
Adjustments for prior years	(8,584)	(4,571)	(12,832)	(10,341)
Land value increment tax	129,251	9,973	175,790	33,409
	302,690	68,367	444,760	232,643
Deferred tax				
In respect of the current period	101,314	33,562	156,706	67,209
Income tax expense recognized in profit or loss	$ 404,004	$ 101,929	$ 601,466	$ 299,852

24. EARNINGS PER SHARE

	Net profit Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings Per Share (NT$)
For the Three Months Ended June 30, 2021			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	$ 551,812	315,178	$1.75
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	218	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	$ 551,812	315,396	$1.75
For the Three Months Ended June 30, 2020			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	$ 102,104	315,178	$0.32
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	103	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	$ 102,104	315,281	$0.32
For the Six Months Ended June 30, 2021			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	$ 941,191	315,178	$2.99
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	302	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	$ 941,191	315,480	$2.98
For the Six Months Ended June 30, 2020			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	$ 304,619	315,178	$0.97
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	159	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive common stock	$ 304,619	315,337	$0.97

The Group offered to settle compensation paid to employees in cash or shares; thus, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

25. 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. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Corporation (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Group review the capital structure periodically. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased and the amount of new debt issued or existing debt redeemed.

26. FINANCIAL INSTRUMENTS

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

The management of the Group considers that the carrying amounts of financial assets and financial liabilities measured at other than fair value are close to their fair value or their fair value cannot be measured reliably.

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

1) Fair value hierarchy

The Group's financial assets at FVTPL are measured at Level 2 fair value.

There were no transfers between Level 1 and Level 2 for the six months ended June 30, 2021.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Structured deposits	Discounted cash flow: Future cash flows are estimated based on contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

c. Categories of financial instruments

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets			
Financial assets at FVTPL	$ 264,376	$ 463,871	$ 34,361
Financial assets at amortized cost (1)	6,169,226	6,239,513	3,954,029
Financial liabilities			
Financial liabilities at amortized cost (2)	9,275,866	8,478,103	8,525,926

1) The balance includes financial assets measured at amortized cost, which comprise cash and cash equivalents, restricted deposit, notes receivable, trade receivables, other receivables and refundable deposits.

2) The balance includes financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, other payables and long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables and borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign currency risk

The Corporation and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group was mainly exposed to the currency USD and HKD.

The following table details the Group's sensitivity to a 1% increase and decrease in functional currencies of the group entities against USD and HKD currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an decrease in pre-tax profit with the functional currencies of the group entities strengthening 1% against the relevant currency. For a 1% weakening of the functional currencies of the group entities against the relevant currency, there would be an equal and opposite impact on pre-tax profit.

	Currency Impact For the Six Months Ended June 30	
	2021	2020
USD	$ 4,733	$ 4,498
HKD	284	344

The above impacts are mainly attributable to exposure on outstanding receivables, payables and borrowings in currency USD and HKD which were not hedged at the end of the reporting period.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates.

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			
Short-term borrowings	$ 1,393,000	$ 455,680	$ 1,392,610
Lease liabilities	7,275	10,909	11,015
Cash flow interest rate risk			
Short-term borrowings	2,323,219	1,922,400	2,862,258
Long-term borrowings	3,705,685	4,917,928	2,995,568

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates of non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% increase or decrease was 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 0.25% 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 have decreased/increased by $7,536 thousand and $7,322 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral.

In order to minimize credit risk, the Group had set up credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt periodically to ensure that adequate allowances are made for irrecoverable amounts. In this regard, Group's believes the Group's credit risk was significantly reduced.

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 bank loan facilities of $4,478,891 thousand, $5,065,260 thousand and $4,992,392 thousand, respectively.

