Stock Code: 2906
This Annual Report is available at
(Market Observation Post System; MOPS)
http://mops.twse.com.tw
(Company website)
http://www.collins.com.tw

Collins Co., Ltd.

2020 Annual Report

Published on May 15, 2021

I. Contact Information of Spokesperson and Deputy Spokesperson

Spokesperson:
Name: Wang, Pei-Yu
Position: Vice President
Tel: 02-27125311
Email: cust@email.collins.com.tw

Deputy Spokesperson:
Name: Wilber Ko
Title: Assistant Vice President
Tel: 02-27125311
Email: cust@email.collins.com.tw

II. Contact Information of Headquarters, Branches and Plants

Headquarters: 6F., No. 201-1, Dunhua N. Rd., Songshan Dist., Taipei City, Taiwan
Tel: 02-27125311

Overseas Branches and Domestic Retail Locations: Please refer to Appendix A.

III. Contact Information of Share Transfer Agency

Share Transfer Agency: Share Agency Department, MasterLink Securities Corporation

Address: B1, No. 35, Ln. 11, Guangfu N. Rd., Songshan Dist., Taipei City, Taiwan

Website: http://www.masterlink.com.tw/agent/agent/ipo.aspx

Tel: 02-27686668

IV. Contact Information of the CPAs for the Latest Financial Statements

Name of CPAs: Huang, Ming-Hung; Tang, Chia-Chien
Name of Accounting Firm: KPMG Taiwan
Address: 68F, No. 7, Sec. 5, Xinyi Road, Taipei City, Taiwan
Website: http://www.kpmg.com.tw
Tel: 02-81016666

V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None.

VI. Company Website: http://www.collins.com.tw

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Chapter I. Letter to Shareholders

Dear Shareholders,

In 2020, the Company recorded consolidated operating revenue of NT$6,607 million, representing a decrease of 8.5% from NT$7,225 million in the same period of last year, earned a net profit of NT$209 million, representing an increase of 14% over NT$184 million in the same period of last year, and made an after-tax net profit of NT$30,461,000 attributable to the parent company, representing a decrease of 51.6% from NT$62,894,000 from the same period of last year, and the earnings per share was NT$0.15.

In 2020, the trading business realized a consolidated operating revenue of NT$2,453 million, representing a decrease of 21.3% from the same period of last year, mainly because the Novel Coronavirus Pneumonia hit the domestic demand markets in America, Canada and Mexico and also caused a shortage of international containers, which affected the shipment time. The fashion business realized a consolidated operating revenue of NT$718 million, representing a decrease of 16.7% from last year. Taiwan has effectively brought the pandemic under control and the luxury-brand business carried by Minoshin realized an evident growth in Q4 but the medium-price apparel still ailed from the depression of the domestic consumer market and the online shopping growth. The biomedical business realized a consolidated operating revenue of NT$3,436 million, representing an increase of 5.9% over last year. In particular, Hi-Clearance Inc. continued maintaining its competitive strengths in core products and channels and grew steadily in the shadow of the pandemic, and the Bilevel PAP and the High-Intensity Focused Ultrasound machine (HIFU) designed by GrowTrend Biochemical basically completed the test and entered the certification stage.

The operating result indicators in 2020 and the operating plan for 2021 are now reported as follows:

I. Operating Results in 2020

(I) The Company is hereby presenting the implementation results of the operating plan for 2020 as follows:

Unit: NT$1,000

Year/Item	2020	2019	Variation %
Operating revenue	6,607,185	7,224,546	- 8.5%
Gross profit	1,708,058	1,755,577	- 3.8%
Net profit for this period	209,254	183,518	14.0%
Net profit attributable to shareholders of the parent company	30,461	62,894	-51.6%
Earnings per Share (NT$)	0.15	0.30	-50.0%

(II) Table on analysis of profitability:

Year/Item	2020	2019
Return on Assets	2.53%	2.44%
Return on Equity	3.92%	3.52%
Operating profit to Paid-in Capital Ratio (%)	12.32%	12.49%
Profit margin	3.17%	2.54%

II. Highlights of the Operating Plan for 2021

The Novel Coronavirus Pneumonia has impacted the world for over one year now. It has posed a host of challenges but also brought many opportunities. The Company should determine the response strategy with a forward-looking vision for the coming post-pandemic era. The Company will continuously adjust and improve the current business and also seize emerging investment opportunities to reinforce the corporate territory. Below is the operating plan for 2021:

(I) Trading business:

To improve product identification and establish customer recognition, the Company will gradually launch products under our own brands. To seize the e-commerce demand and directly serve terminal customers, the Company will open exclusive brands of our brands on American famous e-commerce platforms. To cope with the ongoing US-China trade war, the Company has gradually decentralized sources of goods to reduce the moderate concentration risk of supply regions and will continuously develop customers from Mexico and Central and Southern America.

(II) Fashion business:

As to the luxury-brand business, the Company will expedite the store numbers and e-commerce operation for the current brand and also engage more professionals to reinforce the premium operation team and bid for the agency of top-ranking internal brands. As to the medium-price apparel business, the Company will actively expand new channels, maintain the brand visibility and adjust the current channels to increase the productivity of operating space. At the same time, the Company will continuously search for new potential brands.

(III) Biomedical business:

In addition to maintaining the competitive strengths in core fields, Hi-Clearance Inc. will also enter into strategic cooperation to improve the autonomy of sales channels and ensure the stability of supply. Besides, one of the future growth drives is to develop new products such as minimally invasive operation equipment, endoscopy operation equipment and auxiliary device for sleep apnea and to develop emerging markets like overseas dental material market and blood dialysis market. GrowTrend Biochemical will complete the certification of the Bilevel PAP and the HIFU and start the production arrangement. At the same time, it will join hands with strategic partners or participate in overseas exhibitions to build sales channels.

The management team of the Company will face the crisis with a prudential but open attitude, seize opportunities and determine countermeasures based on challenges and opportunities anytime during the prudential operation to establish the competitive strengths that will suffice to stake the sustainable development.

Chairman:

Chapter II. Company Profile

I. Date of Incorporation

The Company was established on May 5, 1969

II. Company History

(I) Company History

The Company was founded on a vision of cultivating foreign markets, building foreign revenues for Taiwan, fostering foreign trade/export talent, and providing job opportunities. Collins Co., Ltd. was founded on May 5, 1969 with an initial capital of NT$1 million as an enterprise that was focused on exporting construction materials and related processed products. The Company's major goals included building foreign revenues for Taiwan, fostering foreign trade/export talent, and providing job opportunities.

<u>1970's</u>

Collins focused on exporting to the United States; actively expanded the product export from Taiwan's small-and-medium enterprises (SMEs), and set up its first overseas office in New York, USA/

Collins was named "Major Trading Company" by the Ministry of Economic Affairs (MOEA), and subsequently set up offices at various locations including Los Angeles, Chicago, and New Jersey.

<u>1980's</u>

Received Outstanding Foreign Export Enterprise Award from the Ministry of Economic Affairs. Set up more overseas offices in Germany and various locations throughout Asia including Hong Kong, Manila, Bangkok, and Jakarta, and continued to maintain leadership over export volume in Taiwan.

Acquired franchise over Hong Kong's G2000 workwear and M&A of Collins Leasing and Yanlin Company; formed strategic alliances with BWM and Mercedes Benz to expand to vehicle installment sales business.

IPO of Collins' shares on the Taiwan Stock Exchange (TWSE) at the end of 1989, making Collins a public company with integrated trading businesses.

Established Collins International Co., Ltd (CICL) in the United States and Commend Co., Ltd. in Hong Kong to facilitate trading business.

<u>1990's</u>

Established reinvestment company Colltex Co., Ltd., a garment trading and processing/manufacturing company. GLGK Giftware Co., Ltd. was also established in Shenzhen, China to control local production sources.

Collins International (Private) Ltd. was established for licensed distribution of Holland's apparel brand, "Mexx". Affiliate Gao-Yi Co., Ltd was renamed HeXing Enterprise and was engaged in the import and retail of apparel from European premium brands.

Quality Craft Ltd. was established in Canada for export and trading business.

2000's

Major expansion from Shenzhen Trading Office as a part of Collins' long-term market expansion in China.

Colltex Co., Ltd. set up a subsidiary in Hong Kong and established a garment manufacturing company, Colltex Garment MFY CO., Ltd.(VN), in Vietnam.

Established Collins Car Rental Co., Ltd. to expand to car rental business.

Acquired franchise over Hong Kong's U2 casualwear apparel and Active Collins Nike sportswear to expand the scale of fashion retail business and to expand into casual and sportswear markets.

Acquired distribution rights over renowned Japanese homeware brand, Francfranc, and expanded into homeware retail business.

2011 - 2015

Set up Cosmos International Development Limited in Hong Kong, and indirectly invests in and holds 52% shares of Cosmos Co., Ltd. to engage in online sales of furniture and homeware products.

Developed in-house fashion brands, FIC and FOMO and engage in online apparel sales, and acquired U'db brand.

Signed distribution rights with Korea's Hyungji Group for several of its contemporary fashion brands, including Chatelaine, Bon-gfloor, and Wild Roses.

2016

Acquired office building in Nankang Software Park.

Acquired ownership and control over Hi-Clearance Inc.

Established and acquired 51% ownership over GrowTrend Biomedical Co., Ltd.

2017

Merged Collin Investment Co., Ltd. with Colltex Co., Ltd. to consolidate the reinvestment structure.

Began multinational e-commerce collaboration with US-based Legend Harvest Group Corp.

Signed distribution rights with Korea's 314Hornet Co., Ltd. over its bag brand, Kwani.

2018

August 2018 - Purchased 832 ping of industrial land at Shulin to build warehouse.

2019 to 2021

Acquired 67.7% ownership of Minoshin International Co., Ltd. to expand into premium brand retail and set up specialty stores and maintenance centers for DELVAUX, BALLY, and RIMOWA.

GrowTrend Biomedical Co., Ltd. has completed designs of Bi-level positive airway pressure (BiPAP) and High Intensity Focused Ultrasound Face Lift Machine and has commenced their respective certification processes.

Received bulk reward for the construction land for warehouse at Shulin, and construction began in the second half of 2020.

(II) Acquisition, Reinvestment in Affiliates or Restructuring in 2020 and As of Date of Publication of the Annual Report: None.

