Stock Code: 9910

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2020 and 2019

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Representation Letter

The entities that are required to be included in the combined financial statements of Feng Tay Enterprises Company Limited as of and for the year ended December 31, 2020 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Feng Tay Enterprises Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Feng Tay Enterprises Company Limited
Chairman: Chien - Hung Wang
Date: March 23, 2021

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Independent Auditors' Report

To the Board of Directors of Feng Tay Enterprises Company Limited:

Opinion

We have audited the consolidated financial statements of Feng Tay Enterprises Company Limited and its subsidiaries ("the Group"), which comprised the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") 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 the 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the current period. 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.

1. Inventory valuation

   Please refer to Note (4)(h) and Note (5)(a) for the accounting policy of inventory valuation, as well as the estimation and assumption uncertainty of the valuation of inventory, respectively. Information of estimation of the valuation of inventory are disclosed in Note (6)(d) of the consolidated financial statements.

Description of key audit matter:

The Group, capable of manufacturing, purchase materials based on footwear design and received orders. However, changes or cancellations of orders, or changes in materials or the amounts consumed might cause obsolescence of raw materials and inventory write-downs. Therefore, we considered valuation of the inventories to be one of the key audit matters in our audit of the consolidated financial statements for the year ended December 31, 2020.

How the matter was addressed in our audit:

Our key audit procedures performed in respect of the above area included the following：

Assessing the rationality of the Group’s policy on obsolete inventories; evaluating whether the inventory assessment is in accordance with the established accounting policies of the Group; reviewing the inventory aging report and analyzing the changes in the aging of the inventories in each period; selecting appropriate samples in different product categories in the aging report to verify they have been properly classified to the appropriate period; recalculating the value of inventories to determine whether it complies with the Group’s criteria and confirming the rationality of the inventory evaluation; reviewing the future sales status of those inventories with age of more than six months to verify the rationality of the evaluation of the inventory allowance estimated by the management; and assessing whether the disclosure of the inventory allowance by the management is appropriate.

Other Matter

Feng Tay Enterprises Company Limited has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed 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 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 the 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 of the current period 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 audit resulting in this independent auditors' report are Ying-Ju Chen and Wan-Wan Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 23, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note (6)(a))	$ 4,717,157	11	4,038,083	10
1170	Notes and accounts receivable (Notes (6)(c) and (r))	7,388,850	17	6,554,052	16
1180	Accounts receivable due from related parties, net (Notes (6)(c), (r) and (7))	12,988	-	84,853	-
1200	Other receivables (Note (7))	392,943	1	431,595	1
1220	Current tax assets	217,593	-	332,925	1
130X	Inventories (Note (6)(d))	7,968,535	18	7,171,805	17
1470	Other current assets (Note (8))	1,109,641	3	1,186,967	3
	Total current assets	21,807,707	50	19,800,280	48
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(b))	422	-	456	-
1550	Investments accounted for using equity method (Note (6)(e))	771,031	2	777,676	2
1600	Property, plant and equipment (Note (6)(g))	17,773,887	41	17,681,337	43
1755	Right-of-use assets (Note (6)(h))	1,419,194	3	1,474,892	4
1760	Investment property, net (Note (6)(i))	75,030	-	77,138	-
1780	Intangible assets (Note (6)(j))	378,242	1	373,553	1
1840	Deferred tax assets (Note (6)(o))	1,097,106	2	893,244	2
1980	Other non-current financial assets (Note (8))	75,557	-	58,432	-
1990	Other non-current assets	390,029	1	128,894	-
	Total non-current assets	21,980,498	50	21,465,622	52
	Total assets	$ 43,788,205	100	41,265,902	100

		December 31, 2020		December 31, 2019	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note (6)(k))	$ 3,496,883	8	3,661,769	9
2130	Current contract liabilities (Note (6)(r))	2,172	-	19,189	-
2170	Notes and accounts payable	5,318,806	12	4,484,023	11
2200	Other payables (Note (7))	4,877,657	11	4,920,646	12
2230	Current tax liabilities	2,333,204	6	1,395,911	3
2280	Current lease liabilities (Note (6)(m))	21,389	-	299,616	1
2320	Long-term liabilities, current portion(Note (6)(l))	77,833	-	-	-
2399	Other current liabilities	44,469	-	35,909	-
	Total current liabilities	16,172,413	37	14,817,063	36
	Non-Current liabilities:				
2540	Long-term borrowings (Note (6)(l))	907,615	2	797,649	2
2570	Deferred tax liabilities(Note (6)(o))	3,428,023	8	3,306,922	8
2580	Non-current lease liabilities (Note (6)(m))	522,659	1	676,609	2
2640	Non-current net defined benefit liability(Note (6)(n))	3,269,380	8	2,801,547	7
2670	Other non-current liabilities	133,023	-	132,971	-
	Total non-current liabilities	8,260,700	19	7,715,698	19
	Total liabilities	24,433,113	56	22,532,761	55
	Equity attributable to owners of parent (Note (6)(p)):				
3110	Total capital stock	8,816,811	20	7,347,342	18
3200	Capital surplus	50,025	-	49,429	-
	Retained earnings:				
3310	Legal reserve	4,676,373	11	4,105,480	10
3320	Special reserve	1,247,402	3	631,967	1
3350	Unappropriated retained earnings	4,631,561	10	5,726,279	14
	Other equity interest:				
3410	Exchange differences on translation of foreign financial statements	(2,082,107)	(5)	(1,247,402)	(3)
	Total equity attributable to owners of parent:	17,340,065	39	16,613,095	40
36XX	**Non-controlling interests**	2,015,027	5	2,120,046	5
	Total equity	19,355,092	44	18,733,141	45
	Total liabilities and equity	$ 43,788,205	100	41,265,902	100

See accompanying notes to consolidated financial statements.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	**Total operating revenues (Notes (6)(r) and (7))**	$ 68,959,738	100	73,930,081	100
5000	**Operating costs (Note (6)(d))**	(52,495,714)	(76)	(55,917,881)	(76)
	Gross profit from operations	16,464,024	24	18,012,200	24
	Operating expenses:				
6100	Selling and administrative expenses	(6,865,675)	(10)	(7,084,799)	(10)
6300	Research and development expenses	(2,529,048)	(4)	(2,547,583)	(3)
	Total operating expenses	(9,394,723)	(14)	(9,632,382)	(13)
	Net operating income	7,069,301	10	8,379,818	11
	Non-operating income and expenses:				
7100	Interest income (Note (6)(t))	46,252	-	71,575	-
7010	Other income (Note (6)(t))	905,026	1	1,444,950	2
7020	Other gains and losses, net (Note (6)(t))	(281,548)	-	(51,079)	-
7050	Financial costs (Note (6)(t))	(125,618)	-	(136,029)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(e))	32,918	-	76,340	-
	Total non-operating income and expenses	577,030	1	1,405,757	2
	Profit from continuing operations before tax	7,646,331	11	9,785,575	13
7950	**Less: Income tax expenses (Note (6)(o))**	2,054,160	3	2,781,803	4
	Net profit	5,592,171	8	7,003,772	9
	Other comprehensive income:				
8310	**Item that will not be reclassified subsequently to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(470,010)	(1)	(635,008)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	(21,672)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(736)	-	(1,105)	-
8349	Income tax related to components of other comprehensive income that will may not be reclassified to profit or loss	85,379	-	131,281	-
	Item that will not be reclassified subsequently to profit or loss	(385,367)	(1)	(526,504)	-
8360	**Item that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(831,956)	(1)	(678,091)	(1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(39,828)	-	(19,311)	-
8399	Income tax related to components of other comprehensive income that will may be reclassified to profit or loss	3,316	-	1,608	-
	Item that may be reclassified subsequently to profit or loss	(868,468)	(1)	(695,794)	(1)
	Other comprehensive income	(1,253,835)	(2)	(1,222,298)	(1)
8500	**Total comprehensive income**	**$ 4,338,336**	**6**	**5,781,474**	**8**
	Net profit (loss), attributable to:				
8610	Net profit (loss), attributable to owners of parent	$ 4,878,868	7	6,230,779	8
8620	Net profit (loss), attributable to non-controlling interests	713,303	1	772,993	1
		$ 5,592,171	**8**	**7,003,772**	**9**
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	$ 3,665,311	5	5,093,495	7
8720	Comprehensive income, attributable to non-controlling interests	673,025	1	687,979	1
		$ 4,338,336	**6**	**5,781,474**	**8**
	Earnings per share (Note (6)(q))				
9750	**Basic earnings per share**	**$**	**5.53**		**7.07**

See accompanying notes to consolidated financial statements.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital		Retained earnings			Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value- through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance on January 1, 2019	$ 6,679,402	53,664	3,579,206	878,177	5,440,553	(631,967)	-	15,999,035	1,996,348	17,995,383
Net profit	-	-	-	-	6,230,779	-	-	6,230,779	772,993	7,003,772
Other comprehensive income	-	-	-	-	(500,177)	(615,435)	(21,672)	(1,137,284)	(85,014)	(1,222,298)
Total comprehensive income	-	-	-	-	5,730,602	(615,435)	(21,672)	5,093,495	687,979	5,781,474
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	526,274	-	(526,274)	-	-	-	-	-
Reversal of special reserve	-	-	-	(246,210)	246,210	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,475,200)	-	-	(4,475,200)	-	(4,475,200)
Stock dividends of ordinary share	667,940	-	-	-	(667,940)	-	-	-	-	-
Due to donated assets received	-	576	-	-	-	-	-	576	-	576
Changes in non-controlling interests	-	(4,811)	-	-	-	-	-	(4,811)	(564,281)	(569,092)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(21,672)	-	21,672	-	-	-
Balance on December 31, 2019	7,347,342	49,429	4,105,480	631,967	5,726,279	(1,247,402)	-	16,613,095	2,120,046	18,733,141
Net profit	-	-	-	-	4,878,868	-	-	4,878,868	713,303	5,592,171
Other comprehensive income	-	-	-	-	(378,852)	(834,705)	-	(1,213,557)	(40,278)	(1,253,835)
Total comprehensive income	-	-	-	-	4,500,016	(834,705)	-	3,665,311	673,025	4,338,336
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	570,893	-	(570,893)	-	-	-	-	-
Special reserve appropriated	-	-	-	615,435	(615,435)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,938,937)	-	-	(2,938,937)	-	(2,938,937)
Stock dividends of ordinary share	1,469,469	-	-	-	(1,469,469)	-	-	-	-	-
Due to donated assets received	-	596	-	-	-	-	-	596	-	596
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(778,044)	(778,044)
Balance on December 31, 2020	**$ 8,816,811**	**50,025**	**4,676,373**	**1,247,402**	**4,631,561**	**(2,082,107)**	**-**	**17,340,065**	**2,015,027**	**19,355,092**

See accompanying notes to consolidated financial statements.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		2020	2019
Cash flows from (used in) operating activities:			
Profit before tax	$	7,646,331	9,785,575
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		2,360,387	2,084,665
Amortization expense		38,415	36,215
Expected credit loss (gain)		-	(389)
Interest expense		125,618	136,029
Interest income		(46,252)	(71,575)
Share of loss (profit) of associates and joint ventures accounted for using equity method		(32,918)	(76,340)
Loss (gain) on disposal of property, plan and equipment		17,300	37,256
Impairment losses		29,038	20,413
Total adjustments to reconcile profit (loss)		2,491,588	2,166,274
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease (increase) in notes and accounts receivable		(909,495)	(735,441)
Decrease (increase) in other receivables		24,894	78,598
Decrease (increase) in inventories		(1,080,121)	(1,158,610)
Decrease (increase) in other current assets		86,158	(344,009)
Total changes in operating assets		(1,878,564)	(2,159,462)
Changes in operating liabilities:			
Increase (decrease) in contract liabilities		(16,646)	(540)
Increase (decrease) in notes and accounts payable		989,057	921,807
Increase (decrease) in other payable		76,904	1,381,992
Increase (decrease) in current refund liabilities		-	(123,123)
Increase (decrease) in other current liabilities		8,917	6,528
Increase (decrease) in net defined benefit liability		424,613	204,545
Increase (decrease) in other non-current liabilities		6,883	7,617
Total changes in operating liabilities		1,489,728	2,398,826
Total changes in operating assets and liabilities		(388,836)	239,364
Total adjustments		2,102,752	2,405,638
Cash inflow (outflow) generated from operations		9,749,083	12,191,213
Interest received		46,868	68,196
Interest paid		(125,598)	(138,062)
Income taxes refund (paid)		(1,080,980)	(2,730,709)
Net cash flows from (used in) operating activities		8,589,373	9,390,638
Cash flows from (used in) investing activities:			
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	17,933
Acquisition of property, plant and equipment		(3,115,128)	(5,703,255)
Proceeds from disposal of property, plant and equipment		81,496	92,058
Acquisition of intangible assets		(45,478)	(38,639)
Acquisition of right-of-use assets		(416,075)	-
Increase in other financial assets		(17,814)	(17,950)
Increase in other non-current assets		(314,629)	(25,050)
Net cash flows from (used in) investing activities		(3,827,628)	(5,674,903)
Cash flows from (used in) financing activities:			
Increase (decrease) in short-term borrowings		(111,808)	2,642,917
Proceeds from long-term borrowings		1,555,138	2,003,088
Repayments of long-term borrowings		(1,318,987)	(2,174,353)
Payment of lease liabilities		(56,546)	(206,981)
Cash dividends paid		(2,938,937)	(4,475,200)
Change in non-controlling interests		(812,842)	(418,738)
Net cash flows from (used in) financing activities		(3,683,982)	(2,629,267)
Effect of exchange rate changes on cash and cash equivalents		(398,689)	(261,651)
Net increase (decrease) in cash and cash equivalents		679,074	824,817
Cash and cash equivalents at beginning of period		4,038,083	3,213,266
Cash and cash equivalents at end of period	$	**4,717,157**	**4,038,083**

See accompanying notes to consolidated financial statements.

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

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019

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

(1) Company history

Feng Tay Enterprises Company Limited (hereinafter referred to as "the Company"), founded in 1971, is a manufacturer specialized in athletic shoes. Other business activities include developing and producing casual shoes, inline skates, ice skates, ski boots, cycling shoes, golf balls, soccer balls, backpack and handbags, ice hockey helmets and sticks, footwear accessories, as well as shoe molds and tools. The Company has a headquarter located at the Yunlin Science and Industrial Park, wherein it conducts product development, technology research, shoe material trade, and constant cultivation of multinational management talents, while its factories of mass production are spread throughout China, Vietnam, Indonesia, and India. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). Please refer to note 14 for related information of the Group entities' main business activities.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 23, 2021.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2020:

- Amendments to IFRS 3 "Definition of a Business"
- Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"
- Amendments to IAS 1 and IAS 8 "Definition of Material"
- Amendments to IFRS 16 "COVID-19-Related Rent Concessions"

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

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

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

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"	The amendments clarify that the ' costs of fulfilling a contract' comprises the costs that relate directly to the contract as follows: ● the incremental costs – e.g. direct labor and materials; and ● an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.	January 1, 2022

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation. Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (TWD), which is the Company's functional currency. All financial information presented in TWD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(Continued)

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2020	Shareholding December 31, 2019	Description
The Company	PT Feng Tay Indonesia Enterprises	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories.	99.81 %	99.81 %	PT Feng Tay Indonesia Enterprises was established in Indonesia in 1992, and has paid in capital of USD27,000,000.
The Company	Growth Link Overseas Co., Ltd. (GLO)	Investment holding, selling of athletic shoes, and trading of footwear materials.	100.00 %	100.00 %	Growth Link Overseas Co., Ltd. was established in Bermuda in 1991, and has paid in capital of USD27,513,036 (including share premium of USD27,453,036).
The Company、GLO	VX Holdings Limited (VXH)	Investment holding.	92.13 %	92.13 %	VX Holdings Limited was established in British Virgin Islands in 1997, and has paid in capital of USD32,335,923 (including share premium of USD32,254,923).
The Company、GLO	Dona Orient Holdings Limited (DOH)	Investment holding.	100.00 %	100.00 %	Dona Orient Holdings Limited was established in British Virgin Islands in 2003, and has paid in capital of USD111,593,053 (including share premium of USD111,483,817).
The Company、GLO	PT Rich Valley Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	100.00 %	100.00 %	PT Rich Valley Indonesia was established in Indonesia in 2019,and has paid in capital of USD7,142,857.
The Company	Great Eastern Industries Limited	International trade services.	100.00 %	100.00 %	Great Eastern Industries Limited, was established in Hong Kong in 2019, and has paid in capital of USD1,000,000 (including share premium of USD999,000).
GLO	Fujian Da Feng Holdings Co., Ltd. (DF)	Investment holding.	70.00 %	70.00 %	Fujian Da Feng Holdings Co., Ltd. was established in Fujian Province,China in 1993, and has paid in capital of USD30,000,000.