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

The Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is based on the undiscounted cash flows including both interest and principal cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

	Less Than 3 months	**3 months - 1 Year**	**Over 1 Year**
June 30, 2021			
Non-interest bearing	$ 1,703,948	$ 135,560	$ 14,454
Lease liabilities	1,822	4,399	1,245
Short-term bank loan	1,824,830	1,891,389	-
Long-term bank loan	37,611	567,299	3,100,775
	$ 3,568,211	$ 2,598,647	$ 3,116,474
December 31, 2020			
Non-interest bearing	$ 1,064,443	$ 103,757	$ 13,895
Lease liabilities	1,851	5,553	3,881
Short-term bank loan	1,181,920	1,196,160	-
Long-term bank loan	-	399,432	4,518,496
	$ 2,248,214	$ 1,704,902	$ 4,536,272

	Less Than 3 months	3 months - 1 Year	Over 1 Year
June 30, 2020			
Non-interest bearing	$ 973,513	$ 285,629	$ 16,348
Lease liabilities	1,558	4,674	5,193
Short-term bank loan	2,328,918	1,925,950	-
Long-term bank loan	-	637,045	2,358,523
	$ 3,303,989	$ 2,853,298	$ 2,380,064

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years
June 30, 2021		
Lease liabilities	$ 6,221	$ 1,245
December 31, 2020		
Lease liabilities	$ 7,404	$ 3,881
June 30, 2020		
Lease liabilities	$ 6,232	$ 5,193

27. TRANSACTIONS WITH RELATED PARTIES

The Corporation's parent is Paiho Int'l Limited, which held 52% of the ordinary shares of the Corporation at June 30, 2021, December 31, 2020 and June 30, 2020. The Corporation's ultimate parent is Taiwan Paiho Limited.

The 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. Details of significant transactions between the Group and other related parties are disclosed as follows.

a. Related Party Categories / Names

Related Party	Related Party Category
Taiwan Paiho Limited	The Company's ultimate parent
Vietnam Paiho Limited	Sister corporation
Paiho North America Corp.	Sister corporation
PT. Paiho Indonesia	Sister corporation
Dongguan Paiho Textile Limited	Sister corporation
Wuxi Paisem Chemical Fibre Co., Ltd.	Sister corporation
Dongguan Paiho Powder Coating Co., Ltd.	Sister corporation
China Star International Limited	Sister corporation
Ming-Chang Chiang	Others

b. Sales of goods

Line Item	Related Party Category/Name	For the Three Months Ended June 30 2021	For the Three Months Ended June 30 2020	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2020
Sales	Taiwan Paiho Limited	$ 66	$ 2,842	$ 68	$ 13,074
	Sister corporation	39,174	46,812	86,207	84,301
		$ 39,240	$ 49,654	$ 86,275	$ 97,375

The sales of goods to related parties were made at the market price. The credit period of sales of goods was about 3 months. Others refer to sale of construction assets - Paiho International Mansion at subscription price, which was approved in the local filing. As of June 30, 2021, December 31, 2020 and June 30, 2020, advance receipts from sales of real estate were $0, $0 and $6,962 thousand (classified as contract liabilities - current).

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended June 30 2021	For the Three Months Ended June 30 2020	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2020
Taiwan Paiho Limited	$ 105,044	$ 48,087	$ 212,972	$ 115,458
Sister corporation	73	5	73	1,047
	$ 105,117	$ 48,092	$ 213,045	$ 116,505

Purchases were made at market price or cost plus 15% mark-up. The payment period is 1 month or 3 months.

d. Acquisition of property, plant and equipment

	Purchase Price For the Six Months Ended June 30 2021	Purchase Price For the Six Months Ended June 30 2020
Taiwan Paiho Limited	$ -	$ 2,172

e. Lease arrangements

Related Party Category/Name	For the Three Months Ended June 30 2021	For the Three Months Ended June 30 2020	For the Six Months Ended June 30 2021	For the Six Months Ended June 30 2020
Lease expenses				
Taiwan Paiho Limited	$ 35	$ 33	$ 65	$ 63
Sister corporation	1,214	705	2,440	1,794
	$ 1,249	$ 738	$ 2,505	$ 1,857