(III) Large-scale Transfer of Equity Transfer or Change of Shareholder in Company Directors, Supervisors, or Substantial Shareholders Holding 10 Percent or More of the Company's Share:

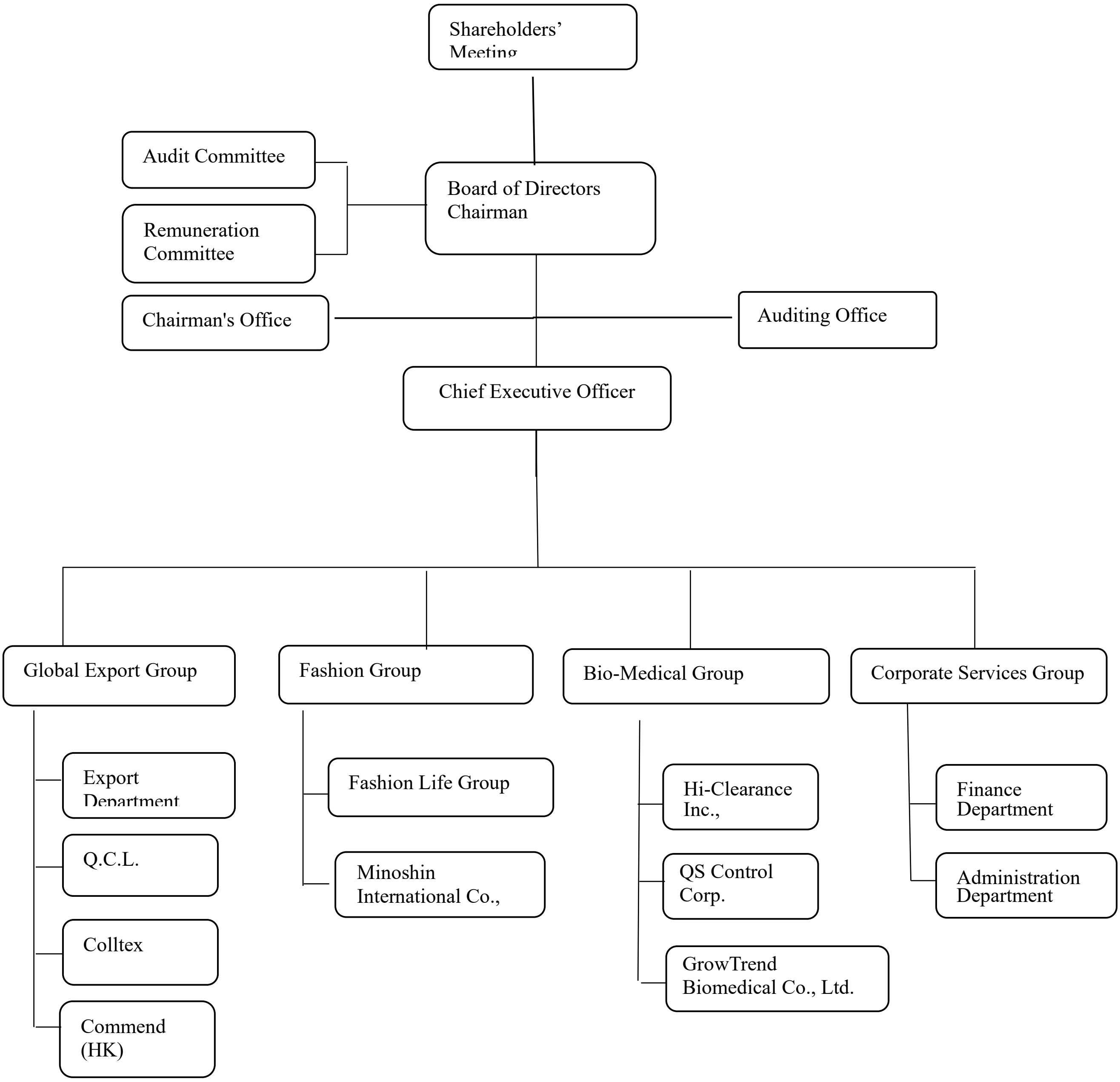
(IV) Significant Changes in Ownership, Methods of Operation, or Business Operations: None.

(V) Events occurred during the Most Recent Year and up to the Date of Publication of the Annual Report with Significant Impact on Shareholder's Interests and Their Effects on the Company: None.

Chapter III. Corporate Governance Report

I. Organization

(I) Organizational Chart



(II) Major Department Functions

Major Department	Functions
Chairman's Office	In charge of managing and maintaining investor and public relations, ensuring the execution of regulations and laws from the Financial Securities Committee (FSC), carrying out tasks related to organizing the Shareholders' Meeting and Board of Directors' meetings, drafting or reviewing major contracts, participating in management strategies and planning, analyzing management results, evaluating and managing reinvestment projects before/after investments, coordinating or organizing cross-departmental meetings, projects or plans, and acting as the body of governance for the Company.
Auditing Office	Responsible for evaluating the internal control systems of the Company and subsidiaries, managing operational risks and implementing various internal auditing tasks over operations and finance.
Global Export Group	Managing product export business to foreign markets and local product management and sales of imported goods. • Export Department: A directly-operated business division that manages the export of hardware, handy tools, sports equipment, backpacks, suitcases, home appliances, lighting, Christmas trees (and lights), Christmas decorations, interior/outdoor furniture, and garment to mostly North America. • Quality Craft Limited: Established in Canada and undertakes wholesale and retail of own-brand construction materials, barbecue grill equipment and toolboxes in the United States and Canada. • Colltex: Established in Hong Kong and focused on the design and OEM of garment for European and American brands. • Commend (HK): Set up in Hong Kong and committed to the export sales of outdoor decorations and outdoor furniture.
Fashion Group	Distribution of fashion goods including apparel, handbags, leather goods, and travel accessories, includes setting up specialty stores or B2B sales; certain brands are also sold on electronic platforms. • Fashion Life Group: A directly-operated business division that is currently in charge of distribution of Hong Kong's G2000 workwear brand. • Minoshin International Co., Ltd.: Currently distributes Delvaux from Belgium, Swiss brand BALLY and Germany's Rimowa and operates the chain select shop, Minoshin.
Bio-Medical Group	Presently, the Company manages the research and development, production, and sales of bio-medical products through reinvestment. • Hi-Clearance Inc.: Distribution and services of hemodialysis equipment, supplies for chronic illnesses and other medical equipment. • Growtrend Biochemical: R&D, design, and manufacturing of cosmetic surgery and medical equipment. • QS Control Corp.: OEM of automotive parts and components and medical equipment.
Corporate Services Group	Offering back-end management processes for the Company's directly-operated businesses and certain reinvestments, including implementation of finance, accounting, HR, information technology, and general administrative tasks and the formulation of relevant management methods.

II. Information Regarding Directors and the Management Team

(I) Information on the Directors

As of April 19, 2021; Unit: shares, %

Title (Note 1)	Nationality/Place of Registration	Name	Gender	Date Elected	Term	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major (Academic Degree) Experience (Note 3)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks (Note 4)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Chairman	R.O.C.	Lee, Chung-Liang (Representative of LCL CAPITAL INC.)	Male	June 18, 2019	June 17, 2022	June 15, 2007	35,153,634	16.81 %	35,153,634	16.81 %	0	0	0	0	EMBA, International Business Management, National Taiwan University Bachelor degree in Economics, National Taiwan University	The Company: Chairman and President Other companies: Chairman, GLGK Chairman, Jesco International Co., Ltd. Director, Collins Virgin Co., Ltd. Director, Commend (HK) Limited Director, Commend Holdings Limited Director, Collins International Co., Ltd (CICL) Director, Presto International Co., Ltd. Director, Quality Craft Ltd. Director, Colltex Garment MFY (HK) Co., Ltd. Chairman, Hi-Clearance Investment Co., Ltd. Chairman, Hi-Clearance Inc. Chairman, ChinHwa Investment Co., Ltd. Chairman, Hi-Clearance Healthcare Service Co., Ltd. Chairman, GrowTrend Biomedical Co., Ltd. Chairman, Minoshin International Co., Ltd. Director, Center Laboratories, Inc. Director, Bioengine Capital Inc. Director, Aerovision Avionics, Inc. Director, QS Control Corp. Supervisor, Euroc Venture Capital Corp.	Director Director	Lee, Chung-Ting Lee, Chieh-Hsi	Brother Father and son	Please refer to 19 of this Handbook
Director	R.O.C.	Lee, Hsi-Lu (Representative of Jing Shing Investment Corp.)	Male	June 18, 2019	June 17, 2022	78/04/14	10,567,769	5.05%	10,567,769	5.05 %	0	0	0	0	Bachelor degree in Economics, National Taiwan University	The Company: None. Other companies: Chairman, Jing Shing Investment Corp. Director, Collins Virgin Co., Ltd. Director, Commend (HK) Limited Director, Commend Holdings Limited Director, Collins International Co., Ltd (CICL) Director, Quality Craft Ltd. Director, Hi-Clearance Investment Co., Ltd. Director, Hi-Clearance Inc. Director, GrowTrend Biomedical Co., Ltd. Director, Li-Shi Venture Capital Co., Ltd. Supervisor, Bioengine Capital Inc.	Director	Lee, Pea-Chian	Father and daughter	