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Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2020	Shareholding December 31, 2019	Description
DF	Fujian Lifeng Footwear Ind. Dev. Co., Ltd. (LF)	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Fujian Lifeng Footwear Ind. Dev. Co., Ltd. was established in Fujian Province,China in 1988, and has paid in capital of USD15,000,000.
GLO and DF	Fujian Xiefeng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Fujian Xiefeng Footwear Co., Ltd. was established in Fujian Province,China in 1989, and has paid in capital of USD15,000,000.
GLO and DF	Fujian San Feng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	80.00 %	80.00 %	Fujian San Feng Footwear Co., Ltd. was established in Fujian Province,China in 1992, and has paid in capital of USD15,000,000.
GLO, DF, LF and XM	Fujian Great Hope Footwear Co., Ltd.(GH)	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products.	100.00 %	100.00 %	Fujian Great Hope Footwear Co., Ltd. was established in Fujian Province,China in 1989, and has paid in capital of USD7,950,000.
GLO	Xie Feng Mold Co., Ltd. Putian, Fujian(XM)	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	50.34 %	50.34 %	Xie Feng Mold Co., Ltd. Putian, Fujian was established in Fujian Province,China in 1991, and has paid in capital of USD3,000,000.
LF, GH and XM	Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	100.00 %	100.00 %	Suzhou Yufeng Plastic Technology Co., Ltd.,was established in Jiangsu Province,China in 2009, and has paid in capital of USD2,562,738.
GLO	Fujian Wu Feng Department Store Co., Ltd.	Wholesale and retail of general merchandise, and related services.	50.00 %	50.00 %	Fujian Wu Feng Department Store Co., Ltd. was established in Fujian Province,China in 1992, and has paid in capital of USD4,500,000.
GLO	Growth Link Trade Services Co., Ltd.	Services related to import and export trade, customs clearance, accounting finance, and network support.	- %	100.00 %	Growth Link Trade Services Co., Ltd., was established in British Virgin Islands in 1993, and has paid in capital of USD1,102.It was dissolved on December 2020.
GLO	Dona Pacific Holdings Limited (DPH)	Investment holding and sale of finished shoes.	92.00 %	92.00 %	Dona Pacific Holdings Ltd., was established in British Virgin Islands in 1990, and has paid in capital of USD13,558,901 (including share premium of USD13,533,901).

(Continued)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding December 31, 2020	Shareholding December 31, 2019	Description
GLO	VX Mold Co., Ltd. (VXM)	Investment holding.	93.00 %	93.00 %	VX Mold Co., Ltd., was established in British Virgin Islands in 1999, and has paid in capital of USD400,000.
GLO	Lotus Footwear Enterprises Limited (LUH)	Investment holding business, and manufacturing and selling of finished shoe.	88.00 %	88.00 %	Lotus Footwear EnterprisesLtd., was established in British Virgin Islands in 2006, and has paid in capital of USD79,141,400 (including share premium of USD79,102,741).
GLO	Trade Continent Limited	Trading of athletic shoes.	- %	- %	(Note)
VXH	Dona Victor Footwear Co., Ltd.	Producing of athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Dona Victor Footwear Co.,Ltd., was established in Vietnam in 1994, and has paid in capital of USD35,400,000.
DOH	Vietnam Dona Orient Co., Ltd.	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Vietnam Dona Orient Co.,Ltd., was established in Vietnam in 2003, and has paid in capital of USD44,000,000.
DOH	Vietnam Dona Standard Footwear Co., Ltd.	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Vietnam Dona Standard Footwear Co., Ltd., was established in Vietnam in 2006, and has paid in capital of USD75,700,000.
DOH	Vung Tau Orient Co., Ltd.	Producing golf balls, soccer balls, backpack and bags.	100.00 %	100.00 %	Vung Tau Orient Co., Ltd., was established in Vietnam in 2005, and has paid in capital of USD20,000,000.
DOH	Hold Gold Trading Co., Ltd.	Selling of finished shoes, golf balls, backpack, bags and soccer ball.	100.00 %	100.00 %	Hold Gold Trading Co.,Ltd., was established in British Virgin Islands in 2010, and has paid in capital of USD100,000 (including share premium of USD99,000).
DOH	Vietnam Nam Ha Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Vietnam Nam Ha Footwear Co., Ltd., was established in Vietnam in 2019, and has paid in capital of USD 21,800,000.
DPH	Dona Pacific (Vietnam) Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories.	100.00 %	100.00 %	Dona Pacific (Vietnam) Co., Ltd., was established in Vietnam in 2000, and has paid in capital of USD30,000,000.
VXM	Dona Victor Molds MFG. Co., Ltd.	Manufacturing and repair of molds, cutting dies, and processing of metal parts.	100.00 %	100.00 %	Dona Victor Molds MFG. Co., Ltd., was established in Vietnam in 1999, and has paid in capital of USD3,100,000.

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FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

			Shareholding		
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2020**	**December 31, 2019**	**Description**
GLO、LUH	Cheyyar SEZ Developers Private Ltd.	Development in India's Industrial Park.	100.00 %	100.00 %	Cheyyar SEZ Developers Private Ltd., was established in Indian in 2006, and has paid in capital of USD86,679,587.
LUH	East Wind Footwear Co., Ltd.	Investment holding and production of athletic shoes.	100.00 %	100.00 %	East Wind Footwear Co., Ltd., was established in British Virgin Islands in 2010, and has paid in capital of USD16,532,207 (including share premium of USD16,522,456).
LUH	Fairway Enterprises Co., Ltd.	Investment holding and production of athletic shoes.	100.00 %	100.00 %	Fairway Enterprises Co., Ltd., was established in British Virgin Islands in 2014, and has paid in capital of USD39,502,000 (including share premium of USD39,482,249).

Note : A special purpose entity (SPE) held by the Group for trading and investment purposes on December 31, 2017, wherein the Group does not, directly or indirectly, hold any of its shares. Based on the assessment of the actual relationship between the Group and the SPE and its risks and rewards. The group control the special purpose entity and include it in the scope of consolidation. This special purpose entity was dissolved in December 2020.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate on the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for that difference relating to the following, which are recognized in other comprehensive income:

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost or FVOCI – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, with change in the cumulative amortization using the effective interest method. In addition, these assets are further adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss

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2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive dividend is established.

3) Impairment of financial assets

The Group recognizes allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and trade receivables, other receivable and other financial assets).

The Group measures allowances for credit loss at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Allowance for credit loss for trade receivables are always measured at an amount equal to lifetime ECL.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

(Continued)

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Allowance for credit loss for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities

1) Other financial liabilities

Financial liabilities not classified as held-for-trading or designated as at fair value through profit or loss, which comprise loans and borrowings, and trade and other payable, are measured at fair value, plus, any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized in profit or loss, and is included in non-operating income and expenses.

2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 " Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (i.e. activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement (i.e. joint venturers) in which the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures", unless the Group qualifies for exemption from that Standard.

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Company reevaluates whether the classification of the joint arrangement has changed.

When the Group's share of losses of a joint venture equals or exceeds its interests in a joint venture, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(j) Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant, and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

(Continued)

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings	2 years~ 55 years
2)	Machinery and equipment	2 years~ 13 years
3)	Computer and communication equipment	2 years~ 7 years
4)	Testing equipment	2 years~ 8 years
5)	Transportation equipment:	3 years~ 7 years
6)	Office equipment	3 years~ 8 years
7)	Other equipment	2 years~ 8 years

Depreciation methods, useful lives and residual values are reviewed on each reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment property.

(l) Lease

(i) Identifying a lease

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

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

2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3) the customer has the right to direct the use of the asset throughout the period of use only if either:

- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or

- the relevant decisions about how and for what purpose the asset is used are predetermined and:

- the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
- the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(ii) As a lessee

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

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

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

Lease payments included in the measurement of the lease liability comprise the following:

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

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

— there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(m) Intangible assets

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

(ii) Other Intangible assets

Other intangible assets acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses. Such intangible assets are amortized on a straight line basis over the estimated useful lives and are recognized in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

1) computer software: 1~5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Impairment – non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

Revenue is recognized when the control of a product has been transferred to the customer. When the products are delivered to the customer, the customer has full obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(Continued)

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(Continued)

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS 37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.
Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to offset current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities related to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

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

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note 6(d) for further description of the valuation of inventories.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

		December 31, 2020	December 31, 2019
Cash	$	988	1,019
Demand deposits and check deposit		1,173,670	1,252,660
Time deposits		3,542,499	2,784,404
Cash and cash equivalents in the consolidated statement of cash flows	$	**4,717,157**	**4,038,083**

Please refer to Note 6(u) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets at fair value through other comprehensive income

		December 31, 2020	December 31, 2019
Equity investments at fair value through other comprehensive income			
Stock unlisted in foreign markets	$	**422**	**456**

(i) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long term strategic purposes.

In 2019, the Group has sold its shares.The shares sold had a fair value of $17,933 thousand and the Group realized a loss of $21,672 thousand, which is already included in other comprehensive income. The loss has been transferred to retained earnings.

(ii) For credit risk and market risk, please refer to note 6(v).

(iii) As of December 31, 2020 and 2019, the Group did not provide any financial assets at fair value through other comprehensive income as collateral for its loans.

(c) Notes and accounts receivables (including related parties)

		December 31, 2020	December 31, 2019
Note receivables–measured at amortized cost	$	-	6
Trade receivables–measured at amortized cost		7,401,838	6,638,899
Less: Allowance for credit loss		-	-
	$	**7,401,838**	**6,638,905**

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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information. The Allowance for credit loss provision were determined as follows:

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Allowance for credit loss provision**
Current	$ 6,642,882	0.00%	-
1 to 60 days past due	748,042	0.00%	-
61 to 180 days past due	10,604	0.00%	-
181 days to 1 year past due	310	0.00%~50.00%	-
	$ 7,401,838		**-**

	December 31, 2019		
	Gross carrying amount	**Weighted-average**	**Allowance for credit loss provision**
Current	$ 6,504,859	0.00%	-
1 to 60 days past due	130,267	0.00%	-
61 to 180 days past due	2,828	0.00%	-
181 days to 1 year past due	951	0.00%~50.00%	-
	$ 6,638,905		**-**

The movement in the allowance for notes and trade receivable was as follows:

	2020	**2019**
Balance at January 1	$ -	387
Impairment losses reversed	-	(389)
Foreign exchange gains/(losses)	-	2
Balance at December 31	**$ -**	**-**

As of December 31, 2020 and 2019, none of the Group's notes and accounts receivable was pledged as collateral for loans and borrowings.

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(d) Inventories

		December 31, 2020	December 31, 2019
Raw materials and supplies	$	2,554,368	2,363,830
Work in process		969,369	1,006,060
Finished goods		3,052,562	2,562,054
Merchandise inventory		184,000	108,127
Inventory in transit		1,204,667	1,130,878
Others		3,569	856
	$	**7,968,535**	**7,171,805**

The details of operating cost were as follows:

		2020	2019
Cost of goods sold	$	51,629,659	55,921,329
Unallocated production overheads		813,777	-
Net losses (gains) on inventories		629	(188)
Inventory scrap loss		2,701	7,484
Revenue from sale of scraps		(38,840)	(45,257)
Losses on obsolescence and inventory valuation		87,788	34,513
Total	**$**	**52,495,714**	**55,917,881**

Write-downs of inventories were due to the sluggish, obsolete or unusable inventory, wherein the amount of the net realizable value of the inventory which were lower than the cost was recognized as operating costs.

As of December 31, 2020 and 2019, the Group had not provided any inventories as collateral for its loans.

(e) Investments accounted for using equity method

A summary of the Group’s financial information for investments accounted for using the equity method at the reporting date is as follows:

		December 31, 2020	December 31, 2019
Joint ventures	**$**	**771,031**	**777,676**

(i) Joint ventures

Shoe Majesty Co., Ltd. and Sense1991 International Co., Ltd. are joint ventures under the Group's joint arrangements. The Group classified the joint agreement as a joint venture using the equity method. The Group has already disposed of Sense1991 International Co., Ltd. on March 14, 2019.

(Continued)

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

		December 31, 2020	December 31, 2019
Individually insignificant joint venture	$	**771,031**	**777,676**

		2020	2019
Attributable to the Group:			
Profit from continuing operation	$	32,918	76,340
Other comprehensive income (loss)		(37,248)	(18,808)
Comprehensive income	$	**(4,330)**	**57,532**

(ii) Collateral

As of December 31, 2020 and 2019, the Group had not provided any investment accounted for using equity method as collaterals for its loans.