Lease expenses included expenses relating to short-term leases. Future lease payables related to short-term leases are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Future lease payables	$ 2,504	$ 4,606	$ 2,539

Rental rates are based on the rental rates of nearby properties and set out by mutual agreement.

f. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
Trade receivables	Taiwan Paiho Limited	$ 17	$ -	$ 560
	Sister corporation			
	Paiho North America Corp.	10,765	9,573	32,468
	Vietnam Paiho Limited	3,623	4,009	479
	PT. Paiho Indonesia	16,558	7,039	6,751
		$ 30,963	$ 20,621	$ 40,258

g. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	June 30, 2021	December 31, 2020	June 30, 2020
Trade payables	Taiwan Paiho Limited	$ 94,281	$ 86,532	$ 30,992
	Sister corporation	72	-	-
		$ 94,353	$ 86,532	$ 30,992
Other payables	Taiwan Paiho Limited	$ 1,275	$ 12	$ -
	Sister corporation	2,902	2,680	2,551
		$ 4,177	$ 2,692	$ 2,551

h. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2021	2020	2021	2020
Short-term employee benefits	$ 28,901	$ 9,067	$ 65,817	$ 33,517
Post-employment benefits	465	356	889	713
	$ 29,366	$ 9,423	$ 66,706	$ 34,230

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

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as guarantee for obligations to a power company:

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets at amortized cost	$ 7,167	$ 7,298	$ 7,324

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments, and contingencies of the Group at June 30, 2021, December 31, 2020 and June 30, 2020 were as follows:

a. Group's unrecognized commitments

	June 30, 2021	December 31, 2020	June 30, 2020
Acquisition of property, plant and equipment	$ 92,099	$ 78,184	$ 130,159

b. As of June 30, 2021, December 31, 2020 and June 30, 2020, the Group had signed construction contracts but not yet paid for approximately $925,170 thousand, $1,323,104 thousand and $1,443,822 thousand, respectively.

c. As of June 30, 2021, the Group had signed contracts of presold real estate. Information is set out below.

	Total Amount (Including tax)	Received Amount
Construction Name		
Paiho International Mansion	$ 919,937	$ 377,216

d. After approval of a resolution at the extraordinary general meeting of shareholders on September 3, 2010, the Corporation and Paiho Shih Holdings Corporation signed an agreement on "Comprehensive Agreement on the Use of Trademarks and Patent Rights, Sales Area Division and Affiliates Transactions".

After listing on the stock exchange, Paiho Shih Holdings Corporation obtained approval to purchase shares of Paiho Europe, S.A. and Paiho North America Corporation by itself or its subsidiaries on appropriate time and at a fair price according to valuation of a professional appraisal organization.

In addition, to meet the requirements for listing, after approval of a resolution at the annual shareholder's meeting on April 19, 2011, Paiho Shih Holdings Corporation revised part of the articles in the above agreement about the Sales Area Division and about the non-compete clause.

Due to decline in business and economy, Taiwan Paiho Limited has terminated the operation of Paiho Europe, S.A. Therefore, on February 27, 2014, Paiho Shih Holdings Corporation submitted a letter to Taiwan Stock Exchange to report that Paiho Europe, S.A. no longer exists and Paiho Shih Holdings Corporation cannot continue the above agreement.

e. Subsidiaries of the Group, which are property developers in mainland China, sold real estate and guaranteed the mortgage bank loans of some of its customers (including natural persons and juridical persons). The amount of mortgage loans was remitted to the subsidiaries of the Group as payment for the property sold. If a customer breached a mortgage contract, the subsidiaries of the Group will return to the banks only the amount of mortgage received. Therefore, the Group is not exposed to risk of material loss from the guarantee. The guarantee is just a selling feature in the real estate development industry in China and it does not bear the economic substance and risk of ordinary endorsement. In addition, according to the Q&A No. 35 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" (the Regulations) announced on December 26, 2012 by the SFB, the above guarantee provided by the subsidiaries of the Group to its customers is similar to an escrow, instead of endorsement as defined in the Regulations.

30. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On August 25, 2021, the Corporation's board of directors approved its subsidiary, Wuxi Paiho Company, to make its first public issue of RMB Common Stock shares and apply for listing on the China Stock Exchange.

31. 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 were as follows:

	June 30, 2021			December 31, 2020		
	Foreign Currencies	**Exchange Rate (Note 1)**	**Carrying Amount**	**Foreign Currencies**	**Exchange Rate (Note 1)**	**Carrying Amount**
Financial assets						
Monetary items						
USD	$ 17,613	6.4601 (Note 2)	$ 490,273	$ 15,568	6.5249 (Note 2)	$ 444,626
HKD	9,036	3.588	32,425	10,592	3.674	38,915
Financial liabilities						
Monetary items						
USD	611	6.4601 (Note 2)	17,000	3,164	6.5249 (Note 2)	90,353
HKD	1,113	3.588	3,994	1,216	3.674	4,469

	June 30, 2020		
	Foreign Currencies	**Exchange Rate (Note 1)**	**Carrying Amount**
Financial assets			
Monetary items			
USD	$ 15,621	7.0795 (Note 2)	$ 463,477
HKD	9.498	3.8230	36,303
Financial liabilities			
Monetary items			
USD	461	7.0795 (Note 2)	13,670
HKD	496	3.8230	1,897

Note 1: Except as otherwise noted, exchange rate represents the amount of N.T. dollars for which one foreign currency could be exchanged.

Note 2: The exchange rate represents the amount of RMB for which one US dollar could be exchanged.

The Group is primarily exposed to risks of foreign currency exchange rates of USD and HKD. The information below is based on functional currencies of the entities in the Group against USD and HKD. The disclosed exchange rates indicate the rates to exchange the functional currency to presentation currency.

The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Three Months Ended June 30, 2021		For the Three Months Ended June 30, 2020	
Foreign Currencies	**Exchange Rate**	**Net Foreign Exchange Gain and Loss**	**Exchange Rate**	**Net Foreign Exchange Gain and Loss**
RMB	4.331 (RMB:NTD)	$ (9,234)	4.212 (RMB:NTD)	$ (1,919)
HKD	3.602 (HKD:NTD)	(2,075)	3.856 (HKD:NTD)	(1,311)
USD	27.977 (USD:NTD)	(7,750)	29.895 (USD:NTD)	75
		$ (19,059)		$ (3,155)

	For the Six Months Ended June 30, 2021		For the Six Months Ended June 30, 2020	
Foreign Currencies	**Exchange Rate**	**Net Foreign Exchange Gain and Loss**	**Exchange Rate**	**Net Foreign Exchange Gain and Loss**
RMB	4.354 (RMB:NTD)	$ 990	4.261 (RMB:NTD)	$ 5,600
HKD	3.630 (HKD:NTD)	(3,813)	3.865 (HKD:NTD)	(1,156)
USD	28.172 (USD:NTD)	(8,550)	30.001 (USD:NTD)	(6,892)
		$ (11,373)		$ (2,448)

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held. (Table 3)

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 4)

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 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 6)

9) Trading in derivative instruments. (None)

10) Intercompany relationships and significant intercompany transactions. (Table 7)

11) Information on investees. (Table 8)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 9)

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 7)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period. (Tables 5 and 7)

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 year and the purposes. (Table 2)

e) The highest balance, the end of year balance, the interest rate range, and total current period interest with respect to financing of funds. (Tables 1, 6 and 7)

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. (Table 7)

c. Information of major shareholders：List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

33. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group’s reportable segments are Production and Construction.