Title (Note 1)	Nationality/Place of Registration	Name	Gender	Date Elected	Term	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major (Academic Degree) Experience (Note 3)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks (Note 4)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Director	R.O.C.	Chung Yu Investment Co., Ltd. Representative: Chen, Chun-Hung	Male	June 18, 2019	June 17, 2022	June 17, 2016	300,000	0.14%	300,000	0.14%	0	0	0	0	Bachelor degree in Business Administration, Union University, USA	The Company: None. Other companies: Chairman, MasterLink Venture Capital Corporation Chairman, MasterLink Venture Management Corporation Chairman, MasterLink Venture Capital Corporation Tianjin Chairman, MasterLink Venture Management Corporation Tianjin Director, MasterLink (BVI) Investment Co., Ltd. Director, Shin Kong Commercial Bank Co., Ltd. Director, Mycenax Biotech Inc. Supervisor, Hi-Clearance Inc.	None	None	None	
Director	R.O.C.	Witty Mate Corporation Representative: Lee, Chung-Ting	Male	June 18, 2019	June 17, 2022	June 17, 2016	14,410,140	6.89%	14,410,140	6.89%	0	0	0	0	Bachelor degree in Electrical Engineering, Southern Taiwan University of Science and Technology	The Company: None. Other companies: President, Copper Material Division, Witty Mate Corporation Chairman, LCL CAPITAL INC.	Chairman	Lee, Chung-Liang	Brother	
Director	R.O.C.	Pro-index Investment Co., Ltd. Representative: Chen, Ching-Kuhn	Male	June 18, 2019	June 17, 2022	June 17, 2016	1,700,000	0.81%	2,095,000	1.00%	0	0	0	0	Master of Business Administration, National Chiao Tung University	The Company: None. Other companies: Partner, Jar Shin CPA Corporate Representative, Everfocus Electronics Corporation Independent Director and Member of Remuneration Committee, Allied Biotech Corp.	None	None	None	
Director	R.O.C.	Lee, Po-Yi (Representative of LCL CAPITAL INC.) Note	Male	January 4, 2021	June 17, 2022	January 4, 2021	35,153,634	16.81%	35,153,634	16.81%	0	0	0	0	Global MBA, National Taiwan University	The Company: None. Other companies: President, Jiin Chuen Trading Co., Ltd.	None	None	None	
Director	R.O.C.	Hsu, Ming-Jen	Male	June 18, 2019	June 17, 2022	June 10, 2015	500,000	0.24%	500,000	0.24%	0	0	0	0	Bachelor degree in Physics, Chung Yuan Christian University	The Company: None. Other companies: Chairman, AIT Group and subsidiaries Founder, Sunny Hills Delights Inc. Chairman, Suntivas Corporation Chairman, Shou-Cheng Investment Co., Ltd. Managing Director, Puren Youth Care Foundation Director, Taiwan Reading and Culture Foundation	None	None	None	

Title (Note 1)	Nationality/Place of Registration	Name	Gender	Date Elected	Term	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major (Academic Degree) Experience (Note 3)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks (Note 4)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Director	R.O.C.	Lee, Pea-Chian (Representative of Jing Shing Investment Corp.)	Female	June 18, 2019	June 17, 2022	May 18, 2004 (Note)	10,567,769	5.05%	10,567,769	5.05 %	925	0	0	0	Master degree in Architecture, Harvard University	The Company: None. Other companies: Architectural Designer, Oriel Design Incorporated	Director	Lee, Hsi-Lu	Father and daughter	
Director	R.O.C.	Lee, Chieh-Hsi (Representative of Witty Mate Corporation)	Male	June 18, 2019	June 17, 2022	June 18, 2019	14,410,140	6.89%	14,410,140	6.89 %	0	0	0	0	Ph.D. in Information Engineering, University of Southern California, USA	The Company: CEO Other companies: CEO, THRoute Corporation	Chairman	Lee, Chung-Liang	Father and son	
Independent Director	R.O.C.	Chen, Yung-Chang	Male	June 18, 2019	June 17, 2022	June 17, 2016	0	0%	0	0%	0	0	0	0	JD, National Taiwan University	The Company: Convener of the Remuneration Committee and Member of Audit Committee Other companies: Chief Attorney-at-law, All-Pro Law Firm Director, Flexium Interconnect, Inc. Independent Director, LandMark Optoelectronics Corporation Independent Director and Member of Remuneration Committee, Center Laboratories, Inc. Member of Remuneration Committee, Sintronic Technology Inc. Member of Remuneration Committee, Rodex Fasteners Corp.	None	None	None	
Independent Director	R.O.C.	Ho, Shih-Chinn	Male	June 18, 2019	June 17, 2022	June 17, 2016	176,998	0.08%	176,998	0.08 %	0	0	0	0	Master degree in Financial Management, Golden Gate University, USA Master in Business Administration, National Taiwan University	The Company: Convener of the Audit Committee and Member of Remuneration Committee Other companies: Chairman, Taiwan Land Investment Co., Ltd. Chairman, Trade-Van (BVI) Information Service Co., Limited Director, Trade-Van Information Services Co. Director, Ever Supreme Bio Technology Co., Ltd. Director, Allied Biotech Corporation Director, Luo Lih-Fen Group Independent Director, Center Laboratories Inc Independent Director, Super Dragon Technology Co., Ltd. Member of Remuneration Committee, Hi-Clearance Inc. Chairman, Richer Biotechnology Co., Ltd.	None	None	None	

Title (Note 1)	Nationality/Place of Registration	Name	Gender	Date Elected	Term	Date First Elected (Note 2)	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major (Academic Degree) Experience (Note 3)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Remarks (Note 4)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Independent Director	R.O.C.	Chu, Li-San	Male	June 18, 2019	June 17, 2022	June 18, 2019	0	0%	0	0%	0	0	0	0	Master of Business, School for Management, National Taiwan University	The Company: None. Other companies: Assistant Professor, Asia University Independent Director, Wellpool Co., Ltd.	None	None	None	

Note 1: The corporate shareholder shall be identified by name and representative (in the case of corporate representative, please specify the corporate shareholder's name) and also complete the following Table 1.
Note 2: Please specify the initial term of office for the Company's director or supervisor, and whether such term has been interrupted.
Note 3: Refers to experiences related to the current post. If the officer once assumed a post in a CPA Office or an affiliate of the Company, please specify the job title and responsibilities.
Note 4: Where the Company Chairman and the President or a person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, a description shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of independent directors, and there shall be more than half of the directors who do not concurrently serve as employees or managers).
Note 1: Lee, Po-Yi assumed the position of the Representative of the Company's Corporate Director, LCL CAPITAL INC., in place of Lin, Zhen-Neng as of January 4, 2021.

(II) Substantial shareholders of Directors and Supervisors who are corporate shareholders:

1. Major shareholders of corporate shareholders

As of April 19, 2021

Name of corporate shareholder	Substantial shareholder of corporate shareholder and shareholding ratio
LCL CAPITAL INC.	Tseng, Wen-Hsuan (84%)
Jing Shing Investment Corp.	Lee, Hsi-Lu (83%)
Chung Yu Investment Co., Ltd.	Po-Chang Investment Co., Ltd. (90%)
Witty Mate Corporation	(Representative of LCL CAPITAL INC.)
Pro-index Investment Co., Ltd.	Chen, Ching-Kuhn (62.5%); Wu, Chia-Hsien (17.5%); Chen, Chia-Wen (10%); Chen, Hsiao-Wen (10%)

2. Substantial Shareholders of Major Corporate Shareholder

As of April 19, 2021

Name of corporate shareholder	Substantial shareholder of corporate shareholder
Po-Chang Investment Co., Ltd.	Weng, Shu-Yu (94%)

Name of corporate shareholder	Substantial shareholder of corporate shareholder
LCL CAPITAL INC.	Tseng, Wen-Hsuan (84%); Li, Yi-Hsuan (9%)

3. Information on Directors and Supervisors in Professionalism and Independence
As of April 19, 2021

Qualifications / Name	Meeting One of the Following Professional Qualification Requirements, Together with At Least Five Years of Work Experience			Meets Criteria of Independence												Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist who Has Passed a National Examination and Has Been Awarded a Certificate in a Profession Necessary for the Business	Having Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business	1	2	3	4	5	6	7	8	9	10	11	12	
Chairman: Lee, Chung-Liang (Representative of LCL CAPITAL INC.)			✓			✓			✓			✓		✓		None
Director: Lee, Hsi-Lu Representative of Jing Shing Investment Corp.			✓	✓		✓			✓	✓		✓		✓		None
Director: Chung Yu Investment Co., Ltd. Representative: Chen, Chun-Hung			✓	✓		✓	✓		✓	✓	✓	✓	✓	✓		None
Witty Mate Corporation Representative: Lee, Chung-Ting			✓	✓	✓	✓			✓	✓		✓		✓		None
Director: Pro-index Investment Co., Ltd. Representative: Chen, Ching-Kuhn		✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		1
Director: Lee, Po-Yi (Representative of LCL CAPITAL INC.)			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		None
Director: Hsu, Ming-Jen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None
Director: Lee, Pea-Chian Representative of Jing Shing Investment Corp.			✓	✓	✓	✓			✓	✓		✓		✓		None
Witty Mate Corporation Representative: Lee, Chieh-Hsi			✓		✓	✓			✓	✓		✓		✓		None
Independent Director: Chen, Yung-Chang		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Independent Director: Ho, Shih-Chinn			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Independent Director: Chu, Li-San	(merge)✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1

Note: Please check "✓" the corresponding boxes if the Directors meet the following conditions during the two years prior to the nomination and during the term of office.✓

(1) Not an employee of the Company or any of its affiliates.
(2) Not a Director or Supervisor of the Company or any of its affiliated companies. Not applicable in cases where the person is an Independent Director of the Company, its parent company or subsidiary appointed according to the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies or local laws and regulations.
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, children (minors), or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.
(4) Not a spouse, second-degree kinship or third-degree direct blood relations of the persons specified in (1) through (3).
(5) Not a Director, Supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total outstanding shares of the Company or ranks among the top 5 corporate shareholders or serves as a Director, Supervisor, or employee according to the Item 1 or 2, Article 27 of the Company Act. (This does not apply in cases where the person is an Independent Director of the Company, its parent or subsidiary established in pursuant to this law or local laws).

(6) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's Director seats or voting rights (except for an Independent Director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).

(7) Not a Director, Supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).

(8) Not a Director, Supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% but less than 50% of the total issued shares of the Company and concurrently serving as an Independent Director, as appointed in accordance with the Act or the laws and regulations of the local country, at the Company and its parent or subsidiary or a subsidiary of the same parent).

(9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT$500,000 in the past two years. However, this does not apply in cases where members of the Remuneration Committee, the Review Committee for Public Tender Offer or the Special Committee for Mergers and Acquisitions perform their functions in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

(10) Not a spouse or a relative within the second degree of kinship to any other Director of the Company.

(11) Does not involve any of the circumstances in the subparagraphs of Article 30 of the Company Act apply.

(12) Not a governmental, juridical person or its representative as specified in Article 27 of the Company Act.