(f) Material non-controlling interest of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

		Percentage of non-controlling interests	
Subsidiaries	**Main operation place**	**December 31, 2020**	**December 31, 2019**
Da Feng Holdings Co., Ltd.	China	30.00 %	30.00 %

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

(i) Da Feng Holdings Co., Ltd.'s collective financial information:

		December 31, 2020	December 31, 2019
Current assets	$	1,680,124	1,202,582
Non-current assets		1,938,421	2,149,426
Current liabilities		(46,444)	(26,667)
Net assets	$	**3,572,101**	**3,325,341**
Non-controlling interests	$	**1,071,630**	**997,602**

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		2020	2019
Net income	$	1,336,506	1,057,911
Other comprehensive income (loss)		(51,148)	(128,118)
Comprehensive income (loss)	$	**1,285,358**	**929,793**
Profit, attributable to non-controlling interests	$	**400,952**	**317,373**
Comprehensive income (loss), attributable to non-controlling interests	$	**385,607**	**278,938**
Net cash flows from operating activities	$	697,617	31,450
Net cash flows from investing activities		1,148,695	696,153
Net cash flows from financing activities		(1,174,517)	(682,158)
Net increase (decrease) in cash and cash equivalents	$	**671,795**	**45,445**
Cash dividends to non-controlling interests	$	**352,355**	**204,647**

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2020 and 2019, were as follows:

		Land	Buildings	Machinery and equipment	Computer and communication equipment	Test equipment	Transportation equipment	Office equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Cost:											
Balance on January 1, 2020	$	1,422,793	11,464,219	17,120,318	355,000	107,262	308,224	607,203	82,247	2,770,837	34,238,103
Additions		-	67,443	510,565	49,088	2,240	11,408	15,905	4,651	2,552,870	3,214,170
Disposals		-	(71,505)	(715,799)	(14,752)	(4,448)	(18,550)	(99,596)	(3,061)	-	(927,711)
Reclassifications		184,670	1,969,595	1,900,366	23,998	-	26,998	25,096	1,286	(4,132,009)	-
Effect of movements in exchange rates		(10,637)	(463,634)	(711,139)	(10,594)	-	(11,428)	(24,952)	(1,582)	(92,399)	(1,326,365)
Balance on December 31, 2020	$	**1,596,826**	**12,966,118**	**18,104,311**	**402,740**	**105,054**	**316,652**	**523,656**	**83,541**	**1,099,299**	**35,198,197**
Balance on January 1, 2019	$	1,116,326	11,511,077	15,621,335	134,089	98,123	294,301	869,270	85,644	476,633	30,206,798
Additions		443	41,162	345,628	29,447	12,894	16,615	68,091	8,155	5,277,405	5,799,840
Transfer to Right-of-use assets		-	-	-	-	-	-	-	(9,691)	-	(9,691)
Disposals		-	(38,612)	(734,659)	(20,482)	(4,739)	(39,902)	(9,743)	(3,263)	(981)	(852,381)
Reclassifications		311,239	258,879	2,374,831	219,082	984	45,409	(303,826)	2,196	(2,908,794)	-
Effect of movements in exchange rates		(5,215)	(308,287)	(486,817)	(7,136)	-	(8,199)	(16,589)	(794)	(73,426)	(906,463)
Balance on December 31, 2019	$	**1,422,793**	**11,464,219**	**17,120,318**	**355,000**	**107,262**	**308,224**	**607,203**	**82,247**	**2,770,837**	**34,238,103**
Depreciation and impairment loss:											
Balance on January 1, 2020	$	-	5,891,584	9,637,930	266,056	86,947	166,992	448,901	58,356	-	16,556,766
Depreciation for the year		-	509,214	1,639,027	49,950	7,809	34,813	46,056	6,498	-	2,293,367
Impairment loss		-	780	28,223	21	-	10	4	-	-	29,038
Disposals		-	(61,605)	(643,282)	(13,920)	(4,311)	(13,064)	(90,095)	(2,638)	-	(828,915)
Effect of movements in exchange rates		-	(171,436)	(427,057)	(2,912)	-	(5,850)	(17,556)	(1,135)	-	(625,946)
Balance on December 31, 2020	$	**-**	**6,168,537**	**10,234,841**	**299,195**	**90,445**	**182,901**	**387,310**	**61,081**	**-**	**17,424,310**

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		Land	Buildings	Machinery and equipment	Computer and communication equipment	Test equipment	Transportation equipment	Office equipment	Other equipment	Equipment to be inspected and construction in progress	Total
Balance on January 1, 2019	$	-	5,626,153	9,105,175	104,996	84,992	167,051	644,069	60,968	-	15,793,404
Depreciation for the year		-	460,000	1,398,366	36,410	6,464	35,131	62,768	5,806	-	2,004,945
Impairment loss		-	-	20,342	34	-	32	5	-	-	20,413
Transfer to Right-of-use assets		-	-	-	-	-	-	-	(4,933)	-	(4,933)
Reclassifications		-	-	88,065	148,859	-	-	(236,924)	-	-	-
Disposals		-	(30,982)	(625,500)	(19,103)	(4,509)	(30,695)	(9,358)	(2,920)	-	(723,067)
Effect of movements in exchange rates		-	(163,587)	(348,518)	(5,140)	-	(4,527)	(11,659)	(565)	-	(533,996)
Balance on December 31, 2019	$	-	**5,891,584**	**9,637,930**	**266,056**	**86,947**	**166,992**	**448,901**	**58,356**	-	**16,556,766**
Carrying amounts:											
Balance on December 31, 2020	$	**1,596,826**	**6,797,581**	**7,869,470**	**103,545**	**14,609**	**133,751**	**136,346**	**22,460**	**1,099,299**	**17,773,887**
Balance on January 1, 2019	$	**1,116,326**	**5,884,924**	**6,516,160**	**29,093**	**13,131**	**127,250**	**225,201**	**24,676**	**476,633**	**14,413,394**
Balance on December 31, 2019	$	**1,422,793**	**5,572,635**	**7,482,388**	**88,944**	**20,315**	**141,232**	**158,302**	**23,891**	**2,770,837**	**17,681,337**

As of December 31, 2020 and 2019 the property, plant and equipment of the Company were not pledged as collateral for its loans.

(h) Right-of-use assets

The Group leases assets, including parking lots, plants, warehouses and telephone sets. Information about leases for which the Group as a lessee is presented below:

		Land	Buildings	Machinery equipment	Other equipment	Total
Cost:						
Balance on January 1, 2020	$	1,466,820	14,688	42,418	9,932	1,533,858
Additions		547,065	30,755	-	1,349	579,169
Disposal/Write-off		(487,168)	(13,952)	(26,159)	-	(527,279)
Effect of changes in foreign exchange rates		(60,807)	(736)	(2,126)	-	(63,669)
Balance on December 31, 2020	$	**1,465,910**	**30,755**	**14,133**	**11,281**	**1,522,079**
Balance on January 1, 2019	$	958,628	11,422	-	241	970,291
Additions		536,353	3,540	42,418	-	582,311
Reclassification to Investment property		-	-	-	9,691	9,691
Effect of changes in foreign exchange rates		(28,161)	(274)	-	-	(28,435)
Balance on December 31, 2019	$	**1,466,820**	**14,688**	**42,418**	**9,932**	**1,533,858**
Accumulated depreciation and impairment losses:						
Balance on January 1, 2020	$	42,749	7,041	2,924	6,252	58,966
Depreciation for the year		51,769	7,765	3,915	1,574	65,023
Disposal/Write-off		(6,509)	(6,934)	(5,638)	-	(19,081)
Effect of changes in foreign exchange rates		(1,548)	(382)	(85)	(8)	(2,023)
Balance on December 31, 2020	$	**86,461**	**7,490**	**1,116**	**7,818**	**102,885**
Balance on January 1, 2019	$	-	-	-	-	-
Depreciation for the year		44,117	7,248	3,009	1,319	55,693
Reclassification to Investment property		-	-	-	4,933	4,933
Effect of changes in foreign exchange rates		(1,368)	(207)	(85)	-	(1,660)
Balance on December 31, 2019	$	**42,749**	**7,041**	**2,924**	**6,252**	**58,966**

(Continued)

		Land	Buildings	Machinery equipment	Other equipment	Total
Carrying amount:						
Balance on December 31, 2020	$	**1,379,449**	**23,265**	**13,017**	**3,463**	**1,419,194**
Balance on January 1, 2019	$	**958,628**	**11,422**	**-**	**241**	**970,291**
Balance on December 31, 2019	$	**1,424,071**	**7,647**	**39,494**	**3,680**	**1,474,892**

The Group revised part of the lease contract in May 2020 to reduce the lease area and the recognition of the right-of-use assets; after the new lease in September 2020, it increased the right-of-use assets by $416,075 thousand.

(i) Investment property

The cost, depreciation, and impairment of the Investment property of the Group for the years ended December 31, 2020 and 2019 were as follows:

		Owned property		
		Land	**Buildings**	**Total**
Cost:				
Balance on January 1, 2020	$	15,801	526,465	542,266
Effect of changes in foreign exchange rates		(448)	6,833	6,385
Balance on December 31, 2020	**$**	**15,353**	**533,298**	**548,651**
Balance on January 1, 2019	$	16,020	547,923	563,943
Effect of changes in foreign exchange rates		(219)	(21,458)	(21,677)
Balance on December 31, 2019	**$**	**15,801**	**526,465**	**542,266**
Accumulated depreciation and impairment losses:				
Balance on January 1, 2020	$	-	465,128	465,128
Depreciation for the year		-	1,997	1,997
Effect of changes in foreign exchange rates		-	6,496	6,496
Balance on December 31, 2020	**$**	**-**	**473,621**	**473,621**
Balance on January 1, 2019	$	-	460,177	460,177
Depreciation for the year		-	24,027	24,027
Effect of changes in foreign exchange rates		-	(19,076)	(19,076)
Balance on December 31, 2019	**$**	**-**	**465,128**	**465,128**
Carrying amount:				
Balance on December 31, 2020	**$**	**15,353**	**59,677**	**75,030**
Balance on January 1, 2019	**$**	**16,020**	**87,746**	**103,766**
Balance on December 31, 2019	**$**	**15,801**	**61,337**	**77,138**
Fair value:				
Balance on December 31, 2020			**$**	**469,704**
Balance on December 31, 2019			**$**	**773,402**

(Continued)

In November 2020, the Group signed a Letter of Intent (LOI), wherein the buyer, an entity, will purchase Yuanhong City real estate from the Group by phase, either by directly purchasing the property rights, or by purchasing equity shares. It is expected that the transaction will be completed in the second half of 2021. In January 2021, the first phase of the transaction, the transfer of property rights, has been carried out.

Investment property includes commercial property held for value appreciation; for rent income, please refer to Note 6(t).

The fair value of commercial property was evaluated by a qualified independent valuation expert based on market value.

The land held for value appreciation was evaluated based on the publicly available average price of latest transactions, public information, and the cost to reacquire the subject matter on the transaction date. In addition, the current status, economy, function, and other factors of the subject matter were taken into consideration to estimate its value.

As of December 31, 2020 and 2019, the Investment property of the Group was not pledged as collateral for its loans.

(j) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2020 and 2019 were as follows:

	Goodwill	Computer software	Total
Costs			
Balance on January 1, 2020	$ 428,215	264,657	692,872
Additions	-	45,260	45,260
Disposals	-	(32,780)	(32,780)
Effect of movement in exchange rates	(5,820)	(7,523)	(13,343)
Balance on December 31, 2020	**$ 422,395**	**269,614**	**692,009**
Balance on January 1, 2019	$ 431,065	283,291	714,356
Additions	-	38,866	38,866
Disposals	-	(50,667)	(50,667)
Effect of movement in exchange rates	(2,850)	(6,833)	(9,683)
Balance on December 31, 2019	**$ 428,215**	**264,657**	**692,872**

		Goodwill	Computer software	Total
Accumulated amortization and impairment losses				
Balance on January 1, 2020	$	112,634	206,685	319,319
Amortization for the year		-	38,415	38,415
Disposals		-	(32,780)	(32,780)
Effect of movements in exchange rates		(5,526)	(5,661)	(11,187)
Balance on December 31, 2020	$	**107,108**	**206,659**	**313,767**
Balance on January 1, 2019	$	115,341	226,881	342,222
Amortization for the year		-	36,215	36,215
Disposals		-	(50,667)	(50,667)
Effect of movements in exchange rates		(2,707)	(5,744)	(8,451)
Balance on December 31, 2019	$	**112,634**	**206,685**	**319,319**
Carrying amounts:				
Balance on December 31, 2020	$	**315,287**	**62,955**	**378,242**
Balance on January 1, 2019	$	**315,724**	**56,410**	**372,134**
Balance on December 31, 2019	$	**315,581**	**57,972**	**373,553**

The amortization of intangible assets and their impairment losses are included in the statement of comprehensive income:

		2020	2019
Cost of sales	$	4,072	4,300
Operating expenses		34,343	31,915
Total	$	**38,415**	**36,215**

The carrying amount of goodwill on December 31, 2020 amounted to $315,287 thousand (December 31, 2019: $315,581 thousand).

The Group determined whether an impairment loss of goodwill shall be recognized based on experience and actual operating results. As of December 31, 2020 and 2019, no impairment loss has been recognized.

As of December 31, 2020 and 2019, the Group did not provide any intangible asset as collateral for its loans.

(k) Short-term borrowings

		December 31, 2020	December 31, 2019
Unsecured bank loans	$	3,496,883	3,661,769
Range of interest rates		0.51%~4.35%	0.66%~3.40%

(l) Long-term borrowings

The details were as follows:

	December 31, 2020				
	Currency	Interest Rate	Period		Amount
Unsecured bank loans	USD	1.19%~1.40%	2022	$	810,254
Other long-term borrowings	INR	0.10%	2021~2024		175,194
					985,448
Less: current portion					(77,833)
Total				$	907,615

	December 31, 2019				
	Currency	Interest Rate	Period		Amount
Unsecured bank loans	USD	2.80%~2.84%	2021	$	616,557
Other long-term borrowings	INR	0.10%	2022~2024		181,092
					797,649
Less: current portion					-
Total				$	797,649

(m) Lease liabilities

The Group lease liabilities were as follows:

		December 31, 2020	December 31, 2019
Current	$	21,389	299,616
Non-current	$	522,659	676,609

For the maturities analysis, please refer to Note 6(u).

The amounts recognized in profit or loss were as follows:

		For the years ended December 31	
		2020	2019
Interest on lease liabilities	$	57,618	52,554

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

	For the years ended December 31	
	2020	2019
Total cash outflow for leases	$ 114,164	259,535

(i) Real estate leases

As of December 31, 2020 and 2019, the Group leases land and buildings for its parking, factory and warehouse. The leases of office space typically run for a period of 1 to 50 years. Some leases include an option to renew the lease term for the same duration at the end of the original contractual period.

However, in May 2020, due to the impact of the COVID-19, the Group decided to reduce the leased area, after which the recognition of lease liabilities decreased by approximately USD11,900 thousand during the period of the lease modification; the reduced area has been leased back in September 2020.

(ii) Other leases

The Group leased telephone sets, with lease terms of three to five years.

(n) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value is as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligation	$ 5,016,069	4,403,678
Fair value of plan assets	(1,746,689)	(1,602,131)
Net defined benefit assets	$ 3,269,380	2,801,547

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Retired employee under the plans (covered by the Labor Standards Law) will be entitled to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

The employees of subsidiaries in Indonesia, India, and Vietnam are entitled to retirement benefit under the Group’s defined benefit plan, for which actuarial valuation is conducted in accordance with the local labor laws and regulations.

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1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks

The Company' s Bank of Taiwan pension reserve account balance had amounted to $1,746,689 thousand as of December 31, 2020. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Group were as follows:

		For the years ended December 31	
		2020	**2019**
Defined benefit obligation on January 1	$	4,403,678	3,495,907
Current service cost and interest cost		395,203	344,763
Remeasurement loss (gain):			
－Actuarial loss (gain) arising from experience		129,178	102,779
－Actuarial loss (gain) arising from demographic assumptions		(2,349)	1,590
－Actuarial loss arising from financial assumptions		456,257	577,168
Benefits paid		(153,129)	(110,783)
Effect of movements in exchange rates		(212,769)	(7,746)
Defined benefit obligations on December 31	**$**	**5,016,069**	**4,403,678**

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

		For the years ended December 31	
		2020	**2019**
Fair value of plan assets on January 1	$	1,602,131	1,435,017
Interest income		16,478	16,708
Remeasurement gain (loss)			
－Return on plan assets excluding interest income		46,287	46,529
Contributions paid by the employer		159,966	153,903
Benefits paid		(78,173)	(50,026)
Fair value of plan assets on December 31	**$**	**1,746,689**	**1,602,131**

(Continued)

4) Expenses recognized in profit or loss

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

	For the years ended December 31	
	2020	**2019**
Current service costs	$ 239,293	203,250
Net interest of net defined benefit liabilities obligations	139,432	124,805
Curtailment or settlement loss	-	936
	$ 378,725	**328,991**

	For the years ended December 31	
	2020	**2019**
Operating costs	$ 317,344	280,885
Selling and Administration expenses	43,114	31,958
Research and development expenses	18,267	16,148
	$ 378,725	**328,991**

5) Remeasurement on the net defined benefit liabilities recognized in other comprehensive income

The Group's remeasurement on the net defined benefit liabilities recognized in other comprehensive income as at December 31, 2020 and 2019 were as follows:

	For the years ended December 31	
	2020	**2019**
Cumulative amount at January 1	$ 1,488,900	853,892
Recognized during the period	470,010	635,008
Cumulative amount at December 31	**$ 1,958,910**	**1,488,900**

6) Actuarial assumptions

The principal actuarial assumptions on the reporting date were as follows:

	December 31, 2020	**December 31, 2019**
Discount rate	0.63%~7.25%	1.00%~8.19%
Future salary increases rate	2.80%~10.00%	2.80%~10.00%

The contribution to be made by the Group to the defined benefit plans within one year after the reporting date is $196,325 thousand.