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	For the Six Months Ended June 30			
	Segment Revenue		Segment Profit	
	2021	2020	2021	2020
Production	$ 3,193,045	$ 2,125,931	$ 525,624	$ 130,439
Construction	3,115,268	1,639,744	1,108,137	574,297
Total from continuing operations	$ 6,308,313	$ 3,765,675	1,633,761	704,736
Interest income			48,151	32,822
Other income and benefits			11,315	14,837
Finance costs			(52,173)	(86,924)
Other expenses and losses			(22,431)	(10,584)
Profit before income tax			$ 1,618,623	$ 654,887

Segment profit represented the profit before tax earned by each segment without interest income, subsidy revenue, net gain and loss on disposal of property, plant and equipment, net foreign exchange gain or loss, interest expense and income tax expense. This measured amount was reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The Group had not reported segment assets and liabilities information to the chief operating decision maker. Thus, no disclosure is made.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period (Notes 4 and 6)	Ending Balance (Notes 5 and 6)	Actual Borrowing Amount (Notes 5 and 8)	Interest Rate	Nature of Financing (Note 7)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 1, 2 and 3)	Aggregate Financing Limits (Notes 1, 2 and 3)
													Item	Value		
0	The Corporation	Hon Shin Corp.	Receivables from related parties	Yes	$ 142,550 (USD 5,000)	$ -	$ -	3-month USD Libor rate, plus 1.28%	Necessary for short-term financing	$ -	Operating capital	$ -	-	$ -	$ 2,188,068	$ 2,188,068
		Vietnam Paihong Limited Company	Receivables from related parties	Yes	1,603,863 (USD 55,500)	1,337,280 (USD 48,000)	1,337,280 (USD 48,000)	3-month USD Libor rate, plus 1.28%	Necessary for short-term financing	-	Operating capital	-	-	-	2,188,068	2,188,068
1	Wuxi Paiho Textile Co. Limited	Wuxi Paiwei Biotechnology Co. Ltd.	Receivables from related parties	Yes	172,020 (RMB 40,000)	172,360 (RMB 40,000)	172,360 (RMB 40,000)	4.35%	Necessary for short-term financing	-	Operating capital	-	-	-	1,493,787	2,987,574
2	Hon Shin Corp.	Vietnam Paihong Limited Company	Receivables from related parties	Yes	674,500 (USD 22,338)	202,333 (USD 7,263)	202,333 (USD 7,263)	3-month USD Libor rate, plus 1.28% and 2.25%	Necessary for long-term and short-term financing	-	Operating capital	-	-	-	1,085,679	1,085,679

Note 1: For borrowers with paid-in capital directly or indirectly owned over 50% by the Corporation, the individual amount for lending to a borrower shall not exceed the 20% of the borrowers' net worth. The total amount for lending shall not exceed 40% of the net worth of lender.

Note 2: The individual and total amount of lending to companies whose voting shares are 100% owned, directly or indirectly, by the Corporation shall not exceed 40% of the net worth of lender.

Note 3: For borrowers whose voting shares are 100% owned, directly or indirectly, by the Corporation, the individual and total amount of lending to a borrower shall not exceed the lender' s net worth.

Note 4: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 5: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 6: The ending balance amount has been approved by the board of directors.

Note 7: The restriction that the term of each loan for funding should not exceed one year shall not apply to inter-company loans for funding between offshore subsidiaries in which the Corporation holds, directly or indirectly, 100% of the voting shares.

Note 8: Significant intercompany accounts and transactions have been eliminated.

TABLE 2

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars or Foreign Currency)

No.	Endorser/Guarantor	Endorsee/Guaranteed Party		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Borrowing Amount (Note 5)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Corporation	Hon Shin Corp.	Note 1	$ 5,470,171	$ 3,274,760 (USD 113,000)	$ 2,479,540 (USD 89,000)	$ 571,130 (USD 20,500)	$ -	45.33%	$ 8,205,257	Yes	-	-
		Vietnam Paihong Limited Company	Note 1	5,470,171	3,457,605 (USD 119,150)	3,096,639 (USD 111,150)	2,619,927 (USD 94,039)	-	56.61%	8,205,257	Yes	-	-
1	Hon Shin Corp.	Vietnam Paihong Limited Company	Note 1	1,085,679	60,160 (USD 2,000)	-	-	-	-	1,628,519	Yes	-	-

Note 1: Holding more than 50% of the voting shares directly or indirectly.