(II) Information on the President, Vice President, Associate Vice President, and Officer of All Departments and Branch Offices

As of April 19, 2021

Title (Note 1)	Nationality	Name	Name	Date Elected	Shareholding		Spouse & Minor Shareholding		Major Experience (Education) (Note 2)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Note (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President Note	R.O.C.	Lee, Chung-Liang	Male	March 1, 2015	57,441	0.03%	0	0	EMBA, International Business Management, National Taiwan University; Bachelor degree in Economics, National Taiwan University	Please refer to #PageXX# of the Annual Report.	Chief Executive Officer	Lee, Chieh-Hsi	Father and son	
Chief Executive Officer	R.O.C.	Lee, Chieh-Hsi	Male	January 15, 2021	279,000	0.13%	0	0	Ph.D. in Information Engineering, University of Southern California, USA		President	Lee Chung-Liang	Father and son	
Vice President	R.O.C.	Wang, Pei-Yu	Male	August 14, 2020	0	0%	0	0	Master degree in Economics, New York University, USA; EMBA, National Taiwan University; Bachelor degree in Economics, National Taiwan University	Director, Easting Biotechnology Company Limited	None	None	None	
Vice President	R.O.C.	Chang, Su-Ping	Female	August 1, 2019	193,160	0.09%	0	0	Bachelor degree in English Literature, Fu-Jen Catholic University	None	None	None	None	
Vice President	R.O.C.	Yang, Sheng-Fa	Male	August 1, 2019	0	0%	0	0	MBA, Soochow University	None	None	None	None	

Senior Assistant Vice President	R.O.C.	Wang, Mei-Hsueh	Female	93/09/01	31,009	0.01%	0	0	Bachelor degree in Accounting, Soochow University	Supervisor of Hi-Clearance Investment Co., Ltd.; Supervisor of Jesco International Co., Ltd.				
Assistant Vice President	R.O.C.	Chen, Chin-Ho	Male	July 1, 1996	6,085	0%	0	0	Bachelor of Business Administration, Aletheia University	None	None	None	None	
Assistant Vice President	R.O.C.	Chang, Chih-Huang	Male	July 1, 1998	1,711	0%	0	0	Bachelor degree in Forestry, National Taiwan University	None	None	None	None	
Assistant Vice President	R.O.C.	Hsu, Tung-Hsiang	Male	August 1, 2014	227	0%	5,000	0	Bachelor degree in International Trade, Fu-Jen Catholic University	None	None	None	None	
Assistant Vice President	R.O.C.	Shih, Yu-Ling	Female	August 1, 2015	0	0%	0	0	MBA, University of Memphis, USA	None	None	None	None	
Assistant Vice President	R.O.C.	Ko, Huai-Po	Male	August 1, 2019	165	0%	0	0	Master's degree in Business Administration, California State University, USA	Director, GrowTrend Biomedical Co., Ltd.; Director, Quality Cra Ltd.	None	None	None	

Note: Description for the Chairman concurrently serving as the President: Though the Company's Chairman concurrently serves as its President, but the Company has set up three seats of Independent Directors, and less than one-half of all Directors are concurrent employees. Furthermore, the management of all businesses has been delegated to managerial officers, which further enhances supervision.

Note: CEO Lee, Chieh-Hsi has assumed his position on January 15, 2021, and Vice President Wang, Pei-Yu has assumed his position on August 14, 2020.

Note 1: It shall include information of the president, Vice president, assistant vice president, supervisors of various departments and branches; and any position equivalent to president, vice president, assistant vice president, regardless of job title, shall also be disclosed.

Note 2: For experiences related to holding the current position, if one has worked in the CPA firm conducting the auditing and attesting business or related company, the relevant job title and responsible position at the CPA firm shall be disclosed.

Note 3: Where the chairperson of the board of directors and the president or person of an equivalent post (the highest level manager) of the company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of independent directors, and there shall be more than half of the directors who do not concurrently serve as employees or managers).

III. Remuneration Paid to Company Directors and Managers during the Most Recent Year

(I) Directors' Remuneration

Unit: NT$1,000

Title	Name	Remuneration paid to directors								Ratio of total remuneration (A+B+C+D) to net income (Note 10)		Relevant remuneration received by directors who are concurrent employees								Ratio of total remuneration (A+B+C+D+E+F+G) to net income (%)		Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company (Note 11)
		Compensation (A) (Note 2)		Severance pay and pension (B)		Remuneration of directors (C) (Note 3)		Expenses for professional practices (D) (Note 4)				Salaries, bonuses, and special allowances (E) (Note 5)		Severance pay and pension (F)		Employees' compensations (G)(Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 7)		The Company	All companies included in the financial statements (Note 7)	
																Cash amount	Share amount	Cash amount	Share amount			
Chairman	Lee, Chung Liang, Representative of LCL CAPITAL INC.	2,700	2,700	0	0	1,163	1,413	550	680	14.49	15.73	8,898	15,600	469	469	325	0	325	0	46.30	69.55	None
Director	Lee, Hsi-Lu, Representative of Jing Shing Investment Corp.																					
Director	Chen, Chun-Hung, Representative of Chung Yu Investment Co., Ltd.																					
Director	Lee, Chung-Ting, Representative of Witty Mate Corporation																					
Director	Chen, Ching-Kuhn, Representative of Pro-index Investment Co., Ltd.																					
Director	Lee, Pea-Chian, Representative of Jing Shing Investment Corp.																					
Director	Hsu, Ming-Jen																					
Director	Lin, Zhen-Neng, Representative of LCL CAPITAL INC.																					
Director	Lee, Chieh-Hsi, Representative of Witty Mate Corporation																					

Independent Director	Chen, Yung-Chang																					
Independent Director	Ho, Shih-Chinn																					
Independent Director	Chu, Li-San																					
1. Please state the policy, system, standards and structure of independent directors' remuneration payment, and describe the relevance between the amount of remuneration and the factors including responsibilities, risks, the time spent by the individual, etc.: The Company may pay remuneration on a monthly basis for independent directors who perform the Company's duties. The amount of remuneration may be adjusted by the Remuneration Committee based on individual independent director's level of participation in Company operations and value of contribution. 2. Except for disclosures in the above table, remuneration paid to directors for providing services (e.g., providing consulting services as a non-employee) for all companies included in the financial statements in the most recent year: None.																						

*The Company shall set out relevant information for directors (non-independent directors) and independent directors separately.

Range of remuneration

<table>
<tr><th rowspan="3">Range of remuneration paid to directors</th><th colspan="4">Name of director</th></tr>
<tr><th colspan="2">Total amount of remuneration (A+B+C+D)</th><th colspan="2">Total amount of remuneration (A+B+C+D+E+F+G)</th></tr>
<tr><th>The Company (Note 8)</th><th>All companies included in the financial statements (Note 9) H</th><th>The Company (Note 8)</th><th>Parent company and all reinvestments (Note 9) I</th></tr>
<tr><td>Less than NT$1,000,000</td><td>Lee, Chung Liang, Representative of LCL CAPITAL INC.
Lee, Hsi-Lu, Representative of Jing Shing Investment Corp.
Chen, Chun-Hung, Representative of Chung Yu Investment Co., Ltd.
Lee, Chung-Ting, Representative of Witty Mate Corporation
Chen, Ching-Kuhn, Representative of Pro-index Investment Co., Ltd.
Lee, Pea-Chian, Representative of Jing Shing Investment Corp.
Hsu, Ming-Jen
Lin, Zhen-Neng, Representative of LCL CAPITAL INC.
Lee, Chieh-Hsi, Representative of Witty Mate Corporation
Chen, Yung-Chang
Ho, Shih-Chinn
Chu, Li-San</td><td>Same as left column</td><td>Lee, Hsi-Lu, Representative of Jing Shing Investment Corp.
Chen, Chun-Hung, Representative of Chung Yu Investment Co., Ltd.
Lee, Chung-Ting, Representative of Witty Mate Corporation
Chen, Ching-Kuhn, Representative of Pro-index Investment Co., Ltd.
Lee, Pea-Chian, Representative of Jing Shing Investment Corp.
Hsu, Ming-Jen
Lin, Zhen-Neng, Representative of LCL CAPITAL INC.
Chen, Yung-Chang
Ho, Shih-Chinn
Chu, Li-San</td><td>Same as left column</td></tr>
<tr><td>NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)</td><td></td><td></td><td>Lee, Chieh-Hsi, Representative of Witty Mate Corporation</td><td>Lee, Chieh-Hsi, Representative of Witty Mate Corporation</td></tr>
<tr><td>NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)</td><td></td><td></td><td>Lee, Chung Liang, Representative of LCL CAPITAL INC.</td><td></td></tr>
<tr><td>NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$15,000,000 (inclusive)~NT$30,000,000 (exclusive)</td><td></td><td></td><td></td><td>Lee, Chung Liang, Representative of LCL CAPITAL INC.</td></tr>
<tr><td>NT$30,000,000 (inclusive)~NT$50,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$50,000,000 (inclusive)~NT$100,000,000 (exclusive)</td><td></td><td></td><td></td><td></td></tr>
</table>

Over NT$100,000,000				
Total	12 persons	12 persons	12 persons	12 persons

Note 1: Directors' names shall be identified separately (corporate shareholders shall be identified by the corporate shareholder's name and representative individually), and the non-independent directors and independent directors shall be listed separately and the amount of various payments shall be disclosed in summary. If a director also serves as a president or vice president, this table and the following tables (3-2-1) or (3-2-2) should also be filled.

Note 2: Remunerations to the directors in the current year include director's salary, directors' allowances, severance pay, various bonuses, incentive payments, etc.)

Note 3: The remuneration to directors approved by the Board of Directors in the most recent year.

Note 4: Professional service fees paid to the director (including provision of such tangible objects such as honorarium, special allowances, subsidies, dormitory, and company cars etc.). If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of the manager's or director's compensation.

Note 5: The salary, allowance, severance pay, bonus, reward, transportation allowance, special allowance, various allowances, and provision of such tangible objects such as dormitory and car received by the directors who acted as employees concurrently (including president, vice president, managerial officer and employee) in the most recent year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of the manager's or director's compensation. Any salary listed under IFRS 2 Share-Based Payment, including employee share options, new restricted employee shares, and cash capital increase by share subscription, shall also be included in remuneration.

Note 6: If the directors who acted as employees concurrently (including president, vice president, managerial officer and employee) received employee compensations (including share dividend and cash dividend) in the most recent year, please disclose the employee compensation approved by the Board of Directors in the most recent year. If it is impossible to impute the same, the amount to be allocated this year shall be based on that allocated physically last year, and please also specify in table 1-3.

Note 7: The aggregate of the remuneration received by the Company's directors from all companies included in the financial statements (including the Company) should be disclosed.

Note 8: The aggregate of the remuneration to each director by the Company shall include the director's name disclosed in the relevant space of the following table.

Note 9: The aggregate of the remuneration paid to each of the Company's directors by the companies included in the financial statements (including the Company) shall include the director's name disclosed in the relevant space of the following table.