The weighted-average lifetime of the defined benefit plans is 7.23 to 10.68 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	0.25% Increased	**0.25% Decreased**
December 31, 2020		
Discount rate	(533,665)	556,112
Future salary increasing rate	551,609	(529,238)
December 31, 2019		
Discount rate	(429,549)	446,699
Future salary increasing rate	442,379	(425,302)

Reasonably possible changes on the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2020 and 2019, respectively.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The employees of the Group's subsidiaries in China and Vietnamese are members of their respective government pension plans, to which those subsidiaries must allocate a specific proportion of the salary, so as to provide funding for their respective plans, while the Group's only obligation is to contribute a specific amount to these government pension plans.

The pension costs incurred from the contributions to the pension plans amounted to $679,999 thousand and $884,448 thousand for the years ended December 31, 2020 and 2019, respectively.

(o) Income taxes

The Group' s income tax returns must be filed individually by each entity instead of on a consolidated basis.; consequently, the Group's income taxes were calculated using the local tax rate applicable to each entity.

(i) Income tax expense recognized in profits or losses

The amount of income tax were as follows:

	For the years ended December 31	
	2020	**2019**
Current income tax expense:		
Current period	$ 2,145,087	2,333,071
Adjustment for prior years	(59,917)	21,407
	2,085,170	2,354,478
Deferred income tax expense:		
Origination and reversal of temporary differences	(110,353)	427,325
Increase in tax rate	79,343	-
Income tax expense	**$ 2,054,160**	**2,781,803**

The amounts of income tax recognized in other comprehensive income for 2020 and 2019 were as follows:

	2020	**2019**
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	**$ 85,379**	**131,281**

	2020	**2019**
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income	**$ 3,316**	**1,608**

Reconciliation of income tax and profit before tax for 2020 and 2019 was as follows:

	2020	2019
Profit before income tax	$ 7,646,331	9,785,575
Income tax using each entity's domestic tax rate	$ 2,046,701	3,033,674
Adjustment in tax rate	79,343	-
Others income tax adjustments	46,947	45,588
Tax exempt income	(24,505)	(4,510)
Tax incentives	(32,531)	(294,704)
Tax credit for foreign income	(134,309)	(97,927)
Investment tax credit	(30,000)	(30,000)
Recognition of previously unrecognized tax losses	-	(4,605)
Change in unrecognized temporary differences	(1,497)	11,659
Adjustment to prior periods' income tax	(59,917)	21,407
Tax on dividend income	154,632	99,025
Other	9,296	2,196
Income tax expenses	$ 2,054,160	2,781,803

(ii) Deferred Tax Assets and Liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2020	December 31, 2019
Deductible Temporary Differences	$ -	1,662
Tax losses	19,636	21,868
	$ 19,636	23,530

The tax authorities of subsidiaries allow net losses to offset taxable income for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2020, the expiry years of those loss carry forward benefits were as follows:

Year of loss	Unused amount	Year of expiry
2018	$ 12,972	2026
2018	31,983	Without deadline

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2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities during 2020 and 2019 were as follows:

	Gains on foreign investment	Others	Total
Deferred Tax Liabilities:			
Balance on January 1, 2020	$ 3,049,447	257,475	3,306,922
Debit (credit) on income statement	(29,085)	154,741	125,656
Debit (credit) on other comprehensive income	-	(3,316)	(3,316)
Effect in exchange rate	-	(1,239)	(1,239)
Balance on December 31, 2020	**$ 3,020,362**	**407,661**	**3,428,023**
Balance on January 1, 2019	$ 2,529,850	267,940	2,797,790
Debit (credit) on income statement	519,597	(11,639)	507,958
Debit (credit) on other comprehensive income	-	(1,608)	(1,608)
Effect in exchange rate	-	2,782	2,782
Balance on December 31, 2019	**$ 3,049,447**	**257,475**	**3,306,922**

	Defined Benefit Plans	Others	Total
Deferred Tax Assets:			
Balance on January 1, 2020	$ 504,061	389,183	893,244
(Debit) credit on income statement	(44,593)	201,259	156,666
(Debit) credit on other comprehensive income	85,379	-	85,379
Effect in exchange rate	(17,799)	(20,384)	(38,183)
Balance on December 31, 2020	**$ 527,048**	**570,058**	**1,097,106**
Balance on January 1, 2019	$ 348,405	352,761	701,166
(Debit) credit on income statement	32,796	47,801	80,597
(Debit) credit on other comprehensive income	131,281	-	131,281
Effect in exchange rate	(8,421)	(11,379)	(19,800)
Balance on December 31, 2019	**$ 504,061**	**389,183**	**893,244**

(Continued)

(iii) Assessment of tax

The Company's tax returns for the years up to 2018 have been assessed by the R.O.C. tax authorities.

(iv) Business income tax administrative remedies

For the year of 2011 to 2016, some of the Group's subsidiaries were embroiled in disputes with tax authorities over tax returns, and the amended amounts thereof had been approved and adjusted for the respective years of approval. Each subsidiary has filed an administrative relief application, which has been under review by the authorities concerned.

For the year of 2006 to 2013, some of the Group's subsidiaries in China were involved in disputes with tax authorities over tax returns, against which each of the subsidiaries has filed an appeal, and negotiations were undergone. The estimated tax expense was recognized in 2016; as of the reporting date, the negotiations were still in progress.

The Group's income tax returns must be filed individually by each entity instead of on a consolidated basis; consequently, the Group's income taxes were calculated using the local tax rate applicable to each entity.

(p) Capital and other equity

As of December 31, 2020 and 2019, the Company's total rated share capital was $9,000,000 thousand and $8,000,000 thousand, each with par value of $10, and the number of shares was $900,000 thousand ordinary shares and $800,000 thousand ordinary shares, respectively. The aforementioned aggregate amount of rated equity is all ordinary shares. The issued shares are 881,681 thousand ordinary shares and 734,734 thousand ordinary shares, respectively, and all the consideration from issued shares have been received.

Reconciliations of shares outstanding for 2020 and 2019 is as follows:

	Ordinary shares	
(Expressed in thousands of shares)	**2020**	**2019**
Balance on January 1	734,734	667,940
Stock dividend	146,947	66,794
Balance on December 31	**881,681**	**734,734**
Number of shares after adjustment		**881,681**

(i) Ordinary shares

On June 17, 2020, a resolution was reached in the general meeting of shareholders to transfer the unappropriated retained earnings of $1,469,469 thousand to capital, which has also been approved by the Financial Supervisory Commission. The relevant statutory registration procedures of the capital increase dated August 24, 2020 have since been completed.

(Continued)

On June 13, 2019, a resolution was reached in the general meeting of shareholders to transfer the unappropriated retained earnings of $667,940 thousand to capital, which has also been approved by the Financial Supervisory Commission. The relevant statutory registration procedures of the capital increase dated July 29, 2019 have since been completed.

(ii) Capital surplus

The details of capital surplus were as follows:

		December 31, 2020	December 31, 2019
Treasury share transactions	$	4,143	4,143
Gain on disposal of assets		32,980	32,980
Capital surplus-premium from merger		2,160	2,160
Donation from shareholders		1,876	1,280
Issued shares of subsidiaries not recognized in proportion to shareholding		8,866	8,866
	$	**50,025**	**49,429**

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

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of annual net earnings, after deducting accumulated deficit, shall be set aside as a legal reserve and a special reserve shall be appropriated or reserved pursuant to laws or regulations. A portion or all of the remainder, together with the unappropriated retained earnings for the prior year, may be further distributed as dividends.

Since the Company is experiencing stable growth, in response to its long term financial planning, as well as its objective to achieve stable development and sustainable operation, it is necessary for the Board of Directors to propose a dividend distribution plan based on budget and capital demand of the following year, and have it resolved at the shareholders' meeting. Dividend distribution shall account for no less than 50% of distributable earnings, and stock dividends shall not be exceed 80% of the distribution.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Order No. 1010012865 issued by the FSC on April 6, 2012, a portion of current period earnings and undistributed prior period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. However, if the Company has set aside a special earnings reserve pursuant to the provisions of the preceding paragraph, it shall make a supplement to the difference between the stated reduction amount and the net of other equity. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

Earnings distribution for 2019 and 2018 was decided by the resolution adopted, at the general meeting of shareholders held on June 17, 2020 and June 13, 2019, respectively. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31			
	2019		2018	
	Amount (dollar)	Total	Amount (dollar)	Total
Dividends distributed to ordinary shareholders				
Cash	$ 4.00	2,938,937	6.70	4,475,200
Shares	2.00	1,469,469	1.00	667,940
Total		$ 4,408,406		5,143,140

(iv) Other equity interest after tax

	Exchange differences on translation of foreign financial statement	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2020	$ (1,247,402)	-	(1,247,402)
Exchange differences on translation of foreign financial statement	(995,611)	-	(995,611)
Exchange differences on associates accounted for using equity method	160,906	-	160,906
Balance on December 31, 2020	$ (2,082,107)	-	(2,082,107)

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		Exchange differences on translation of foreign financial statement	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2019	$	(631,967)	-	(631,967)
Exchange differences on translation of foreign financial statement		(522,620)	-	(522,620)
Exchange differences on associates accounted for using equity method		(92,815)	-	(92,815)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(21,672)	(21,672)
Disposal of investments measured at fair value through other comprehensive income		-	21,672	21,672
Balance on December 31, 2019	$	**(1,247,402)**	**-**	**(1,247,402)**

(v) Non-controlling interests

		For the years ended December 31	
		2020	**2019**
Balance on January 1	$	2,120,046	1,996,348
Shares attributed to non-controlling interests			
Net profit		713,303	772,993
Foreign currency translation differences for foreign operations		(33,763)	(80,359)
Remeasurement from defined benefit plans		(6,515)	(4,655)
Changes in ownership interests in subsidiaries		-	1,374
Cash dividends paid to Non-Controlling Interests (NCIs) by subsidiaries		(696,958)	(565,655)
Capital returned to NCIs by subsidiaries on capital reduction		(81,086)	-
Balance on December 31	$	**2,015,027**	**2,120,046**

(q) Earnings per share

For the years ended December 31, 2020 and 2019, the Company's basic earnings per share were calculated as follows:

		2020	**2019**
Basic earnings per share			
Net profit attributable to ordinary shareholders of the Company	$	**4,878,868**	**6,230,779**
Weighted average number of ordinary shares (basic)		881,681	881,681
Basic earnings per share (dollars)	$	**5.53**	**7.07**

(Continued)

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The Company did not intend to calculate diluted earnings per share on the assumption that, the compensation to employees, directors, and the supervisors for the year ended December 31, 2020, was distributed in cash using the same method for the preceding three years.

(r) Revenue from contracts with customer

(i) Disaggregation of revenue

	2020		
	Segments of footwear manufacturing and sales	**Other Segments**	**Total**
Primary geographical markets			
Singapore	$ 51,352,730	882,680	52,235,410
America	6,496,916	465,887	6,962,803
Mainland China	4,207,508	364	4,207,872
Switzerland	1,712,210	-	1,712,210
Mexico	1,128,072	24,913	1,152,985
Other countries	2,186,089	502,369	2,688,458
	$ 67,083,525	**1,876,213**	**68,959,738**
Major products/services lines			
Manufacturing and sale of footwear	$ 67,083,525	-	67,083,525
Other	-	1,876,213	1,876,213
	$ 67,083,525	**1,876,213**	**68,959,738**

	2019		
	Segments of footwear manufacturing and sales	**Other Segments**	**Total**
Primary geographical markets			
Singapore	$ 54,091,129	918,869	55,009,998
America	7,254,032	532,207	7,786,239
Mainland China	3,280,199	231,936	3,512,135
Switzerland	2,027,064	-	2,027,064
Mexico	1,634,803	19,957	1,654,760
Canada	592,720	479,997	1,072,717
Vietnam	820,545	635	821,180
Other countries	1,917,179	128,809	2,045,988
	$ 71,617,671	**2,312,410**	**73,930,081**

(Continued)

	2019		
	Segments of footwear manufacturing and sales	Other Segments	Total
Major products/services lines			
Manufacturing and sale of footwear	$ 71,617,671	-	71,617,671
Other	-	2,312,410	2,312,410
	$ 71,617,671	2,312,410	73,930,081

(ii) Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Trade receivables (including related parties)	$ 7,401,838	6,638,899	6,117,957
Less: allowance for impairment	-	-	(387)
Total	$ 7,401,838	6,638,899	6,117,570
Contract liabilities	$ 2,172	19,189	20,198

For details on trade receivables and allowance for impairment, please refer to Note 6(c).

The amount of revenue recognized for the years ended December 31, 2020 and 2019 that was included in the contract liability balance at the beginning of the period were $19,189 thousand and $20,198 thousand, respectively.

(s) Compensation to employees and directors

The Company’ s Articles of Incorporation stipulate that if there is profit for the year, then, a minimum of 2.0% shall be allocated as employee compensation and a maximum of 1.8% as director compensation.

The Company estimated its employee compensation at respectively $165,000 thousand and $188,000 thousand for the years ended December 31, 2020 and 2019, and estimated its director compensation at $108,550 thousand and $143,000 thousand for years ended December 31, 2020 and 2019, respectively. The estimated amounts, recognized as operating costs or expenses, were based on net profit before tax of for the respective periods, multiplied by the percentage of compensation to employees and directors, as specified in the Articles of Incorporation. If the actual amounts differ from the estimated amounts, the differences shall be accounted for as changes in accounting estimates and recognized as profit or loss in the next year.

There was no difference between the amounts approved by Board of Directors and those recognized in the parent-company-only financial statements for the years ended December 31, 2020 and 2019. The information is available on the Market Observation Post System website.

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(t) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income for 2020 and 2019 were as follows:

	For the years ended December 31	
	2020	**2019**
Interest income from bank deposits	$ 45,626	70,132
Interest income from financial assets measured at amortized cost	626	1,443
	$ 46,252	**71,575**

(ii) Other income

The details of the other income of the Group were as follows:

	2020	**2019**
Rent income	17,116	27,061
Government subsidy	163,100	296,757
Income from export incentives	129,287	494,573
Brand bonus income	-	85,452
Other income	595,523	541,107
	$ 905,026	**1,444,950**

(iii) Other gains and losses

The details of the Group's other gains and losses for 2020 and 2019 were as follows:

	2020	**2019**
Foreign exchange (losses) gains	$ (176,893)	38,327
Gains (Losses) on disposal of property, plant and equipment	(17,300)	(37,256)
Impairment loss	(29,038)	(20,413)
Others	(58,317)	(31,737)
	$ (281,548)	**(51,079)**

(iv) Financial costs

The details of the Group's financial cost for 2020 and 2019 were as follows:

	2020	**2019**
Interest expenses	**$ 125,618**	**136,029**

(u) Financial instruments

(i) Credit risks

1) Credit risk exposure

The carrying amounts of financial assets represented the maximum credit risk exposure of the Group.