Note 2: The individual amount shall not exceed 100% of the net worth of the Corporation and Hon Shin Corp., and the total amount shall not exceed guarantee limit.

Note 3: The total amount of the guarantee shall not exceed 150% of the net worth of the Corporation and Hon Shin Corp.

Note 4: The maximum amount was translated into New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 5: The ending balance and actual borrowing amount were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars or Foreign Currency)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2021				Note
				Number of Share	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note)	
Wux Paiho Textile Co., Ltd.	Financial products Fubon Bank (China) - The RMB Structured deposit of YUE-SHANG-YING (capital guaranteed)	-	Financial assets at fair value through profit or loss - current	-	$ 264,376 (RMB 61,330)	-	$ 264,376 (RMB 61,330)	

Note: Please refer to Note 26 for information on fair value.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars or Foreign Currency)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Number of Shares	Amount
Wuxi Paiho Textile Co., Limited	Financial products Fubon Bank (China) - The RMB Structured deposit of YUE-SHANG-YING (capital guaranteed)	Financial assets at fair value through profit or loss - current	-	-	-	$ -	-	$ 933,483 (RMB 216,550)	-	$ 669,107 (RMB 155,220)	$ 669,107 (RMB 155,220)	$ -	-	$ 264,376 (RMB 61,330)
Dongguan Paihong Industry Co., Ltd.	Financial products Bank Sino Pac (China) - The RMB Structured deposit (capital guaranteed)	Financial assets at fair value through profit or loss - current	-	-	-	193,982 (RMB 45,000)	-	187,602 (RMB 43,520)	-	381,584 (RMB 88,520)	381,584 (RMB 88,520)	-	-	-

Note: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

TABLE 5

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars or Foreign Currency)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Wuxi Paiho Textile Co., Limited	Taiwan Paiho Limited	Note 2	Purchase	$ 109,298 (RMB 25,106)	22%	About 3 months	Use market price or purchase cost plus 15% of Taiwan Paiho Limited	About 3 months	$ 44,078 (RMB 10,229)	(24%)	-
Dongguan Paihong Industry Co., Ltd.	Taiwan Paiho Limited	Note 2	Purchase	103,674 (RMB 23,814)	19%	About 3 months	Use market price or purchase cost plus 15% of Taiwan Paiho Limited	About 3 months	50,165 (RMB 11,642)	(24%)	-
Vietnam Paihong Limited Company	Hon Shin Corp. (Note 3)	Note 1	Sale	236,565 (USD 8,397)	(70%)	About 3 months	Use market price	About 3 months	66,723 (USD 2,395)	85%	-

Note 1: See Note 11 to the consolidated financial statements.

Note 2: See Note 27 to the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2021
(In Thousands of New Taiwan Dollars or Foreign Currency)

Company Name	Related Party (Note 3)	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Corporation	Vietnam Paihong Limited Company	Note 2	$ 1,339,510 (USD 48,080)	-	$ -	-	$ 2,507 (USD 90)	$ -
Wuxi Paiho Textile Co. Limited	Wuxi Paiwei Biotechnology Co., Ltd.	Note 2	179,254 (RMB 41,600)	4.53	-	-	3,297 (RMB 765)	-
Hon Shin Corp.	Vietnam Paihong Limited Company	Note 2	203,813 (USD 7,316)	4.08	-	-	11,859 (USD 426)	-

Note 1: Included trade receivables, other receivables and receivables from related party.

Note 2: See Note 11 to the consolidated financial statements.