Note 10: The net income shall refer to the earnings after tax identified in the entity or individual financial statement for the most recent year.

Note 11: a. Specify whether the Company's directors have received remuneration from investees beyond subsidiaries (If there is none, please fill in "none").

b. If the Company's directors have received remuneration form investees beyond subsidiaries, please include the same into Section I in the following table and changed the name of the section into "parent company and all reinvestments".

c. The remuneration shall refer to the remuneration, compensation, employee bonus and professional practicing fees received by the Company's directors who acted as the directors, supervisors or managerial officers of investees other than subsidiaries.

* The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation purpose.

(II). Remuneration of President and Vice President
Unit: NT$1,000; %

Title	Name	Salaries (A) (Note 2)		Severance pay and pension (B)		Bonus and special fees (C) (Note 3)		Employee compensation (D) (Note 4)				Ratio of total remuneration (A+B+C+D) to net income (Note 8)		Remuneration from investees other than subsidiaries or parent company (Note 9)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements (Note 5)	
								Cash amount	Share amount	Cash amount	Share amount			
President	Lee, Chung-Liang	8,672	11,403	5,822	5,822	4,323	8,293	409	0	409	0	63.12%	85.12%	None
Vice President	Lai, Ming-Hui (Note)													
Vice President	Wang, Pei-Yu (Note)													
Vice President	Chang, Su-Ping													
Vice President	Yang, Sheng-Fa													

Note: Vice President Lai, Ming-Hui retired on August 21, 2020, and said position was assumed by Wang, Pei-Yu on August 14, 2020.

* Any positions equivalent to president or vice president (e.g. general manager, CEO or director, et al.) shall be disclosed, regardless of job titles.

Range of remuneration

Range of remuneration paid to the President and Vice Presidents	Name of president and vice president	
	The Company (Note 6)	Parent company and all reinvestments (Note 7) E
Less than NT$1,000,000		
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)	Wang, Pei-Yu; Chang, Su-Ping; Yang, Sheng-Fa	Wang, Pei-Yu; Chang, Su-Ping; Yang, Sheng-Fa
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)		
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)		
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)	Lee, Chung-Liang; Lai, Ming-Hui	Lai, Ming-Hui
NT$10,000,000 (inclusive)~NT$15,000,000 (exclusive)		Lee, Chung-Liang
NT$15,000,000 (inclusive)~NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive)~NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive)~NT$100,000,000 (exclusive)		
Over NT$100,000,000		
Total	5 persons	5 persons

Note 1: The name of president or vice presidents shall be identified individually, and the various payments shall be summarized and then disclosed. If a director also concurrently serves as a president or vice president, this form and the above form (1-1), or (1-2-1) and (1-2-2) should be filled.

Note 2: Please specify the salary, duty allowance and severance paid to the presidents and vice presidents in the most recent year.

Note 3: Please specify the bonus, reward, transportation allowance, special allowance, various allowances, and provision of such tangible objects as dormitory and car, as well as other remunerations, received by the presidents and vice presidents in the most recent year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of the manager's or director's compensation. Any salary listed under IFRS 2 Share-Based Payment, including employee share options, new restricted employee shares, and cash capital increase by share subscription, shall also be included in remuneration.

Note 4: Please specify the employee bonus (including shares and cash) to be allocated to the presidents and vice presidents as approved by the Board of Directors in the most recent year. If it is impossible to impute the same, the amount to be allocated this year shall be based on that allocated physically last year, and please also specify in the table 1-3.

Note 5: Please disclose the aggregate of the remuneration paid to the Company's presidents and vice presidents by all companies included into the consolidated financial reports (including the Company).

Note 6: The aggregate of the remuneration to each president or vice president by the Company shall include the president's or vice president's name disclosed in the relevant space of the following table.

Note 7: The aggregate of the remuneration paid to each of the Company's presidents and vice presidents by the companies included into the consolidated financial reports (including the Company) shall include the president's and vice president's names disclosed in the relevant space of the following table.

Note 8: The net income shall refer to the earnings after tax identified in the entity or individual financial statement for the most recent year.

Note 9: a. To specify whether the Company's presidents and vice presidents have received remuneration from investees beyond subsidiaries (If there is none, please fill in "none").

b. If the Company's presidents and vice presidents have received remuneration form investees beyond subsidiaries, please include the same into Section E in the following table and changed the name of the section into "parent company and all reinvestments".

c. The remuneration shall refer to the remuneration, compensation, employee bonus and professional practicing fees received by the Company's presidents and vice presidents who acted as the directors, supervisors or managerial officers of investees other than subsidiaries.

* The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation purpose.

(IV) Employee Compensations Paid to Managerial Officers
Unit: NT$1,000

	Title (Note 1)	Name (Note 1)	Share amount	Cash amount	Total	Ratio of total compensation to net income (%)
Manager	President	Lee, Chung-Liang	0	543	543	1.78%
	CEO (Note)	Lee, Chieh-Hsi				
	Vice President (Note)	Lai, Ming-Hui				
	Vice President (Note)	Wang, Pei-Yu				
	Vice President	Chang, Su-Ping				
	Vice President	Yang, Sheng-Fa				
	Senior Assistant Vice President (Note)	Wang, Mei-Hsueh				
	Assistant Vice President	Chen, Chin-Ho				
	Assistant Vice President	Chang, Chih-Huang				
	Assistant Vice President	Hsu, Tung-Hsiang				
	Assistant Vice President	Shih, Yu-Ling				
	Assistant Vice President	Ko, Huai-Po				

Note 1: Please disclose the name and job title individually, while the allocation of earnings may be summarized as an aggregate and then disclosed.

Note 2: Please specify the employee compensations (including shares and cash) to be allocated to the managerial officers as approved by the Board of Directors in the most recent year. If it is impossible to impute the same, the amount to be allocated this year shall be based on that allocated physically last year. Net income refers to the earnings after tax in the most recent year. If the IFRSs are adopted, the net income shall refer to the earnings after tax identified in the entity or individual financial statement for the most recent year.

Note 3: The scope of managers shall be defined in the following manner, as per the Board's decree under Tai-Tsai-Cheng-3-Tze No. 0920001301:92 年 3 月 27 日

(1) President and equivalents;

(2) Vice president and equivalents;

(3) Assistant vice president and equivalents;

(4) Chief of Financial Dept.;

(5) Chief of Accounting Dept.;

(6) Any other persons in charge of the Company's affairs and entitled to sign instruments on behalf of the Company.

Note 4: If any director, president or vice president has received employee compensation (including share dividend and cash dividend), please fill out table 1-2 as well as this table.

Note: CEO Lee, Chieh-Hsi has assumed his position on January 15, 2021, Vice President Wang, Pei-Yu has assumed his position on August 14, 2020, Senior Assistant Vice President Wang, Mei-Hsueh assumed his position on January 15, 2021, while Vice President Lai, Ming-Hui as retired on August 21, 2020.

(V) Total remuneration, as a percentage of net income stated in the parent company-only financial reports or individual financial reports, paid to directors, supervisors, the president, and vice presidents, with analysis and description of the policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

1. Analysis of total remuneration, as a percentage of net income stated in the parent company only financial statements, paid to the directors, supervisors, president, and vice presidents during the past 2 fiscal years:

Year / Title	Ratio of remunerations on the net income in 2020	Ratio of remunerations on the net income in 2019
Director	46.30%	52.09%
Supervisor	-	0.98%
President and vice presidents	63.12%	66.33%

2. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

(1) Directors' remunerations include:

1. Compensations for independent directors: When performing duties for the Company, the Company may pay compensations on a fixed monthly basis to the independent directors, and honorarium may be paid when attending Board of Directors meetings. The amount of fixed compensations may be adjusted by the Remuneration Committee based on individual independent director's level of participation in Company operations and value of contribution.

2. Remunerations for non-independent directors: Pursuant to the Directors Remuneration Allocations Method, the Company's directors may receive remunerations between 0% to 150% of the industry compensations standard as well as certain honorarium based on the individual level of participation in the Company's operations and values from their contributions. Additionally, pursuant to Article 23 of the Company's Articles of Incorporation and in view of the overall performance of the Board, operational performance of the Company and amount of duties and tasks, the directors will be allocated with no more than 3% of the current year's profits as remuneration based on profitability of the Company, and upon review from the Remuneration Committee and approval from the Board of Directors and the shareholders' meeting.

(2) Compensations for the president and vice president include monthly salaries, year-end bonuses and employees' compensations. Salaries are approved based on the scope of

responsibilities of a position and the individual's contribution toward Company objectives, and in reference to industry standards, job titles, ranks, academic and work experiences, and professional skills. The bonuses and employees' compensations are distributed in line with the Company's profitability, profit and loss of the department being supervised, and in reference to other performance evaluations, and are distributed upon review from the Remuneration Committee and approval from the Board of Directors.

IV. Implementation of Corporate Governance
(I) Status of Implementation of the Board of Directors

The Board of Directors has convened 5 meetings (A) in 2020. The attendance of the directors was as follows:

Title	Name (Note 1)	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note 2)	Note
Chairman	Lee, Chung-Liang (Representative of LCL CAPITAL INC.)	5	0	100%	
Director	Lee, Hsi-Lu (Representative of Jing Shing Investment Corp.)	5	0	100%	
Director	Chung Yu Investment Co., Ltd. Representative: Chen, Chun-Hung	4	1	80%	
Director	Witty Mate Corporation Representative: Lee, Chung-Ting	5	0	100%	
Director	Chen, Ching-Kuhn, Representative of Pro-index Investment Co., Ltd.	5	0	100%	
Director	Lee, Pea-Chian (Representative of Jing Shing Investment Corp.)	4	1	80%	
Director	Hsu, Ming-Jen	3	0	60%	
Director	Lin, Zhen-Neng (Representative of LCL CAPITAL INC.)	4	0	80%	
Director	Witty Mate Corporation Representative: Lee, Chieh-Hsi	5	0	100%	
Independent Director	Chen, Yung-Chang	5	0	100%	
Independent Director	Ho, Shih-Chinn	5	0	100%	
Independent Director	Chu, Li-San	5	0	100%	

Other matters to be recorded:

I. With regard to the implementation of the Board of Directors, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, opinions from all independent directors and the Company's handling of such opinions shall be specified:

(I) The Company has set up an Audit Committee, thus the items listed in Article 14-3 of the Securities and Exchange Act do not apply.