2) The concentration of credit risk

On December 31, 2020 and 2019, 76% and 74% of the Group's total receivables were concentrated within a single overseas customer.

(ii) Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flows	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
December 31, 2020							
Non derivative financial liabilities							
Notes and accounts payable	$ 5,318,806	5,318,806	5,284,678	34,128	-	-	-
Other payables	4,877,657	4,877,657	4,877,657	-	-	-	-
Unsecured bank loans	4,307,137	4,331,468	3,272,222	243,385	815,861	-	-
Other long term borrowings	175,194	175,441	77,902	49	38,985	58,505	-
Lease liabilities	544,048	1,442,826	44,907	24,575	63,582	171,738	1,138,024
	$ 15,222,842	**16,146,198**	**13,557,366**	**302,137**	**918,428**	**230,243**	**1,138,024**
December 31, 2019							
Non derivative financial liabilities							
Notes and accounts payable	$ 4,484,023	4,484,023	4,480,420	3,603	-	-	-
Other payables	4,920,646	4,920,646	4,920,646	-	-	-	-
Unsecured bank loans	4,278,326	4,308,542	2,964,830	1,343,712	-	-	-
Other long term borrowings	181,092	181,620	91	90	181	181,258	-
Lease liabilities	976,225	1,358,818	32,183	28,555	57,764	140,514	1,099,802
	$ 14,840,312	**15,253,649**	**12,398,170**	**1,375,960**	**57,945**	**321,772**	**1,099,802**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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(iii) Currency risks

1) Exposure to currency risks

	December 31, 2020			
	Foreign currency (In thousands)	Exchange rate		TWD
Financial assets				
Monetary items				
USD	$ 239,309	USD：TWD	28.430	6,803,559
	2,451	USD：CNY	6.5248	69,681
	73	USD：VND	23,125	2,072
VND	86,692,097	VND：USD	0.00004	104,031
INR	1,095,371	INR： USD	0.0137	426,318
IDR	10,999,562	IDR ：USD	0.0001	21,999
Non monetary items				
USD	27,120	USD：TWD	28.4300	771,031
Financial liabilities				
Monetary items				
USD	59,557	USD：TWD	28.4300	1,693,215
	5,993	USD：CNY	6.5248	170,380
	2	USD：VND	23,125	64
VND	1,886,358,169	VND：USD	0.00004	2,263,630
INR	2,721,901	INR ：USD	0.0137	1,059,364
IDR	54,412,311	IDR ：USD	0.0001	108,825

	December 31, 2019			
	Foreign currency (In thousands)	Exchange rate		TWD
Financial assets				
Monetary items				
USD	$ 3,689	USD：TWD	29.930	110,404
	3,435	USD：CNY	6.9762	102,819
	1	USD：VND	23,170	21
VND	270,300,807	VND：USD	0.00004	351,391
INR	430,738	INR： USD	0.0140	180,867
IDR	107,621,345	IDR ：USD	0.0001	226,005
Non monetary items				
USD	25,983	USD：TWD	29.9300	777,676

(Continued)

	December 31, 2019			
	Foreign currency (In thousands)	**Exchange rate**		**TWD**
Financial liabilities				
Monetary items				
USD	35,075	USD：TWD	29.9300	1,049,802
	4,380	USD：CNY	6.9762	131,089
	2	USD：VND	23,170	67
VND	1,794,589,780	VND：USD	0.00004	2,332,967
INR	2,410,192	INR ：USD	0.0140	1,012,040
IDR	81,473,514	IDR ：USD	0.0001	171,094

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. An appreciation (depreciation) of 5% of the TWD against the USD, VND, INR and IDR as of December 31, 2020 and 2019, would have increased (decreased) the net profit before tax by $106,609 thousand and $186,278 thousand, respectively. Performed based on the same basis, the analysis of both periods assumed that all other variables remained constant.

3) Gains or losses on foreign exchange

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2020 and 2019, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $(176,893) thousand and $38,327 thousand, respectively.

(iv) Interest rate analysis

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

The following sensitivity analysis is based on the risk exposure to interest rate on the derivative and non derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date. The change in interest rate reported to the Company's key management was based on 50 basis points, which is consistent with the assessment made by the key management in respect of the possible change in interest rate.

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If the interest rate increases or decreases by 50 basis points, with all other variable factors remaining constant, the Group's net profit before tax would have decreased or increased by $157 thousand and $2,443 thousand for the years ended December 31, 2020 and 2019, respectively, due to the Company's borrowings at variable rates and banks deposits at variable rates. This was mainly due to the Company's deposits and borrowings at variable rates.

(v) Fair value information

1) Financial instruments not measured at fair value

The Group considered that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values。

2) Financial instruments measured at fair value

The fair value of financial assets at fair value through profit or loss is measured on a recurring basis. The table below analyzes financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows：

a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

	December 31, 2020				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock unlisted in markets	$ 422	-	-	422	422

	December 31, 2019				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stock unlisted in markets	$ 456	-	-	456	456

3) Reconciliation of Level 3 fair values

		Fair value through other comprehensive income
		Unquoted equity instruments
Balance at January 1, 2020	$	456
Effect of movements in exchange rate		(34)
Balance at December 31, 2020	**$**	**422**
Balance at January 1, 2019	$	39,789
Total gains and losses recognized:		
Recognized in other comprehensive income		(21,672)
Disposals		(17,933)
Effect of movements in exchange rate		272
Balance at December 31, 2019	**$**	**456**

The aforementioned total gains and losses were recognized in "other gains and losses", and "unrealized gains and losses from equity instruments measured at fair value through other comprehensive income".

(vi) Valuation techniques for financial instruments measured at fair value

The fair value of the unlisted stocks held the Group is mainly estimated using the discounted cash flow model method, with reference to the Group's future growth rate, net worth, and operation. Nonetheless, the assessment concluded that there was no significant difference between the assessed fair value and the information disclosed in Note 6(b) of the consolidated financial statements.

(v) Financial risk management

(i) Overview

The Group had exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risk. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statement.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The internal auditors perform regular reviews by taking risk management control procedures and report to the Board of Directors.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

1) Trade and other receivables

Exposure to credit risk of the Group is mainly affected by the condition of each customer. However, the management also considers the demographics of the Group's customer base, including the default risk of the industry and the country in which customers operate, as these factors may have an influence on credit risk.

Management has established a credit policy, under which when available, and, in some cases, each new customer is analyzed individually for credit rating before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings bank references. Purchase limits are established for each customer, and these limits are reviewed periodically. Customers that fail to meet the Group's benchmark credit rating may transact with the Company only on a prepayment basis.

In monitoring the credit risk of the customers, the Group groups them according to the credit characteristics of the customers; for example, by whether they are primary or secondary customers, region, industry, age and maturity date of receivables, and previously existing financial difficulties. The Group's accounts receivable were mainly due from Group's customers. Customers rated as high risk are classified as restricted customers and monitored, and those customers may transact with the Group only on a prepayment basis in the future.

The Group has established an allowance account for bad debts that represents its estimate of incurred losses in respect of trade receivables, other receivables, and investments. This allowance mainly comprises a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. This allowance for the loss component is determined based on historical payment statistics of similar financial assets.

(Continued)

2) Investment

The credit risk exposure for the bank deposits and other financial instruments are measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

At December 31, 2020 and 2019, there was no guarantee outstanding.

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the total amount of unused credit facilities as of December 31, 2020 and 2019, amounted to $12,020,462 thousand and $6,625,240 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group’s entities, primarily the New Taiwan Dollars (TWD), US Dollars (USD) and China Yuan (CNY). The currencies used in these transactions are denominated in TWD, USD, VND, INR, IDR and CNY.

The interest is denominated in the currency used in the borrowings. Borrowings were generally denominated in currencies that match with the cash flows generated by the underlying operations of the Group, primarily TWD、USD and INR. This provided an economic hedge without derivatives being entered into, and therefore, hedge accounting was not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

2) Interest rate risk

The Group' s risk exposure on to changes in interest rates is mainly attributable to shortterm and longterm loans at floating rates. Any change in interest rates will cause the effective interest rates of short-term and long-term loans to change and thus cause the future cash flows to fluctuate over time.

3) Other market price risks

The Group did not enter into any commodity contract for purposes other than meeting the Group's expected consumption and sales demand; such contracts were not settled on a net basis.

(w) Capital management

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

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

The Group's debt-to-equity ratios on the reporting dates were as follows:

	December 31, 2020	December 31, 2019
Total liabilities	$ 24,433,113	22,532,761
Less: cash and cash equivalents	(4,717,157)	(4,038,083)
Net debt	19,715,956	18,494,678
Total equity	19,355,092	18,733,141
Total capital	**$ 39,071,048**	**37,227,819**
Debt to equity ratio on December 31	**50.46 %**	**49.68 %**

(7) Related-party transactions:

(a) Name of related parties and relationship

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

Name of related party	Relationship with the Group
Shoe Majesty Co., Ltd.	A joint venture under the Group's joint arrangement
Shoe Majesty Trading Co., Ltd.	〃
Vietnam Shoe Majesty Co., Ltd.	〃
Hong Kong Shoe Majesty Trading Co., Ltd.	〃

(b) Significant transactions with related parties

(i) Operating income

The amounts of significant sales by the Group to related parties were as follows:

	For the years ended December 31	
	2020	2019
The Group is a joint venture under the joint agreement	$ 106,306	773,395

Sales prices for related parties were similar to those of the third-party customers.

(ii) Technical service income

The amounts of technical service income by the Group to related parties were as follows:

	For the years ended December 31	
	2020	2019
The Group is a joint venture under the joint agreement	$ 3,553	3,705

(iii) Receivables due from Related Parties

The receivables due from related parties of the Group were as follows:

Account item	Category of related party	December 31, 2020	December 31, 2019
Accounts receivable	The Group is a joint venture under the joint agreement	$ 12,988	84,853
Other receivables	The Group is a joint venture under the joint agreement	1,746	1,185
		$ 14,734	86,038

(iv) Payables to Related Parties

The payables due to related parties were as follows:

Account	Relationship	December 31, 2020	December 31, 2019
Other payables	The Group is a joint venture under the joint agreement	$ **-**	**3,140**

(c) Key management personnel transactions

Key management personnel compensation comprised:

	For the years ended December 31 2020	2019
Short-term employee benefits	$ 330,511	384,282
Post-employment benefits	3,226	2,850
	$ **333,737**	**387,132**

(8) Pledged assets:

The book values of pledged assets were as follows:

Pledged assets	Object	December 31, 2020	December 31, 2019
Other current financial assets (other current assets)	Customs deposit and lease deposit	$ 1,560	3,233
Other non-current financial assets	Customs deposit and lease deposit	75,557	58,432
		$ **77,117**	**61,665**

(9) Commitments and contingencies:

(a) As of December 31, 2020 and 2019, the Group has issued promissory notes for short-term and long-term borrowings of $6,995,050 thousand and $5,047,550 thousand, respectively.

(b) As of December 31, 2020 and 2019, the Group had payables in respect of important construction contracts, amounting to $448,517 thousand and $830,782 thousand, respectively.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

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(12) Others:

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

By function / By item	For the year ended December 31, 2020			For the year ended December 31, 2019		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	15,008,668	5,245,438	20,254,106	14,662,557	5,351,401	20,013,958
Labor and health insurance	1,665,706	403,441	2,069,147	1,620,294	397,412	2,017,706
Pension	831,813	226,911	1,058,724	960,852	252,587	1,213,439
Other employee benefits	2,266,665	538,010	2,804,675	2,063,812	437,875	2,501,687
Depreciation	1,739,597	620,790	2,360,387	1,545,593	539,072	2,084,665
Amortization	4,072	34,343	38,415	4,300	31,915	36,215

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(13) Other disclosures

(a) Information on significant transactions

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

i. Loans to other parties：None

ii. Guarantees and endorsements for other parties：None

iii. Securities held as of December 31, 2020 (excluding investment in subsidiaries, associates and joint ventures)：

(In Thousands of New Taiwan Dollar)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest balance during the year	Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	Percentage of ownership (%)	
	Stock								
Cheyyar SEZ Developers Private Ltd.	Echanda Urja Private Limited	-	Non-current financial assets at fair value through other comprehensive income	108,500	422	5.07%	422	5.07%	-

iv. Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock：

(In Thousands of New Taiwan Dollar)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount (Note 1)
	Stock													
Lotus Footwear Enterprises Ltd.	Fairway Enterprises Co. Ltd.	Investments accounted for using equity method	-	Subsidiary	13,251	845,054	6,500	386,230	-	-	-	-	19,751	1,099,140
Dona Orient Holdings Ltd.	Vietnam Nam Ha Footwear Co., Ltd.	〃	-	-	-	-	-	644,071	-	-	-	-	(Note 3)	617,112

Note 1：Includes Share of profit (loss) of associates and joint ventures accounted for using equity method and Exchange differences on translation of foreign financial statements.

Note 2：Reconciliated in the preparation of consolidated report.

Note 3：Subsidiaries in Vietnam have not issued any share.