Note 3: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of Foreign Currency)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account (Note 2)	Amount (Note 2)	Payment Terms	% to Total Sales or Assets
0	The Corporation	Vietnam Paihong Limited Company	1	Receivables - related parties	USD 48,000	-	8
		Vietnam Paihong Limited Company	1	Other receivables	USD 80	-	-
		Vietnam Paihong Limited Company	1	Interest revenue	USD 322	-	-
		Hon Shin Corp.	1	Other receivables	USD 152	-	-
		Hon Shin Corp.	1	Interest revenue	USD 30	-	-
		Hon Shin Corp.	1	Other revenue	USD 1,200	-	1
		Pai Lon International Trading Limited	1	Other payables	USD 17	-	-
1	Pai Lon International Trading Limited	Wuxi Paiho Textile Co., Limited	3	Sales	USD 337	About 3 months	-
		Wuxi Paiho Textile Co., Limited	3	Cost of goods sold	USD 1,106	About 3 months	1
		Dongguan Paihong Industry Co., Ltd.	3	Temporary receipts	USD 2,094	-	-
		Dongguan Paihong Industry Co., Ltd.	3	Sales	USD 316	About 3 months	-
		Hon Shin Corp.	3	Other receivables	USD 54	-	-
2	Wuxi Paiho Textile Co. Limited	Dongguan Paihong Industry Co., Ltd.	1	Trade receivables	RMB 8,342	About 3 months	-
		Dongguan Paihong Industry Co., Ltd.	1	Trade payables	RMB 1,323	About 3 months	-
		Dongguan Paihong Industry Co., Ltd.	1	Sales	RMB 18,919	About 3 months	3
		Dongguan Paihong Industry Co., Ltd.	1	Cost of goods sold	RMB 3,092	About 3 months	-
		Dongguan Paihong Industry Co., Ltd.	1	Rent cost	RMB 88	-	-
		Dongguan Paihong Industry Co., Ltd.	1	Unrealized sales profits	RMB 3,719	-	1
		Wuxi Paihong Real Estate Co., Ltd.	1	Other receivables	RMB 3	-	-
		Wuxi Paihong Real Estate Co., Ltd.	1	Rent revenue	RMB 5	-	-
		Wuxi Paiwei Biotechnology Co., Ltd.	1	Trade receivables	RMB 77	About 3 months	-
		Wuxi Paiwei Biotechnology Co., Ltd.	1	Receivables - related parties	RMB 40,000	-	1
		Wuxi Paiwei Biotechnology Co., Ltd.	1	Other receivables	RMB 1,523	-	-
		Wuxi Paiwei Biotechnology Co., Ltd.	1	Trade payables	RMB 15	About 3 months	-
		Wuxi Paiwei Biotechnology Co., Ltd.	1	Other payables	RMB 172	-	-
		Wuxi Paiwei Biotechnology Co., Ltd.	1	Sales	RMB 174	About 3 months	-
		Wuxi Paiwei Biotechnology Co., Ltd.	1	Cost of goods sold	RMB 98	-	-
		Wuxi Paiwei Biotechnology Co., Ltd.	1	Rent Revenue	RMB 817	-	-
		Wuxi Paiwei Biotechnology Co., Ltd.	1	Interest revenue	RMB 657	-	-
3	Dongguan Paihong Industry Co., Ltd.	Wuxi Paiho Textile Co., Limited	3	Unrealized sales profit	RMB 297	-	-
		Hon Shin Corp.	3	Trade receivables	RMB 218	About 3 months	-
		Hon Shin Corp.	3	Trade payables	RMB 8	About 3 months	-
		Hon Shin Corp.	3	Sales	RMB 411	About 3 months	-
		Hon Shin Corp.	3	Cost of goods sold	RMB 8	About 3 months	-

(Continued)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account (Note 2)	Amount (Note 2)	Payment Terms	% to Total Sales or Assets
4	Hon Shin Corp.	Vietnam Paihong Limited Company	1	Trade receivables	USD 43	About 3 months	-
		Vietnam Paihong Limited Company	1	Receivables - related parties	USD 7,263	-	1
		Vietnam Paihong Limited Company	1	Other receivables	USD 10	-	-
		Vietnam Paihong Limited Company	1	Trade payables	USD 2,395	About 3 months	-
		Vietnam Paihong Limited Company	1	Sales	USD 1,770	About 3 months	2
		Vietnam Paihong Limited Company	1	Cost of goods sold	USD 8,397	About 3 months	7
		Vietnam Paihong Limited Company	1	Interest revenue	USD 146	-	-