Date/Term	Circumstances referred to in Article 14-3 of the Securities and Exchange Act	Dissent or reservation from independent directors
January 13, 2020 18th Board 5th meeting	1. 2020 Budget Proposal 2. Proposal to authorize the Chairman to handle all matters related to the Company's transactions with various financial institutions 3. Distribution of 2019 year-end bonus for managerial officers.	None None None
March 27, 2020 18th Board 6th meeting	1. Proposal for recommended distribution of employees' compensations and directors' remuneration for 2019. 2. 2019 Consolidated Financial Statements and Individual Financial Statements. 3. 2019 Business Report. 4. 2019 Distribution of earnings proposal. 5. 2019 Statement on Internal Control. 6. Proposal of CPAs' independence evaluation and their re-appointment. 7. Proposal to amend the Rules of Procedure for Shareholders' Meeting. 8. Proposal to amend the Rules of Procedure for Board of Directors Meetings. 9. Proposal to amend the Remuneration Committee Charter. 10. Proposal to amend the Audit Committee Charter. 11. Proposal to release the directors from the non-compete restriction. 12. Proposal to convene the 2020 annual shareholders' meeting.	None None None None None None None None None None None None
May 12, 2020 18th Board 7th meeting	No discussions.	
August 12, 2020 18th Board 8th meeting	1. Proposal to amend "Authorization Chart". 2. Proposal on materiality standard regarding overdue receivables. 3. Change of Chief Financial Officer, Accounting Supervisor, and Spokesperson of the Company. 4. Remuneration for newly appointed managerial officers. 5. Proposal to delegate a safe-keeper of the Company's seal.	None None None None None
November 11, 2020 18th Board 9th meeting	1. Proposal for loaning of funds to subsidiary Colltex Garment Mfy (HK) Co., Limited. 2. 2021 Internal Audit Plan. 3. Proposal to amend the Company's Operational Procedures for Preparation of Financial Statements".	None None None

(II) Except for the above, any recorded or written Board of Directors resolutions to which independent directors have objections or reservations: None.

II. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified: No conditions presenting conflicts of interests occurred in 2020, thereby no recusal was required.

III. The evaluation cycles, evaluation periods, scope and method of evaluation, and contents of evaluation for evaluating the performance of the Board members (self or peer evaluation). Attachment 2 Status of the Board's performance evaluation shall be filled.

Status of the Board's Performance Evaluation:

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Method of evaluation (Note 4)	Contents of evaluation (Note 5)
Once a year	109.1.1~109.12.31	Board of Directors as a whole, individual Board members and functional committees	Self-evaluation questionnaires	(1) Performance evaluation for the Board of Directors includes participation in the operation of the Company, the quality of decisions made by the Board of Directors, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control. (2) Performance evaluation for the individual Board members includes alignment with the goals and missions of the Company, awareness of the duties as a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control. (3) Performance evaluation for the functional committee includes participation in the operation of the Company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, composition of the functional committee and election of its members, and internal control. (4) Contents of the performance evaluation of the Remuneration Committee incude: A. Involvement in the Company's operations. B. Understanding of the Remuneration Committee's roles and responsibilities C. Improvement to the Remuneration Committee's

				decision-making quality D. Composition and member selection of the Remuneration Committee

Note 1: Specify the implementation cycle of the performance evaluation of the Board of Directors, for example, once a year.

Note 2: Specify the period to be included in the evaluation, for example, performance of the Board of Directors from January 1, 2019 to December 31, 2019 will be evaluated.

Note 3: Scope of the evaluation includes the performance of the entire Board, individual director, and the functional committee.

Note 4: The evaluation methods include self-evaluation of the Board of Directors, self-evaluation of the Board members, peer evaluation, appointment of external professional institutions or experts, or other appropriate methods.

Note 5: the evaluation contents shall include at least the following items:

(1) Evaluation of performance for the Board of Directors should at least include: participation in the operation of the Company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.

(2) Evaluation of performance for the individual directors should at least include: alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.

(3) Evaluation of performance for the functional committees should at least include: participation in the operation of the Company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, makeup of the functional committee and election of its members, and internal control.

IV. Objectives to strengthen the functions of the Board of Directors in the most recent fiscal year and for the current period:

(1) Performance evaluation of the Board of Directors will commence in 2021..

(2) A Corporate Governance Officer has been established since 2021 to be in charge of promoting tasks related to governance, to carry out matters related to convening Board of Directors meetings and shareholders' meetings, to prepare information required for directors to fulfill duties, and to assist in the legal compliance of directors.

Note 1: For director or supervisor who is a corporation, please specify the names of the corporate shareholder and their representatives.

Note 2: (1) If a director or supervisor resigns before the end of the fiscal year, the resignation date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of number of Board meetings held during his or her term of office and number of such meetings attended.

(2) If a director or supervisor is re-elected before the end of the fiscal year, the names of the current and previous director or supervisor shall be listed and their appointment status and re-election date shall be noted in the "Remarks" column. Attendance rate (%) of Board meetings shall be calculated based on the number of meetings convened and the actual number of meetings attended by individual directors during their term of office.

(II) Functions of the Audit Committee and the Board of Directors:

The Audit Committee was established on June 18, 2019. It is composed of all independent directors of the Company, has three members, and convenes at least one meeting in each quarter. Its major functions include the following:

- Formulate or amend internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- Assessment of the effectiveness of the internal control system.
- The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or

disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.

- Matters bearing on the personal interest of a director.
- Material assets or derivatives trading.
- Material loaning of funds, and provision of endorsements/guarantees.
- Offering, issuance or private placement of any equity based securities.
- Appointment, discharge or compensation of a certified public accountant (CPA).
- Appointment or discharge of a finance manager, accounting manager or chief internal auditor.
- Annual and semi-annual financial reports.
- Other significant matters set forth by the Company or the competent authority.

The main purpose of the Committee is to supervise the following:

I. Fair presentation of the financial reports of the Company.
II. The appointment (discharge), independence, and performance of the Company's certificated public accountants (CPA).
III. The effective implementation of the internal control system of the Company.
IV. Regulatory compliance;
V. Management of the existing or potential risks of the Company.

The Audit Committee convened 4 meetings (A) in 2020; the attendance of independent directors is summarized as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Note
Convener	Ho, Shih-Chinn	4	0	100%	
Independent Director	Chen, Yung-Chang	4	0	100%	
Independent Director	Chu, Li-San	4	0	100%	

Other matters to be recorded:

I. With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and Aurora’s handling of such resolutions shall be specified:

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act

Date/Term	Matters referred to in Article 14-5 of the Securities and Exchange Act	Resolution from the Audit Committee	The Company's handling of opinions from the Audit Committee
March 27, 2020 1st term 5th meeting	1. 2019 Consolidated Financial Statements and Individual Financial Statements. 2. 2019 Statement on Internal Control. 3. Proposal of CPAs' independence evaluation and their re-appointment. 4. Proposal to amend the Rules of Procedure for Shareholders' Meeting.	Approved unanimously by all Committee members present	Approved unanimously by all Committee members present without dissent or amendment

	5. Proposal to amend the Rules of Procedure for Board of Directors Meetings. 6. Proposal to amend the Remuneration Committee Charter. 7. Proposal to amend the Audit Committee Charter.		
May 12, 2020 1st term 6th meeting	1. 2020 First Quarter (Q1) financial statements.		
August 12, 2020 1st term 7th meeting	1. 2020 Second Quarter (Q2) financial statements. 2. Proposal to amend "Authorization Chart". 3. Proposal on materiality standard regarding overdue receivables. 4. Change of Chief Financial Officer, Accounting Supervisor, and Spokesperson of the Company.		
November 11, 2020 1st term 8th meeting	1. 2020 Third Quarter (Q3) financial statements. 2. Proposal for loaning of funds to subsidiary Colltex Garment Mfy (HK) Co., Limited. 3. 2021 Internal Audit Plan. 4. Proposal to amend the Company's Operational Procedures for Preparation of Financial Statements".		

(2) Except for the aforementioned matters, other resolutions which were not approved by the Audit Committee but resolved by more than two-thirds of all directors: None.

II. Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.

III. Communication between the independent directors, chief internal auditor, and CPAs (including the key items, methods, and results of audit of finances and operations).

1. Auditors will submit audit reports to the independent directors in the month following the completion of audit items, and the chief internal auditor attends the Audit Committee meetings to report audit operations and follow-up on abnormalities to the independent directors.
2. Independent directors communicate with the Company's CPAs regarding financial position and audit plans through written correspondence or phone as needed. The communications between the independent directors and CPAs in 2020 have been disclosed on the "Corporate Governance" section of the Company's website.

Note:

* Where an independent may be relieved from duties before the end of the fiscal year, please specify the date of his/her discharge in the `Remarks" Section. His/her actual attendance rate (%) to the Board session shall be calculated on the basis of the number of meetings convened and actual number of meetings he/she attended, during his/her term of office.

* Where an election may be held for filling the vacancies of independent director before the end of the fiscal year, please list out both the new and the discharged independent directors and specify if they are the former independent directors, or newly elected, re-elected, and also the date of the reelection. An

independent director's attendance rate (%) will be calculated on the basis of number of Audit Committee meetings held during his or her term of office and number of such meetings attended.