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v. Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock：

(In Thousands of New Taiwan Dollar)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counterparty is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Vietnam Nam Ha Footwear Co., Ltd.	Land	2020/9/3	404,884	Paid on 2020/9/25	Nam Ha-Duc Linh Company Limited	None	-	-	-	-	Professional valuation report	Required for company operations	None

vi. Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock：

(In Thousands of New Taiwan Dollar)

Name of company	Type of property	Transaction date	Acquisition date	Book value	Transaction amount	Amount actually receivable	Gain from disposal	Counterparty	Nature of relationship	Purpose of disposal	Price reference	Other terms
Vietnam Dona Standard Footwear Co., Ltd.	Land	2020/5/6	2019/9/3	338,331	338,331	—	18,021	Nam Ha-Duc Linh Company Limited	None	Required for company operations	Professional valuation report	None

vii. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock：

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	Sale	1,811,894	3%	30 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	204,540	2%	-
〃	〃	〃	Purchase	4,004,899	7%	20/30 days	〃	-	(282,455)	(4%)	-
〃	Dona Pacific (Vietnam) Co., Ltd.	〃	Sale	1,547,335	2%	15 days	〃	-	58,066	1%	-
〃	〃	〃	Purchase	5,204,644	9%	15/30/90 days	〃	-	(530,685)	(7%)	-
〃	Vietnam Dona Orient Co., Ltd.	〃	Sale	3,039,289	5%	60 days	〃	-	567,334	6%	-
〃	〃	〃	Purchase	3,747,396	6%	30/60/90 days	〃	-	(341,196)	(5%)	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Feng Tay Enterprises Co., Ltd.	Dona Victor Footwear Co., Ltd.	Parent and subsidiary	Sale	1,785,797	3%	15 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	132,366	1%	-
〃	〃	〃	Purchase	5,246,083	9%	30/60/90 days	〃	-	(733,032)	(10%)	-
〃	Lotus Footwear Enterprises Ltd. (India Branch)	〃	Sale	1,413,420	2%	60/90 days	〃	-	528,359	5%	-
〃	〃	〃	Purchase	2,347,762	4%	30 days	〃	-	(324,321)	(4%)	-
〃	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	〃	Sale	925,700	1%	15 days	〃	-	25,257	-	-
〃	〃	〃	Purchase	2,957,260	5%	15/30 days	〃	-	(174,458)	(2%)	-
〃	Fujian San Feng Footwear Co., Ltd.	〃	Sale	679,825	1%	15 days	〃	-	29,242	-	-
〃	〃	〃	Purchase	2,396,184	4%	15/30/90 days	〃	-	(61,184)	(1%)	-
〃	Fujian Xiefeng Footwear Co., Ltd.	〃	Sale	2,129,150	3%	15 days	〃	-	44,771	-	-
〃	〃	〃	Purchase	2,984,216	5%	15/30/90 days	〃	-	(193,569)	(3%)	-
〃	Fujian Great Hope Footwear Co., Ltd.	〃	Sale	177,196	-	15 days	〃	-	14,515	-	-
〃	〃	〃	Purchase	237,684	-	60 days	〃	-	(124,055)	(2%)	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	Sale	3,501,294	5%	90 days	〃	-	953,720	10%	-
〃	〃	〃	Purchase	7,633,176	13%	30/60/75/90 days	〃	-	(971,731)	(13%)	-
〃	Vung Tau Orient Co., Ltd.	〃	Sale	457,888	1%	90 days	〃	-	164,980	2%	-
〃	〃	〃	Purchase	682,096	1%	30/60/90 days	〃	-	(91,246)	(1%)	-
〃	Xie Feng Mold Co., Ltd. Putian, Fujian	〃	Sale	113,470	-	15 days	〃	-	8,759	-	-
〃	East Wind Footwear Co. Ltd. (India Branch)	〃	Sale	1,051,023	2%	60/90 days	〃	-	364,515	4%	-
〃	〃	〃	Purchase	1,117,484	2%	30/60 days	〃	-	(173,291)	(2%)	-
〃	Fairway Enterprises Co., Ltd. (India Branch)	〃	Sale	989,982	2%	90 days	〃	-	361,496	4%	-
〃	〃	〃	Purchase	1,348,580	2%	30 days	〃	-	(240,869)	(3%)	-
〃	Suzhou Yufeng Plastics Technology Co., Ltd.	〃	Sale	283,049	-	15 days	〃	-	20,555	-	-
〃	〃	〃	Purchase	215,701	-	30 days	〃	-	(19,269)	-	-
Growth-Link Overseas Co., Ltd.	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	〃	Purchase	321,579	10%	Payment after Delivery	〃	-	-	-	-
〃	Fujian Xiefeng Footwear Co., Ltd.	〃	〃	366,385	11%	〃	〃	-	-	-	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Growth-Link Overseas Co., Ltd.	Fujian San Feng Footwear Co., Ltd.	Parent and subsidiary	Purchase	225,151	7%	Payment after Delivery	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	-	-	-
〃	Fujian Great Hope Footwear Co., Ltd.	〃	〃	672,240	21%	〃	〃	-	(52,627)	(45%)	-
〃	Lotus Footwear Enterprises Ltd. (India Branch)	〃	〃	297,889	9%	〃	〃	-	-	-	-
〃	East Wind Footwear Co. Ltd. (India Branch)	〃	〃	1,136,523	35%	〃	〃	-	(55,421)	(47%)	-
〃	Fairway Enterprises Co., Ltd. (India Branch)	〃	〃	172,874	5%	〃	〃	-	-	-	-
Great Eastern Industries Ltd.	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Associate	Sale	182,362	61%	20 days	〃	-	-	-	-
〃	Fujian Xiefeng Footwear Co., Ltd.	〃	〃	116,836	39%	20 days	〃	-	7,633	57%	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	Sale	4,004,899	66%	20/30 days	〃	-	282,455	99%	-
〃	〃	〃	Purchase	1,811,894	41%	30 days	〃	-	(204,540)	(56%)	-
Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Growth-Link Overseas Co., Ltd.	Sub-subsidiary and investor	Sale	321,579	7%	Payment after Delivery	〃	-	-	-	-
〃	Feng Tay Enterprises Co., Ltd.	〃	〃	2,957,260	65%	15/30 days	〃	-	174,458	74%	-
〃	〃	〃	Purchase	925,700	31%	15 days	〃	-	(25,257)	(18%)	-
〃	Great Eastern Industries Ltd.	Associate	〃	182,362	6%	20 days	〃	-	-	-	-
〃	Fujian Xiefeng Footwear Co., Ltd.	〃	〃	254,043	9%	10~15 days	〃	-	(16,043)	(11%)	-
〃	Xie Feng Mold Co., Ltd. Putian, Fujian	〃	〃	166,853	6%	〃	〃	-	(5,126)	(4%)	-
Fujian Xiefeng Footwear Co., Ltd.	Growth-Link Overseas Co., Ltd.	Subsidiary and parent	Sale	366,385	6%	Payment after Delivery	〃	-	-	-	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	〃	2,984,216	50%	15/30/90 days	〃	-	193,569	59%	-
〃	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Associate	〃	254,043	4%	10~15 days	〃	-	16,043	5%	-
〃	Fujian San Feng Footwear Co., Ltd.	〃	〃	127,577	2%	15~20 days	〃	-	7,903	2%	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Purchase	2,129,150	65%	15 days	〃	-	(44,771)	(22%)	-
〃	Great Eastern Industries Ltd.	Associate	〃	116,836	4%	20 days	〃	-	(7,633)	(4%)	-
Fujian Xiefeng Footwear Co., Ltd.	Xie Feng Mold Co., Ltd. Putian, Fujian	Associate	Purchase	229,975	7%	10~15 days	〃	-	(10,470)	(5%)	-
Fujian San Feng Footwear Co., Ltd.	Growth-Link Overseas Co., Ltd.	Subsidiary and parent	Sale	225,151	7%	Payment after Delivery	〃	-	-	-	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Fujian San Feng Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	2,396,184	69%	15/30/90 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	61,184	40%	-
〃	〃	〃	Purchase	679,825	43%	15 days	〃	-	(29,242)	(21%)	-
〃	Fujian Xiefeng Footwear Co., Ltd.	Associate	〃	127,577	8%	15~20 days	〃	-	(7,903)	(6%)	-
〃	Xie Feng Mold Co., Ltd. Putian, Fujian	〃	〃	177,446	11%	10~15 days	〃	-	(14,795)	(11%)	-
Fujian Great Hope Footwear Co., Ltd.	Growth-Link Overseas Co., Ltd.	Subsidiary and parent	Sale	672,240	73%	Payment after Delivery	〃	-	52,627	29%	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	〃	237,684	26%	60 days	〃	-	124,055	69%	-
〃	〃	〃	Purchase	177,196	26%	15 days	〃	-	(14,515)	(13%)	-
〃	Xie Feng Mold Co., Ltd. Putian, Fujian	Associate	〃	127,304	19%	60 days	〃	-	(25,824)	(23%)	-
Xie Feng Mold Co., Ltd. Putian, Fujian	Fujian Xiefeng Footwear Co., Ltd.	Associate	Sale	229,975	29%	10~15 days	〃	-	10,470	15%	-
〃	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	〃	〃	166,853	21%	〃	〃	-	5,126	8%	-
〃	Fujian Great Hope Footwear Co., Ltd.	〃	〃	127,304	16%	60 days	〃	-	25,824	38%	-
〃	Fujian San Feng Footwear Co., Ltd.	〃	〃	177,446	22%	10~15 days	〃	-	14,795	22%	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Purchase	113,470	47%	15 days	〃	-	(8,759)	(49%)	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	215,701	26%	30 days	〃	-	19,269	25%	-
〃	〃	〃	Purchase	283,049	58%	15 days	〃	-	(20,555)	(51%)	-
Vietnam Shoe Majesty Co., Ltd.	Shoe Majesty Trading Co., Ltd.	Associate	Sale	3,318,938	79%	Payment after Delivery	〃	-	31,760	5%	-
〃	Hong Kong Shoe Majesty Trading Co., Ltd.	〃	〃	882,022	21%	〃	〃	-	657,455	94%	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	Purchase	105,994	3%	45 days	〃	-	(12,988)	(3%)	-
Shoe Majesty Trading Co., Ltd.	Vietnam Shoe Majesty Co., Ltd.	Associate	Purchase	3,318,938	100%	Payment after Delivery	〃	-	(31,760)	(80%)	-
Hong Kong Shoe Majesty Trading Co., Ltd.	Vietnam Shoe Majesty Co., Ltd.	Associate	Purchase	882,022	100%	〃	〃	-	(657,455)	(96%)	-
Dona Pacific Holdings Ltd.	Dona Pacific (Vietnam) Co., Ltd.	Parent and subsidiary	Purchase	2,204,098	100%	Payment after Delivery	〃	-	-	-	-
Hold Gold Trading Co., Ltd.	Vietnam Dona Orient Co., Ltd.	Associate	Purchase	1,919,126	23%	〃	〃	-	(6,937)	(5%)	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Hold Gold Trading Co., Ltd.	Vietnam Dona Standard Footwear Co., Ltd.	Associate	Purchase	3,818,916	46%	Payment after Delivery	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	(84,118)	(55%)	-
〃	Dona Victor Footwear Co., Ltd.	〃	〃	2,136,599	26%	〃	〃	-	(33,249)	(22%)	-
〃	Vung Tau Orient Co., Ltd.	〃	〃	406,011	5%	〃	〃	-	(24,765)	(16%)	-
Dona Victor Footwear Co., Ltd.	Hold Gold Trading Co., Ltd.	Associate	Sale	2,136,599	29%	Payment after Delivery	〃	-	33,249	4%	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	5,246,083	71%	30/60/90 days	〃	-	733,032	95%	-
〃	〃	〃	Purchase	1,785,797	78%	15 days	〃	-	(132,366)	(27%)	-
〃	Dona Pacific (Vietnam) Co., Ltd.	Associate	〃	180,105	8%	30 days	〃	-	(20,426)	(4%)	-
〃	Dona Victor Molds Mfg. Co., Ltd.	〃	〃	120,189	5%	〃	〃	-	(18,071)	(4%)	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	〃	154,890	7%	〃	〃	-	(9,425)	(2%)	-
Dona Pacific (Vietnam) Co., Ltd.	Dona Pacific Holdings Ltd.	Subsidiary and parent	Sale	2,204,098	28%	Payment after Delivery	〃	-	-	-	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	〃	5,204,644	65%	15/30/90 days	〃	-	530,685	91%	-
〃	Vietnam Dona Orient Co., Ltd.	Associate	〃	123,460	2%	30 days	〃	-	11,551	2%	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	〃	217,687	3%	〃	〃	-	19,903	3%	-
〃	Dona Victor Footwear Co., Ltd.	〃	〃	180,105	2%	〃	〃	-	20,426	4%	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Purchase	1,547,335	79%	15 days	〃	-	(58,066)	(14%)	-
Vietnam Dona Orient Co., Ltd.	Hold Gold Trading Co., Ltd.	Associate	Sale	1,919,126	24%	Payment after Delivery	〃	-	6,937	1%	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	〃	3,747,396	47%	30/60/90 days	〃	-	341,196	50%	-
〃	〃	〃	Purchase	3,039,289	72%	60 days	〃	-	(567,334)	(72%)	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	Associate	〃	153,060	4%	30 days	〃	-	(12,596)	(2%)	-
〃	Dona Pacific (Vietnam) Co., Ltd.	〃	〃	123,460	3%	〃	〃	-	(11,551)	(1%)	-
〃	Dona Victor Molds Mfg. Co., Ltd.	〃	〃	162,287	4%	〃	〃	-	(12,554)	(2%)	-
Dona Victor Molds Mfg. Co., Ltd.	Dona Victor Footwear Co., Ltd.	Associate	Sale	120,189	17%	30 days	〃	-	18,071	27%	-
〃	Vietnam Dona Orient Co., Ltd.	〃	〃	162,287	23%	〃	〃	-	12,554	19%	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Dona Victor Molds Mfg. Co., Ltd.	Vietnam Dona Standard Footwear Co., Ltd.	Associate	Sale	360,866	51%	30 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	30,853	47%	-
Vung Tau Orient Co., Ltd.	Hold Gold Trading Co., Ltd.	Associate	Sale	406,011	37%	Payment after Delivery	〃	-	24,765	21%	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	682,096	63%	30/60/90 days	〃	-	91,246	78%	-
〃	〃	〃	Purchase	457,888	94%	90 days	〃	-	(164,980)	(76%)	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Sale	7,633,176	64%	30/60/75/90 days	〃	-	971,731	89%	-
〃	Dona Victor Footwear Co., Ltd.	Associate	〃	154,890	1%	30 days	〃	-	9,425	1%	-
〃	Vietnam Dona Orient Co., Ltd.	〃	〃	153,060	1%	〃	〃	-	12,596	1%	-
〃	Vietnam Shoe Majesty Co., Ltd.	〃	〃	105,994	1%	45 days	〃	-	12,988	1%	-
〃	Hold Gold Trading Co., Ltd.	Associate	Sale	3,818,916	32%	Payment after Delivery	〃	-	84,118	8%	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Purchase	3,501,294	84%	90 days	〃	-	(953,720)	(62%)	-
〃	Dona Pacific (Vietnam) Co., Ltd.	Associate	〃	217,687	5%	30 days	〃	-	(19,903)	(1%)	-
〃	Dona Victor Molds Mfg. Co., Ltd.	〃	〃	360,866	9%	〃	〃	-	(30,853)	(2%)	-
East Wind Footwear Co., Ltd. (India Branch)	Growth-Link Overseas Co., Ltd.	Sub-subsidiary and investor	Sale	1,136,523	50%	Payment after Delivery	〃	-	55,421	22%	-
〃	Feng Tay Enterprises Co., Ltd.	〃	〃	1,117,484	50%	30/60 days	〃	-	173,291	68%	-
〃	〃	〃	Purchase	1,051,023	93%	60/90 days	〃	-	(364,515)	(87%)	-
Lotus Footwear Enterprises Ltd.(India Branch)	Growth-Link Overseas Co., Ltd.	Subsidiary and parent	Sale	297,889	11%	Payment after Delivery	〃	-	-	-	-
〃	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	〃	2,347,762	85%	30 days	〃	-	324,321	97%	-
〃	〃	〃	Purchase	1,413,420	100%	60/90 days	〃	-	(528,359)	(72%)	-
Fairway Enterprises Co., Ltd. (India Branch)	Growth-Link Overseas Co., Ltd.	Sub-subsidiary and investor	Sale	172,874	11%	Payment after Delivery	〃	-	-	-	-
〃	Feng Tay Enterprises Co., Ltd.	〃	〃	1,348,580	89%	30 days	〃	-	240,869	94%	-

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/ Trade receivables (payables)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/trade receivables (payables)	
Fairway Enterprises Co., Ltd. (India Branch)	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	Purchase	989,982	96%	90 days	Selling price of goods was determined through negotiations and there were no other transactions with non-related parties to compare.	-	(361,496)	(88%)	-

Note 1：Reconciliated in the preparation of the consolidated report.

Note 2：The above-mentioned transactions between related parties included repeated sales and purchases.