(Concluded)

Note 1: Relationship of investee to counterparty: (1) parent company to subsidiary; (2) subsidiary to parent company; (3) subsidiary to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars and Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2021			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				June 30, 2021	December 31, 2020	Number of Shares	%	Carrying Amount (Note 1)			
The Corporation	Hong Kong Antex Limited	Hong Kong	International investments	USD 54,335	USD 54,335	54,334,644	100	$ 8,444,543	$ 1,075,716	$ 1,075,716	Subsidiary
	Pai Lon International Trading Limited	British Virgin Islands	International trade	USD 1,791	USD 1,791	1,500,000	100	(54,590)	30,276	49,607	Subsidiary
	Hon Shin Corp.	British Samoa	International investments and trade	USD 95,000	USD 95,000	95,000,000	100	958,154	(113,337)	(113,337)	Subsidiary
	Taiwan Pai Lon Biotechnology Co., Ltd.	Taiwan	Production & sales of marks and non-woven products	$ 60,000	$ 60,000	6,000,000	100	59,702	(95)	(95)	Subsidiary
Hon Shin Corp.	Vietnam Paihong Limited Company	Binh Duong Province, Vietnam	Production & marketing of mesh and other fabrics	USD 95,000	USD 95,000	-	100	1,205,264	(111,433)	(Note 3)	Sub - Subsidiary

Note 1: Significant intercompany accounts and transactions have been eliminated.

Note 2: Information on investment in mainland China is on Table 9.

Note 3: Not applicable.

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2021
(In Thousands of New Taiwan Dollars and Foreign Currency)

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) (Notes 4 and 5)	Carrying Amount as of June 30, 2021 (Notes 4 and 5)	Accumulated Repatriation of Investment Income as of June 30, 2021
					Outward	Inward						
Wuxi Paiho Textile Co., Limited	Processing of Touch Fasteners, Webbing and Embroidery	$ 1,657,208 (RMB 384,592)	(Note 1)	$ 1,012,293 (USD 36,335)	$ -	$ -	$ 1,012,293 (USD 36,335)	$ 1,118,303	93	$ 1,038,723	$ 6,677,044	$ 833,022 (USD 2,512) (RMB 177,080)
Dongguan Paihong Industry Co., Ltd	Production & Marketing of Touch Fastener, Elastic, Various Type of Webbings and Jacquard Engineered Mesh, And Consumer Electronic Accessories, Etc.	1,538,722 (RMB 357,095)	(Note 1)	501,480 (USD 18,000)	-	-	501,480 (USD 18,000)	413,335	96	410,835	2,846,502	369,560 (RMB 85,765)
Wuxi Paihong Real Estate Co., Ltd.	Commercial Property Management; Planning Consultants, Sales, Development & Leasing of Real Estate and Design Decoration.	1,637,420 (RMB 380,000)	(Note 1)	(Note 2)	-	-	(Note 2)	684,456	93	637,894	2,939,196	-
Wuxi Paiwei Biotechnology Co. Ltd	Production and Sales of Masks and Non-Woven Products	215,450 (RMB 50,000)	(Note 1)	(Note 2)	-	-	(Note 2)	(31,535)	93	(29,389)	178,449	-

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
Not applicable	Not applicable	Not applicable

Note 1: See Note 11 to the consolidated financial statements.

Note 2: Investee of Wuxi Paiho Textile Co., Limited.

Note 3: The amounts denominated in foreign currency were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Note 4: The investment gain (loss) is recognized according to the financial statements audited by the Corporation’s independent auditors.

Note 5: Significant intercompany accounts and transactions have been eliminated.

TABLE 10

PAIHO SHIH HOLDINGS CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2021

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Paiho INT'L Limited	162,632,396	51.6%
Kuo-Ian Cheng	25,554,482	8.1%

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