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

(In Thousands of New Taiwan Dollar)

Name of company	Related party	Nature of relationship	Ending balance (Note)	Turnover days	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Parent and subsidiary	204,540	6.21	24,032	-	197,649	-
〃	Vietnam Dona Orient Co., Ltd.	〃	567,334	7.92	-	-	315,240	-
〃	Dona Victor Footwear Co., Ltd.	〃	132,366	10.82	-	-	132,366	-
〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	953,720	4.77	-	-	325,310	-
〃	Vung Tau Orient Co., Ltd.	〃	164,980	4.67	-	-	-	-
〃	Lotus Footwear Enterprises Ltd. (India Branch)	〃	528,359	3.61	9,833	-	252,356	-
〃	〃	〃	148,935	Note 2	-	-	-	-
〃	East Wind Footwear Co., Ltd. (India Branch)	〃	364,515	3.43	-	-	108,698	-
〃	Fairway Enterprises Co., Ltd. (India Branch)	〃	361,496	2.59	-	-	107,139	-
PT Feng Tay Indonesia Enterprises	Feng Tay Enterprises Co., Ltd.	Subsidiary and parent	282,455	27.51	-	-	122,085	-
Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	174,458	32.61	-	-	72,692	-
Fujian Xiefeng Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	〃	193,569	29.89	-	-	73,746	-
Fujian Great Hope Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	〃	124,055	3.75	-	-	38	-
Vietnam Shoe Majesty Co., Ltd.	Hong Kong Shoe Majesty Trading Co., Ltd.	Associate	657,455	2.59	-	-	-	-
Dona Victor Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	733,032	13.90	-	-	96,281	-
Dona Pacific (Vietnam) Co., Ltd.	Feng Tay Enterprises Co., Ltd.	〃	530,685	19.01	-	-	120,590	-

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Name of company	Related party	Nature of relationship	Ending balance (Note)	Turnover days	Overdue		Amounts received in subsequent period	Allowance for credit loss
					Amount	Action taken		
Vietnam Dona Orient Co., Ltd.	Feng Tay Enterprises Co., Ltd.	Sub-subsidiary and investor	341,196	21.29	-	-	123,200	-
Vietnam Dona Standard Footwear Co., Ltd.	Feng Tay Enterprises Co., Ltd.	〃	971,731	15.24	-	-	78,650	-
East Wind Footwear Co., Ltd. (India Branch)	Feng Tay Enterprises Co., Ltd.	〃	173,291	12.48	-	-	18,266	-
Lotus Footwear Enterprises Ltd. (India Branch)	Feng Tay Enterprises Co., Ltd.	〃	324,321	13.92	-	-	29,525	-
Fairway Enterprises Co., Ltd. (India Branch)	Feng Tay Enterprises Co., Ltd.	〃	240,869	10.84	-	-	20,830	-

Note 1：Reconciliated in the preparation of the consolidated report.
Note 2：It's mainly other receivables, so it is not applicable to the calculation of turnover days

ix. Trading in derivative instruments：None

x. Business relationships and significant intercompany transactions：

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions, 2020			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	1	Sales revenue	1,811,894	Note3	2.6275%
〃	〃	〃	〃	Technical service income	132,249	-	0.1918%
〃	〃	〃	〃	Cost of sales	4,004,899	Note3	5.8076%
〃	〃	〃	〃	Accounts receivable due from related parties	204,540	30days	0.4671%
〃	〃	〃	〃	Accounts payable to related parties	282,455	20/30days	0.6450%
〃	〃	Dona Pacific(Vietnam) Co., Ltd.	4	Sales revenue	1,547,335	Note3	2.2438%
〃	〃	〃	〃	Cost of sales	5,204,644	Note3	7.5474%
〃	〃	〃	〃	Accounts receivable due from related parties	58,066	15days	0.1326%
〃	〃	〃	〃	Accounts payable to related parties	530,685	15/30/90days	1.2119%
〃	〃	Vietnam Dona Orient Co.,Ltd.	〃	Sales revenue	3,039,289	Note3	4.4073%
〃	〃	〃	〃	Technical service income	118,194	-	0.1714%
〃	〃	〃	〃	Cost of sales	3,747,396	Note3	5.4342%
〃	〃	〃	〃	Accounts receivable due from related parties	567,334	60days	1.2956%
〃	〃	〃	〃	Accounts payable to related parties	341,196	30/60/90days	0.7792%
〃	〃	Dona Victor Footwear Co., Ltd. .	〃	Sales revenue	1,785,797	Note3	2.5896%
〃	〃	〃	〃	Cost of sales	5,246,083	Note3	7.6075%
〃	〃	〃	〃	Accounts receivable due from related parties	132,366	15days	0.3023%
〃	〃	〃	〃	Accounts payable to related parties	733,032	30/60/90days	1.6740%

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No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions, 2020			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Lotus Footwear Enterprises Ltd. (India Branch)	4	Sales revenue	1,413,420	Note3	2.0496%
〃	〃	〃	〃	Cost of sales	2,347,762	Note3	3.4045%
〃	〃	〃	〃	Accounts receivable due from related parties	528,359	60/90days	1.2066%
〃	〃	〃	〃	Accounts payable to related parties	324,321	30days	0.7407%
〃	〃	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	〃	Sales revenue	925,700	Note3	1.3424%
〃	〃	〃	〃	Cost of sales	2,957,260	Note3	4.2884%
〃	〃	〃	〃	Accounts receivable due from related parties	25,257	15days	0.0577%
〃	〃	〃	〃	Accounts payable to related parties	174,458	15/30days	0.3984%
〃	〃	Fujian San Feng Footwear Co., Ltd.	〃	Sales revenue	679,825	Note3	0.9858%
〃	〃	〃	〃	Cost of sales	2,396,184	Note3	3.4748%
〃	〃	〃	〃	Accounts receivable due from related parties	29,242	15days	0.0668%
〃	〃	〃	〃	Accounts payable to related parties	61,184	15/30/90days	0.1397%
〃	〃	Fujian Xiefeng Footwear Co., Ltd.	〃	Sales revenue	2,129,150	Note3	3.0875%
〃	〃	〃	〃	Cost of sales	2,984,216	Note3	4.3275%
〃	〃	〃	〃	Accounts receivable due from related parties	44,771	15days	0.1022%
〃	〃	〃	〃	Accounts payable to related parties	193,569	15/30/90days	0.4421%
〃	〃	Xie Feng Mold Co., Ltd. Putian, Fujian	〃	Sales revenue	113,470	Note3	0.1645%
〃	〃	〃	〃	Accounts receivable due from related parties	8,759	15days	0.0200%
〃	〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	Sales revenue	3,501,294	Note3	5.0773%
〃	〃	〃 .	〃	Cost of sales	7,633,176	Note3	11.0690%
〃	〃	〃	〃	Accounts receivable due from related parties	953,720	90days	2.1780%
〃	〃	〃	〃	Accounts payable to related parties	971,731	30/60/75/90days	2.2192%
〃	〃	Fujian Great Hope Footwear Co., Ltd.	〃	Sales revenue	177,196	Note3	0.2570%
〃	〃	〃	〃	Cost of sales	237,684	Note3	0.3447%
〃	〃	〃	〃	Accounts receivable due from related parties	14,515	15days	0.0331%
〃	〃	〃	〃	Accounts payable to related parties	124,055	60days	0.2833%
〃	〃	Vung Tau Orient Co., Ltd.	〃	Sales revenue	457,888	Note3	0.6640%
〃	〃	〃	〃	Cost of sales	682,096	Note3	0.9891%
〃	〃	〃	〃	Accounts receivable due from related parties	164,980	90days	0.3768%

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions, 2020			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Feng Tay Enterprises Co., Ltd.	Vung Tau Orient Co., Ltd.	4	Accounts payable to related parties	91,246	30/60/90days	0.2084%
〃	〃	East Wind Footwear Co., Ltd.(India Branch)	〃	Sales revenue	1,051,023	Note3	1.5241%
〃	〃	〃	〃	Cost of sales	1,117,484	Note3	1.6205%
〃	〃	〃	〃	Accounts receivable due from related parties	364,515	60/90days	0.8325%
〃	〃	East Wind Footwear Co., Ltd.(India Branch)	〃	Accounts payable to related parties	173,291	30/60days	0.3957%
〃	〃	Fairway Enterprises Co., Ltd. (India Branch)	〃	Sales revenue	989,982	Note3	1.4356%
〃	〃	〃	〃	Cost of sales	1,348,580	Note3	1.9556%
〃	〃	〃	〃	Accounts receivable due from related parties	361,496	90days	0.8256%
〃	〃	〃	〃	Accounts payable to related parties	240,869	30days	0.5501%
〃	〃	Suzhou Yufeng Plastics Technology Co., Ltd.	〃	Sales revenue	283,049	Note3	0.4105%
〃	〃		〃	Cost of sales	215,701	Note3	0.3128%
〃	〃	〃	〃	Accounts receivable due from related parties	20,555	15days	0.0469%
〃	〃	〃	〃	Accounts payable to related parties	19,269	30days	0.0440%
〃	〃	Growth-Link Overseas Co., Ltd.	1	Technical service income	234,563	-	0.3401%
〃	〃	〃	〃	Accounts receivable due from related parties	4,871	-	0.0111%
〃	〃	Hold Gold Trading Co., Ltd.	4	Technical service income	556,740	-	0.8073%
〃	〃	〃	〃	Accounts receivable due from related parties	3,894	-	0.0089%
〃	〃	Dona Pacific Holdings Ltd.	〃	Technical service income	135,807	-	0.1969%
1	Growth-Link Overseas Co., Ltd.	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	6	Cost of sales	321,579	Note3	0.4663%
〃	〃	Fujian Xiefeng Footwear Co., Ltd.	〃	Cost of sales	366,385	Note3	0.5313%
〃	〃	Fujian San Feng Footwear Co., Ltd.	〃	Cost of sales	225,151	Note3	0.3265%
〃	〃	Fujian Great Hope Footwear Co., Ltd.	〃	Cost of sales	672,240	Note3	0.9748%
〃	〃	〃	〃	Accounts payable to related parties	52,627	Payment after Delivery	0.1202%
〃	〃	Lotus Footwear Enterprises Ltd. (India Branch)	〃	Cost of sales	297,889	Note3	0.4320%

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions, 2020			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Growth-Link Overseas Co., Ltd.	East Wind Footwear Co., Ltd.(India Branch)	6	Cost of sales	1,136,523	Note3	1.6481%
〃	〃	〃	〃	Accounts payable to related parties	55,421	Payment after Delivery	0.1266%
〃	〃	Fairway Enterprises Co., Ltd. (India Branch)	〃	Cost of sales	172,874	Note3	0.2507%
2	Great Eastern Industries Ltd.	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	6	Sales revenue	182,362	Note3	0.2644%
〃	Great Eastern Industries Ltd.	Fujian Xiefeng Footwear Co., Ltd.	〃	Sales revenue	116,836	Note3	0.1694%
〃	〃	〃	〃	Accounts receivable due from related parties	7,633	20days	0.0174%
3	Dona Pacific Holdings Ltd.	Dona Pacific (Vietnam) Co.,Ltd.	8	Cost of sales	2,204,098	Note3	3.1962%
4	Hold Gold Trading Co., Ltd.	Vietnam Dona Orient Co., Ltd.	8	Cost of sales	1,919,126	Note3	2.7830%
〃	〃	〃	〃	Accounts payable to related parties	6,937	Payment after Delivery	0.0158%
〃	〃	Vietnam Dona Standard Footwear Co., Ltd.	〃	Cost of sales	3,818,916	Note3	5.5379%
〃	〃	〃	〃	Accounts payable to related parties	84,118	Payment after Delivery	0.1921%
〃	〃	Dona Victor Footwear Co., Ltd.	〃	Cost of sales	2,136,599	Note3	3.0983%
〃	〃	〃	〃	Accounts payable to related parties	33,249	Payment after Delivery	0.0759%
〃	〃	Vung Tau Orient Co., Ltd.	〃	Cost of sales	406,011	Note3	0.5888%
〃	〃	〃	〃	Accounts payable to related parties	24,765	Payment after Delivery	0.0566%
5	Fujian Xiefeng Footwear Co., Ltd.	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	8	Sales revenue	254,043	Note3	0.3684%
〃		〃		Accounts receivable due from related parties	16,043	10~15days	0.0366%
〃	〃	Fujian San Feng Footwear Co., Ltd.	〃	Sales revenue	127,577	Note3	0.1850%
〃	〃	〃	〃	Accounts receivable due from related parties	7,903	15~20days	0.0180%
6	Xie Feng Mold Co., Ltd. Putian, Fujian	Fujian Xiefeng Footwear Co., Ltd.	8	Sales revenue	229,975	Note3	0.3335%
〃	〃	〃	〃	Accounts receivable due from related parties	10,470	10~15days	0.0239%
〃	〃	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	〃	Sales revenue	166,853	Note3	0.2420%

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

No. (Note1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions, 2020			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
6	Xie Feng Mold Co., Ltd. Putian, Fujian	Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	8	Accounts receivable due from related parties	5,126	10~15days	0.0117%
〃	〃	Fujian San Feng Footwear Co., Ltd.	〃	Sales revenue	177,446	Note3	0.2573%
〃	〃	〃	〃	Accounts receivable due from related parties	14,795	10~15days	0.0338%
〃	〃	Fujian Great Hope Footwear Co., Ltd.	〃	Sales revenue	127,304	Note3	0.1846%
〃	〃	〃	〃	Accounts receivable due from related parties	25,824	60days	0.0590%
7	Dona Victor Footwear Co., Ltd.	Dona Pacific (Vietnam) Co., Ltd.	8	Cost of sales	180,105	Note3	0.2612%
〃	〃	〃	〃	Accounts payable to related parties	20,426	30days	0.0466%
〃	〃	Vietnam Dona Standard Footwear Company Ltd.	〃	Cost of sales	154,890	Note3	0.2246%
〃	〃	〃	〃	Accounts payable to related parties	9,425	30days	0.0215%
8	Dona Pacific (Vietnam) Co., Ltd.	Vietnam Dona Orient Co., Ltd.	8	Sales revenue	123,460	Note3	0.1790%
〃	〃	〃	〃	Accounts receivable due from related parties	11,551	30days	0.0264%
〃	〃	Vietnam Dona Standard Footwear Company Ltd.	〃	Sales revenue	217,687	Note3	0.3157%
8	Dona Pacific (Vietnam) Co., Ltd.	Vietnam Dona Standard Footwear Company Ltd.	8	Accounts receivable due from related parties	19,903	30days	0.0455%
9	Vietnam Dona Orient Co., Ltd.	Vietnam Dona Standard Footwear Company Ltd.	8	Cost of sales	153,060	Note3	0.2220%
〃	〃	〃	〃	Accounts payable to related parties	12,596	30days	0.0288%
10	Dona Victor Molds Mfg Co., Ltd.	Dona Victor Footwear Co., Ltd.	8	Sales revenue	120,189	Note3	0.1743%
〃	〃	〃	〃	Accounts receivable due from related parties	18,071	30days	0.0413%
〃	〃	Vietnam Dona Orient Co., Ltd.	〃	Sales revenue	162,287	Note3	0.2353%
〃	〃	〃	〃	Accounts receivable due from related parties	12,554	30days	0.0287%
〃	〃	Vietnam Dona Standard Footwear Company Ltd.	〃	Sales revenue	360,866	Note3	0.5233%
〃	〃	〃	〃	Accounts receivable due from related parties	30,853	30days	0.0705%

Note1 The numbers filled in as follows：

1. 0 represents the parent company.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note2 Transactions labeled as follows:

1.represents transactions between the parent company and its subsidiaries.

2.represents transactions between the subsidiaries and the parent company.

3.represents transactions between subsidiaries.

4. represents transactions between the parent company and its sub-subsidiaries.

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

5. represents transactions between the sub-subsidiaries and the parent company
6. represents transactions between the subsidiaries and the sub-subsidiaries.
7. represents transactions between the sub-subsidiaries and the subsidiaries
8. represents transactions between sub-subsidiaries.

Note3 Selling price of goods is determined through negotiations and there are no other transactions with non-related parties to compare.

(b) Information on investment

The following is the information on investment for the year 2020 (excluding information on investment in Mainland China)：

(In Thousands of New Taiwan Dollar)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Highest balance during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of ownership	Carrying value	Percentage of ownership			
Feng Tay Enterprises Co., Ltd.	PT Feng Tay Indonesia Enterprises	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	1,322,618	1,322,618	53,900	99.81%	879,773	99.81%	200,156	199,785	Subsidiary (Note 5)
〃	PT Rich Valley Indonesia	〃	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	221,479	221,479	99,990	99.99%	204,349	99.99%	(580)	(580)	〃
〃	Growth-Link Overseas Co., Ltd.	Bermuda	Investment holding, selling of athletic shoes, and trading of footwear materials	5,521,531	5,521,531	6,000,000	100.00%	14,515,696	100.00%	2,676,542	2,676,542	〃
〃	VX Holdings Ltd.	British Virgin Islands	Investment holding	447,734	447,734	38,280	47.26%	779,679	47.26%	658,304	311,115	〃
〃	Shoe Majesty Co., Ltd.	〃	Investment holding	203,466	203,466	6,120	20.40%	307,043	20.40%	67,179	13,704	Investee under the equity method
〃	Dona Orient Holdings Ltd.	〃	Investment holding	1,529,723	1,529,723	44,753	40.97%	2,946,924	40.97%	421,260	172,590	Sub-subsidiary (Note 5)
〃	Great Eastern Industries Ltd.	Hong Kong	International trade services	30,358	30,358	1,000	100.00%	50,873	100.00%	23,514	23,514	Subsidiary (Note 5)
Growth-Link Overseas Co., Ltd.	Growth-Link Trade Services Co., Ltd.	British Virgin Islands	Services related to import and export trade, customs clearance, accounting finance, and network support	-	31	-	-	-	100.00%	(13,164)	(13,164)	Subsidiary (Note 5)
〃	VX Mold Co., Ltd.	〃	Investment holding	10,576	10,576	372,000	93.00%	248,437	93.00%	190,711	177,361	〃
〃	VX Holdings Ltd.	〃	Investment holding	277,848	277,848	36,342	44.87%	783,664	44.87%	658,304	295,361	Investee under the equity method (Note 5)

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Highest balance during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of ownership	Carrying value	Percentage of ownership			
Growth-Link Overseas Co., Ltd.	Dona Pacific Holdings Ltd.	British Virgin Islands	Investment holding and sale of finished shoes	354,641	616,197	23,000	92.00%	1,395,915	92.00%	999,281	919,338	Subsidiary (Note 5)
〃	Shoe Majesty Co., Ltd.	〃	Investment holding	243,929	243,929	8,580	28.60%	446,095	28.60%	67,179	19,214	Investee under the equity method
〃	Dona Orient Holdings Ltd.	〃	Investment holding	1,872,048	1,872,048	64,483	59.03%	4,507,366	59.03%	421,260	248,670	Subsidiary (Note 5)
〃	Lotus Footwear Enterprises Ltd.	〃	Investment holding business, and manufacturing and selling of finished shoe	1,934,377	1,934,377	34,020	88.00%	3,649,082	88%	(285,392)	(251,145)	〃
〃	Trade Continent Ltd.	〃	Trading of athletic shoes	-	-	-	-	-	-	(439)	(439)	Subsidiary (Note 5 and 6)
〃	PT Rich Valley Indonesia	Indonesia	Manufacturing of athletic shoes, casual shoes, semi-finished footwear and footwear accessories	20	20	10	0.01%	20	0.01%	(580)	-	Investee under the equity method
〃	Cheyyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	-	-	1	0.01%	-	0.01%	47,207	-	〃
VX Holdings Ltd.	Dona Victor Footwear Co., Ltd.	Vietnam	Producing of athletic shoes, semi-finished footwear, and footwear accessories	937,741	937,741	Note 4	100.00%	1,804,733	100.00%	607,159	607,159	Subsidiary (Note 5)
Shoe Majesty Co., Ltd.	Shoe Majesty Trading Co., Ltd.	British Virgin Islands	International trade services	11,656	11,656	410	100.00%	120,410	100.00%	34,956	34,956	Subsidiary
〃	Hong Kong Shoe Majesty Trading Co., Ltd.	Hong Kong	International trade services	5,686	-	200	100.00%	23,276	100.00%	18,236	18,236	Subsidiary
〃	Vietnam Shoe Majesty Co., Ltd.	Vietnam	Manufacturing footwear products	1,051,910	1,051,910	Note 4	100.00%	1,423,960	100.00%	11,589	11,589	〃
Dona Orient Holdings Ltd.	Vietnam Dona Orient Co., Ltd.	Vietnam	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	1,250,920	1,250,920	〃	100.00%	1,824,194	100.00%	345,166	345,166	Subsidiary (Note 5)
〃 .	Vietnam Dona Standard Footwear Co., Ltd.	〃	Manufacturing of athletic shoes, semi-finished footwear, and footwear accessories	2,152,151	2,152,151	〃	100.00%	4,420,703	100.00%	(21,797)	(21,797)	〃
〃	Hold Gold Trading Co., Ltd.	British Virgin Islands	Selling of finished shoes, golf balls, backpack, bags and soccer ball	2,843	2,843	100	100.00%	157,995	100.00%	158,327	158,327	〃
〃	Vung Tau Orient Co., Ltd.	Vietnam	Producing golf balls, soccer balls, and backpack, bags	432,796	432,796	Note 4	100.00%	598,729	100.00%	(70,076)	(70,076)	〃

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Highest balance during the year	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of ownership	Carrying value	Percentage of ownership			
Dona Orient Holdings Ltd.	Vietnam Nam Ha Footwear Co., Ltd.	Vietnam	Producing athletic shoes, semi-finished footwear, and footwear accessories	619,774	-	〃	100.00%	617,112	100.00%	2,853	2,853	〃
VX Mold Co., Ltd.	Dona Victor Molds Mfg. Co., Ltd.	Vietnam	Manufacturing and repair of molds, cutting dies, and processing of metal parts	88,133	88,133	Note 4	100.00%	265,067	100.00%	191,473	191,473	Subsidiary (Note 5)
Dona Pacific Holdings Ltd.	Dona Pacific (Vietnam) Co., Ltd.	Vietnam	Producing athletic shoes, semi-finished footwear, and footwear accessories	852,900	852,900	〃	100.00%	1,800,847	100.00%	925,282	925,282	Subsidiary (Note 5)
Lotus Footwear Enterprises Ltd.	Cheyyar SEZ Developers Private Ltd.	India	Development in India's Industrial Park	2,464,301	2,384,381	91,999,999	99.99%	2,082,630	99.99%	47,207	47,207	Subsidiary (Note 5)
〃	East Wind Footwear Co., Ltd.	British Virgin Islands	Investment holding and production of athletic shoes	470,011	470,011	9,751	100.00%	875,995	100.00%	(171,097)	(171,097)	〃
〃	Fairway Enterprises Co., Ltd.	〃	Investment holding and production of athletic shoes	1,123,042	753,452	19,751	100.00%	1,099,140	100.00%	(114,174)	(114,174)	〃

Note 1： Includes overseas undertakings invested by the Company and re-investment of the overseas undertakings.

Note 2： Carrying value refers to ending balance of investment recognized using the equity method, including investment gains or losses, and cumulative translation adjustments.

Note 3： The investees of Feng Tay Enterprises Co., Ltd. are presented based on the financial statements as of December 31, 2020 audited by certified public accountants, except that some of the investees were presented based on the unaudited financial statements as of December 31, 2020.

Note 4： Unissued shares of the Vietnamese entities.

Note 5： Included in the consolidated financial statements

Note 6： A special purpose entity (SPE) held by the Group for trading and investment purposes at December 31, 2017. The Group has no direct or indirect shareholding in the special purpose entity (SPE). Based on the in-substance relationship between the Group and the special purpose entity (SPE), as well as the evaluation of its risks and rewards, the Group had control over the special purpose entity (SPE) and included it in the scope of consolidation.

(c) Information on investment in mainland China

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

(In Thousands of New Taiwan Dollar)

Name of investee	Main businesses and products	Total amount of capital surplus (Note 6)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020 (Note 6)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020 (Note 6)	Net income (losses) of the investee (Note 7)	Percentage of ownership	Highest Percentage of ownership during the year	Investment income (losses) (Note 7)	Book value (Note 6)	Accumulated remittance of earnings in current period (Note 7)
					Out-flow	Inflow							
Fujian Wu Feng Department Store Co., Ltd.	Wholesale and retail of general merchandise, and related services.	127,935	Note 1	155,784	-	-	155,784	13,416	50.00%	50.00%	6,708	23,312	99,660

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Name of investee	Main businesses and products	Total amount of capital surplus (Note 6)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020 (Note 6)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020 (Note 6)	Net income (losses) of the investee (Note 7)	Percentage of ownership	Highest Percentage of ownership during the year	Investment income (losses) (Note 7)	Book value (Note 6)	Accumulated remittance of earnings in current period (Note 7)
					Out-flow	Inflow							
Xie Feng Mold Co., Ltd. Putian, Fujian	Manufacturing and repair of molds, cutting dies, shoe lasts, injections, and processing of metal parts.	85,290	Note 1	136,557	-	-	136,557	242,722	50.34%	50.34%	122,174	197,077	812,274
Fujian Xiefeng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories	426,450	〃	448,065	-	-	448,065	692,194	77.50%	77.50%	536,450	417,350	615,716
Fujian San Feng Footwear Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories	426,450	〃	406,958	-	-	406,958	389,533	68.00%	68.00%	264,882	194,507	584,187
Fujian Da Feng Holdings Co., Ltd.	Investment holding	852,900	〃	856,065	-	-	856,065	1,336,506	70.00%	70.00%	935,555	2,500,470	3,942,507
Fujian Great Hope Footwear Co., Ltd.	Production of athletic shoes, casual shoes, semi-finished footwear, footwear accessories, protective gear, and other supporting products	226,019	〃	451,007	-	-	451,007	114,362	84.73%	84.73%	96,904	424,942	466,101
Fujian Lifeng Footwear Ind. Dev. Co., Ltd.	Producing athletic shoes, semi-finished footwear, and footwear accessories	426,450	Note 2	391,485	-	-	391,485	617,877	70.00%	70.00%	432,514	457,884	-
Suzhou Yufeng Plastics Technology Co., Ltd.	Manufacturing and processing of plastic products.	72,859	〃	-	-	-	-	150,912	66.07%	66.07%	99,701	202,727	-

ii. Upper limit on investment in Mainland China

Accumulated Investment in Mainland China as of December 31, 2020 (Note 4 and 6)	Investment Amounts Authorized by Investment Commission, MOEA (Note 6)	Upper Limit on Investment (Note 5)
2,158,062	2,345,769	10,404,039

Note 1：Indirect investment in the Company located in Mainland China through an existing company registered in the third region.
Note 2：Investment in companies in Mainland China through the existing companies registered in Mainland China.
Note 3：Recognized profit and loss from investment for the current period：
(1) The financial statements were audited by the parent company's certified public accountants.
(2) Based on unaudited financial statements for the year ended December 31, 2020.

FENG TAY ENTERPRISES COMPANY LIMITED AND ITS SUBSIDIARIES
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Note 4：The investment amount has been deducted by accumulated remittance of earnings as of the current period of USD 222,542,955, capital increase from retained earnings of USD 3,939,944, capital stock inflows of USD 24,626,117, investment through a company registered in Mainland China of USD 31, 576,154, including verified sale of the equity interests in Tianjin Tecnica and Beijing Tecnica of USD 118,206, and the investment in The Quest Group disposed of on September 28, 2008 of USD 9, 600,595.

Note 5：The higher of the 60 % of net or combined net value, as calculated based on the upper limit stipulated in "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" amended by the Investment Commission on August 29, 2008.

Note 6：Calculated based on the closing exchange rate of 28.43 on December 31, 2020

Note 7：Calculated based on the average closing exchange rate of 29.4754 between January and the end of December 2020.

iii Significant transactions：

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders

Shareholding / Shareholder's Name	Shares	Percentage
WANG LIOU, MEI-HUEI	95,423,056	10.82 %
WANG, CHOU-HSIONG	82,987,033	9.41 %
CHEN, HUI-LING	57,044,655	6.46 %

Note：The main shareholder information in this table is based on the last business day at the end of each quarter set by Taiwan Depository & Clearing Corporation to calculate the shares of those shareholders who hold more than 5% of the Company's ordinary shares that have been delivered without physical registration.

(14) Segment information

(a) The Group has reportable department, footwear manufacturing and sales department, which mainly engaged in the production and sales of various sports shoes. Other departments are mainly engaged in the manufacturing of sports balls and bags.

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

2020	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
Revenue				
Revenue from external customers	$ 67,083,525	1,876,213	-	68,959,738
Intersegment revenues	65,015,114	2,018,561	(67,033,675)	-
Total revenue	**$ 132,098,639**	**3,894,774**	**(67,033,675)**	**68,959,738**

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	Department of manufacturing and selling shoes	Other Departments	Reconciliation and elimination	Total
Interest expenses	$ 116,257	9,361	-	125,618
Depreciation and amortization	2,321,555	77,247	-	2,398,802
Share of profit (loss) of associates and joint ventures accounted for using equity method	3,711,245	-	(3,678,327)	32,918
Impairment of assets	29,038	-	-	29,038
Reportable segment profit or loss	**$ 8,059,626**	**(145,588)**	**(267,707)**	**7,646,331**

2019				
Revenue				
Revenue from external customers	$ 71,617,671	2,312,410	-	73,930,081
Intersegment revenues	83,134,459	2,591,150	(85,725,609)	-
Total revenue	**$ 154,752,130**	**4,903,560**	**(85,725,609)**	**73,930,081**
Interest expenses	$ 128,686	7,343	-	136,029
Depreciation and amortization	2,060,611	60,269	-	2,120,880
Share of profit (loss) of associates and joint ventures accounted for using equity method	6,613,079	-	(6,536,739)	76,340
Impairment of assets	20,413	-	-	20,413
Reportable segment profit or loss	**$ 10,150,469**	**(50,670)**	**(314,224)**	**9,785,575**

The material reconciling items of the above reportable segment are as below:

Total reportable segment revenue after deducting the intersegment revenue was 67,033,675 thousand in 2020 (2019: $ 85,725,609 thousand)

(b) Product and service information

Revenue from the external customers of the Group was as follows：

Product and services	**2020**	**2019**
Manufacturing and sales of shoes	$ 67,083,525	71,617,671
Others	1,876,213	2,312,410
Total	$ **68,959,738**	**73,930,081**

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(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers (note 6(r)) and segment assets are based on the geographical location of the assets.

Geographical information		**2020**	**2019**
Non-current assets:			
Vietnam	$	8,268,964	8,383,713
India		4,380,415	4,314,009
Taiwan		3,203,185	3,019,171
China		2,072,050	2,090,615
Indonesia		2,053,274	1,878,125
Other countries		58,494	50,181
Total	**$**	**20,036,382**	**19,735,814**

Non-current assets include property, plant and equipment, investment property, intangible assets, right-of-use assets and other assets, excluding financial instruments, deferred tax assets and refundable deposits.

(d) Major customers

		2020	**2019**
A customer of shoe manufacturing and sales division	**$**	**60,369,728**	**65,449,293**