III. Status of Corporate Governance, and any variance from the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof:

Evaluation item	Implementation status (Note 1)			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(I) Does the Company establish and disclose its Corporate Governance Best-Practice Principles based on the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has formulated the "Corporate Governance Best-Practice Principles" and disclosed the Principles on the "Corporate Governance" section of its website and the MOPS website.	No deviation
II. Shareholding structure & shareholders' rights (I) Does the company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure? (II) Does the company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders? (III) Does the company establish and enforce risk control and firewall systems with its affiliated businesses? (IV) Does the company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	✓ ✓ ✓ ✓		(I) The Chairman's Office is the dedicated unit for handling shareholder proposals, inquiries, disputes, and litigations; additionally, shareholders can also submit proposals and opinions through the communication channels provided on the "Investor" section of the Company's website. (II) The Company has dedicated personnel who maintain a register of major shareholders and the controlling parties of these shareholders at all times. (III) The Company has formulated the "Subsidiary Supervision Method" which specifies the personnel, assets, finance, and risk control with affiliates. Additionally, the parent company also regularly dispatches internal auditors and finance officers to track and monitor relevant activities. (IV) The Company has formulated "Procedures for the Prevention of Insider Trading" and regularly provides promotional information regarding prevention of insider trading to Company insiders, who are also requested to sign statements on non-violation of unlawful insider trading.	No deviation
III. Composition and responsibilities of the Board of Directors (I) Is the composition of the Board of Directors determined by taking appropriate policy based on diversity and ensure the	✓		(I) The Company has specified in its Corporate Governance Best-Practice Principles that the composition of the Board should take into consideration gender equality and that Board members should be equipped with sufficient knowledge, skills and competency to	No deviation

Evaluation item	Implementation status (Note 1)			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
actual implementation?			perform their duties. In order to achieve the ideal targets of corporate governance, the abilities that the Board of Directors as a whole should be equipped with are stated below: I. Operational judgment. II. Accounting and financial analysis. III. Business management. IV. Crisis management. V. Industry knowledge. VI. International market perspective. VII. Leadership. VIII. Decision-making ability. The Company's Board of Directors shall be responsible to the shareholders' meeting. For various work and arrangement of the Company's governance system to function, the authority of the Board of Directors shall be fully exercised according to regulations, Articles of Incorporation, or resolutions from the shareholders' meeting. Therefore, when electing directors (including independent directors), the Company takes into consideration the directors' (and independent directors') professional backgrounds as well as their diversity. Additionally, the Company also values gender equality in the composition of the Board members. The 18th term of the Board has 12 directors, of which one is female and 11 are male. The directors' professional backgrounds include management, science and engineering, architecture, law, finance, and information technology, allowing them to offer professional opinions from various angles and perspectives, thereby offering enormous help in the operational management and management efficiency of the Company. The diversity of the Board of Directors is as follows:	

Director Name	Basic composition				Professional experience				Professional knowledge and skills				
	Nationality	Gender	Age	Years of experience as	Marketing	Law	Financi	Technology	Industry kno	Business administratio	Leadership and deci	Finance and acco	Biotechnology inve

Evaluation item	Implementation status (Note 1)			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	

				independent director				n g		wle dge	n and management	sion-making	unting	stment
				Less than 3 years	3 to 6 years									
Lee, Chung-Liang	R.O.C.	Male	60~69			✓		✓		✓	✓	✓	✓	✓
Lee, Hsi-Lu	R.O.C.	Male	Over 75 years old			✓		✓		✓	✓	✓	✓	
Chen, Chun-Hung	R.O.C.	Male	60~69			✓		✓		✓	✓	✓	✓	✓
Lee, Chung-Ting	R.O.C.	Male	50~59			✓		✓		✓	✓	✓		
Chen, Ching-Kuhn	R.O.C.	Male	60~69			✓		✓		✓	✓		✓	
Lee, Pea-Chian	R.O.C.	Female	50~59			✓		✓		✓	✓	✓	✓	
Hsu, Ming-Jen	R.O.C.	Male	60~69			✓		✓		✓	✓	✓	✓	
Lee, Po-Yi	R.O.C.	Male	40~49			✓		✓		✓	✓	✓		
Lee, Chieh-Hsi	R.O.C.	Male	40~49					✓	✓	✓	✓	✓		
Chen, Yung-Chang	R.O.C.	Male	60~69		✓		✓			✓	✓			✓
Ho, Shih-Chin	R.O.C.	Male	50~59		✓			✓		✓	✓		✓	✓

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>(II) In addition to the Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?

(III) Has the Company established standards to measure the performance of the Board, and does the Company implement such annually? Does it report the results of the performance evaluation to the Board of Directors and use them as a reference for each Director's remuneration and nomination of term renewal?

(IV) Does the Company regularly assess on the independence of CPAs?</td><td>✓

✓

✓</td><td></td><td><table><tr><td>Chu, Li-San</td><td>R.O.C.</td><td>Male</td><td>50~59</td><td>✓</td><td></td><td>✓</td><td></td><td>✓</td><td></td><td>✓</td><td>✓</td><td></td><td>✓</td><td></td></tr></table>
(II) The Company has set up the Remuneration Committee to regularly review the performance of directors and managerial officers, and the policy, system, standards, and structure of their compensations and remuneration. The Remuneration Committee was set up during the general re-elections of directors that took place during the 2019 annual shareholders' meeting.

(III) The Company has formulated the "Self-Evaluation or Peer Evaluation of the Board of Directors" in 2020 and performance evaluation was conducted at the end of the year. The evaluation results showed positive rating for the performance and contributions of the Board of Directors as a whole, and the report was submitted to the Board for review. In the future, the Company will also discuss the feasibility of including individual director's performance as a criteria for nominating members of the Board.

(IV) The Company has formulated the CPA Independence Evaluation Chart in line with the Certified Public Accountant Act and Announcement No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China. The evaluation items include assessment on financial interests, financing guarantee, appointment relations and non-audit businesses. The Company regularly evaluates the professionalism and independence of its CPAs once a year. The CPA Independence Evaluation Chart was submitted to and approved by the Board of Directors on March 22, 2021, and the Statement of Independence from the CPAs has also been received.</td><td></td></tr>
<tr><td>IV. Does the company appoint</td><td>✓</td><td></td><td>The Company has appointed a Corporate</td><td>No deviation</td></tr>
</table>

Evaluation item	Implementation status (Note 1)			Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board meetings and shareholders' meetings and keeping minutes at the Board meetings and shareholders' meetings according to law)?			Governance Officer on January 15, 2021. Currently, Vice President Wang, Pei-Yu from Corporate Services Group concurrently serves as the Company's Corporate Governance Officer and is in charge of promoting tasks related to governance. Dedicated personnel have been set up at the Chairman's Office to provide the information required by directors in performing their duties, handling matters related to convening the Board of Directors meetings and shareholders' meetings, handling Company registration and changes to registered information, preparing minutes to Board meetings and shareholders' meetings, and promoting governance policy and its implementations.	
V. Does the company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		A dedicated Stakeholder webpage has been set up at the Company's website to specify information of contact persons for shareholders, employees, customers, suppliers, and other stakeholders.	No deviation
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed the Share Transfer Agency Department of MasterLink Securities Investment Advisory Corp. to process shareholder affairs.	No deviation
VII. Information disclosure (I) Has the company established a corporate website to disclose information regarding the company's financial, business, and corporate governance status? (II) Has the company established any other information disclosure channels (e.g. maintaining a website in English, designating people to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference, etc.)? (III) Does the company announce and declare the annual	✓ ✓	✓	(I) The Company has set up a website to disclose the latest financial and business information and information on corporate governance. (II) Besides reporting and disclosing relevant information according to laws, having appointed dedicated personnel to collect and disclose Company information, the Company has also set up a spokesperson to represent it externaly. In addition, the Company also announces material financial and operational information via the press media at all times. (III) Though the Company does not announce financial information early, all relevant financial information is announced before the prescribed deadline.	No deviation

<table>
<tr><td rowspan="2">Evaluation item</td><td colspan="3">Implementation status (Note 1)</td><td rowspan="2">Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</td></tr>
<tr><td>Yes</td><td>No</td><td>Description</td></tr>
<tr><td>financial report within two months after the end of the fiscal year? Does it announce and declare the first, second and third quarter financial reports and operating conditions of each month as soon as possible before the prescribed period?</td><td></td><td></td><td></td><td></td></tr>
<tr><td>VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?</td><td>✓</td><td></td><td>1. Employee wellness: The Company is focused on the basic human rights and safety of its employees. Besides protecting their basic human rights according to laws, the Company also provides additional benefits such as reinforced group insurance and travel insurance.
2. Investor relations: To ensure the investors' right to know, the Company provides investors with information related to its operations and finance through the spokesperson system and the Company website.
3. Supplier relations: The Company has formulated long-term positive relations with its suppliers.
4. Stakeholder rights: The Company has set up a Stakeholder section on its website to protect the rights and interests of stakeholders.
5. Continuing education of directors and supervisors: Described on the following table.
6. Risk management policy: The Company has formulated various internal regulations, and the Auditing department conducts various risk management and assessments.
7. Customer policy: The Company's sales departments are in charge of handling customer complaint phone calls and emails, and the standard protocol for handling customer complaints or services has also been formulated for each department.
8. Liability insurance for directors and supervisors: The Company has purchased the following liability insurance for directors and supervisors in 2020 as follows:
<table>
<tr><td>Beneficiary</td><td>Insurance company</td><td>Insured amount</td><td>Policy period</td></tr>
<tr><td>All directo</td><td>Fubon Property</td><td>US$3,500,000.00</td><td>August 1, 2020 to</td></tr>
</table></td><td>No deviation</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Variance from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>rs and supervisors</td><td>Insurance</td><td></td><td>August 1, 2021</td></tr></table></td><td></td></tr>
<tr><td colspan="5">IX. Please indicate the improvement of the results of the corporate governance evaluation issued by the Company's Center for Corporate Governance in the last year of the TWSE and provide priority measures and measures for those who have not yet improved: The Company has added the information disclosure of Annual Report and Meeting Handbook in English in 2021.</td></tr>
</table>

The Company's continuing education in 2020 and as of the date of publication of this Annual Report:

Title	Name	Date	Training Institution	Course Name	Training Hours
Chairman	Lee, Chung-Liang	September 22, 2020 September 21, 2020	Taiwan Institute of Directors Taiwan Stock Exchange (TWSE)	Responding to Dramatic Changes and Improving Corporate Governance Corporate Governance 3.0 - Sustainable Development Roadmap	
Director	Lee, Hsi-Lu	November 20, 2020 October 13, 2020	Securities & Futures Institute Securities & Futures Institute	Discussion and Case Studies on the Breach of Trust in Normal and Special Cases for Directors and Supervisors Impact of Latest Tax Regulation Changes on Corporate Operation and the Adaptive Strategy	
Director	Chen, Chun-Hung	October 7, 2020 July 16, 2020	Taiwan Securities Association Securities & Futures Institute	On-the-job Training Seminar for Executives Practice Studies for Directors, Supervisors and Corporate Governance Officers	
Director	Chen, Ching-Kuhn	September 22, 2020 September 16, 2020	Taiwan Institute of Directors CPA Associations R.O.C. (Taiwan)	Responding to Dramatic Changes and Improving Corporate Governance Trends and Outlook for Post-APG Era	
Director	Lee, Chung-Ting	October 23, 2020 September 22, 2020	Taiwan Stock Exchange (TWSE) Taiwan Institute of Directors	2020 Promotions of Board Supervision on Corporate Governance and Ethical Corporate Management Responding to Dramatic Changes and Improving Corporate Governance	
Director	Lee, Chieh-Hsi	September 22, 2020 September 21, 2020	Taiwan Institute of Directors Taiwan Stock Exchange (TWSE)	Responding to Dramatic Changes and Improving Corporate Governance Corporate Governance 3.0 - Sustainable Development Roadmap	
Director	Lee, Pea-Chian	December 8, 2020 October 23, 2020	Securities & Futures Institute Taiwan Stock Exchange (TWSE)	Trends and Challenges in Information Security Governance 2020 Promotions of Board Supervision on Corporate Governance and Ethical Corporate Management	
Director	Lin, Zhen-Neng	September 22, 2020	Taiwan Institute of Directors	Responding to Dramatic Changes and Improving Corporate Governance	
Independent Director	Chen, Yung-Chang	December 8, 2020 November 24, 2020	Securities & Futures Institute Taiwan Corporate Governance Association	Functionalities of the Board of Directors from the Perspective of Preventing Corporate Frauds Practices of Authorization	

				and M&A for Biotechnology Enterprises	
Independent Director	Ho, Shih-Chinn	August 10, 2020 August 10, 2020 July 22, 2020 April 28, 2020	Taiwan Corporate Governance Association Taiwan Corporate Governance Association Taiwan Academy of Banking and Finance Taiwan Corporate Governance Association	Introduction to Latest Tax Laws and Tax-saving Measures for Substantial Shareholders Understanding the AI Risk Management Framework and Enhancing the Trust for AI Integrated Applications Corporate Governance and Sustainable Business Management Seminar Intellectual Property Rights and Trade Secrets	
Independent Director	Chu, Li-San	November 11, 2020 August 7, 2020	Securities & Futures Institute Securities & Futures Institute	Enterprises' Response to Amendment to the Labor Incident Act - Case Studies (2) Enterprises' Response to Amendment to the Labor Incident Act - Case Studies (1)	

Note 1: Reasons for checks of "Yes" or "No" of status should be specified in "Summary Description" column.
Note 2: The Company's self-evaluation report is conducted in accordance with the Corporate Governance Self-Assessment Program. The Company's self-evaluation is conducted and explained in the self-evaluation conducted by the Company. The report on the current company's operations and implementation are reported.

(IV) Composition, Duties and Operation of the Remuneration Committee

1. Information on the Members of the Remuneration Committee

Title (Note 1)	Qualifications / Name	Meeting One of the Following Professional Qualification Requirements, Together with At Least Five Years of Work Experience			Independence Criteria (Note 2)										Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member	Note
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Convener	Chen, Yung-Chang		v	v	v	v	v	v	v	v	v	v	v	v	2	
Independent Director	Ho, Shih-Chinn			v	v	v	v	v	v	v	v	v	v	v	2	
Independent Director	Chu, Li-San	v		v	v	v	v	v	v	v	v	v	v	v	1	

Note 1: Please specify director, independent director or others.

Note 2: Please check "✓" the corresponding boxes if the members meet the following conditions during the two years prior to the nomination and during the term of office.

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of the Company's affiliates. Not applicable in cases where the person is an independent director of the Company's parent company or any subsidiary appointed in accordance with the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies or other local laws and regulations.

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.

(4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the persons in the preceding three subparagraphs.

(5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5%or more of the total number of issued shares of the Company, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).

(6) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of the Company's director seats or voting rights (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).

(7) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of the Company (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).

(8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% but less than 50% of the total issued shares of the Company and concurrently serving as an independent director, as appointed in accordance with the Act or the laws and regulations of the local country, at the Company and its parent or subsidiary or a subsidiary of the same parent).

(9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT$500,000 in the past two years. However, this does not apply in cases where members of the Remuneration Committee, the Review Committee for Public Tender Offer or the Special Committee for Mergers and Acquisitions perform their functions in accordance with the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

(10) Not under any of the categories stated in Article 30 of the Company Act.

2. Information on the Functions of the Remuneration Committee

I. The Company's Remuneration Committee consists of 3 members.
II. Term of office for the current committee: From June 18, 2019 to June 17, 2022. The Remuneration Committee convened 3 meetings (A) in 2020. The information and attendance of the members was as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Note
Convener	Chen, Yung-Chang	3	0	100%	
Independent Director	Ho, Shih-Chinn	3	0	100%	
Independent Director	Chu, Li-San	3	0	100%	

Other matters to be recorded:

一、If the Board of Directors refuses to adopt or amend a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.

二、If there were resolutions of the Remuneration Committee to which members objected or expressed reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.

(1) Where a member of the Remuneration Committee may be relieved from duties before the end of the fiscal year, please specify the date of his/her discharge in the `Remarks" Section. His/her actual attendance rate (%) to the committee meeting shall be calculated based on the number of meetings convened and actual number of meetings he/she attended, during his/her term of office.

(2) If a member of the Remuneration Committee is re-elected before the end of the accounting year, the names of current and previous members shall be listed and their appointment status and re-election date shall be noted in the "Remarks" column. Actual attendance rate (%) will be calculated on the basis of number of Remuneration Committee meetings convened during his or her tenure and number of such meetings attended.

III. Functions of the Remuneration Committee in 2020 is as follows:

Meeting date	Proposal	Resolution	The Company's treatment of the Remuneration Committee's opinion
January 13, 2020 4th term, 4th meeting	1. Review of the 2019 year-end bonuses for managerial officers.	Approved unanimously by all Committee members present.	Approved unanimously by all Committee members present without dissent or amendment
March 27, 2020 4th term, 5th meeting	1. Review of the aggregate sum of the remunerations to directors, supervisors, and managers for 2019. 2. Review of the individual allocations of remunerations to directors, supervisors, and managers, and the individual allocations of employee compensations for 2019.	Approved unanimously by all Committee members present.	Approved unanimously by all Committee members present without dissent or amendment
August 12, 2020 4th term, 6th meeting	1. Review of remuneration for newly hired and promoted managers.	Adopted by all committee members present.	Approved unanimously by all Committee members present without dissent or amendment

(一) The Implementations of Social Responsibility: The Company's measures to environmental protection, community participating, social contribution, social service, social welfare, consumer right, human right, safety and sanitary and other social responsibilities:

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons
	Yes	No	Summary (Note 2)	
I. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? (Note 3)	✓		The Company has formulated the Corporate Social Responsibility Best Practice Principles with the following major risk management policies and strategies: the risk evaluation of topics ranging from operations, information security, environment, social, labor, and governance have all been designed and implemented in various operating procedures and the internal control system. Additionally, the Company also responds to changes in the external environment and reviews various risk policies at all times.	No material deviation.
II. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the Board?	✓		The Chairman's Office is currently responsible for drafting corporate social responsibility policies, and the Administration Department is in charge of promoting and facilitating in the promotions of CSR tasks. Currently, such executions are not yet reported to the Board of Directors.	No material deviation.
III. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries? (2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? (3) Does the company evaluate the potential risks and	✓ ✓ ✓		(I) The Company belongs to the export and retail sector and is not a manufacturer; therefore, ISO14001 is not applicable. In terms of waste recycling and treatment, all related procedures are carried out in line with environmental management system and environmental protection laws; moreover, the Company also reviews the effectiveness of such practices at all times to seek for continuous improvements. (II) The Company is committed to	No material deviation.

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons
	Yes	No	Summary (Note 2)	
opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues? (4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management ?	✓		continuously enhancing the utilization efficiency of resources, and have adopted the following measures: reduce the consumption of one-time use products; encourage employees to use their own cups, utensils, and reusable chopsticks; and to turn in used cartridges of printers and photocopy machines to original manufacturers for recycling and treatment. (III) The Company is committed to the effects of climate change and has adopted the government's e-invoice policy. Furthermore, electronic documents are used in place of paper-based documents whenever possible. Additionally, the air conditioners at offices at set at 26 degrees Celsius during the summer, while energy-saving LED T5 lights are used to reduce energy consumption. (IV) The Company has implemented energy-saving and carbon reduction and greenhouse gas (GHG) reduction practices to reduce the impacts of its operations on the environment. All treatment and disposal of waste electronic devices and appliances is executed in line with regulations announced by the Environmental Protection Administration, the Executive Yuan.	
IV. Social issues (I) Does the company formulate appropriate management policies and procedures	✓		(I) To protect the lawful rights and interests of employees, the Company's HR rules and	No material deviation.

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons
	Yes	No	Summary (Note 2)	
according to relevant regulations and the International Bill of Human Rights? (II) Has the company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately? (III) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis? (IV) Does the company provide its employees with career development and training sessions? (V) Does the company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures?	✓ ✓ ✓ ✓ ✓		procedures are in references to the International Bill of Human Rights and in line with the Labor Standards Act. Moreover, the aforementioned rules and procedures are also regularly reviewed and managed. Employee grievance mailbox has been designated at the HR division, and dedicated personnel properly handle all grievances received. (II) The Company is committed to the physical and mental well-being of its employees and regularly organizes employee travel, health checkup, and club activities. Travel incentives are also offered. The employee compensations policy stipulates that compensations are determined by personal capabilities, contributions to the Company, and individual performance. In addition, pursuant to the Articles of Incorporation, in case the Company yields a profit, three percent of the profits are allocated as employees' compensations. (III) The Company provides a safe and healthy workplace environment for its employees. For instance, first aid kits are prepared at office buildings, AED is installed, and efforts are made to minimize factors hazardous to employees' safety and health. To prevent occupational hazards, some of the efforts include: regular fire safety inspection; replacing the fans on the air conditioning system and sanitizing the environment; setting an evacuation route and	

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons
	Yes	No	Summary (Note 2)	
(VI) Has the company established the supplier management policies requesting suppliers to comply with relevant laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised its implementation?			emergency exits at office buildings; and access control. (IV) The Company provides proper educational training program based on the employees' career plan and required skills. (V) In its Ethical Corporate Management Best Practice Principles, the Company has specified that Company personnel are required to comply with laws related to intellectual property when performing their duties in order to protect the rights and interests and privacy of consumers. In addition, the Company has filed for product liability insurance to ensure the safety of its consumers. When it comes to marketing and labeling trade products and apparel, the Company always complies with relevant laws and international standards, clearly labels product composition/ingredients, and provides safe products to customers and consumers. The Company has set up customer service mailbox on its website, and all business groups have set up dedicated personnel to answer inquiries or complaints from customers or consumers regarding products or services. (VI) The Company regularly conducts supplier assessment, and the scope of which includes requesting that suppliers' manufacturing environment shall meet local laws and regulations on workers' rights, health, safety,	

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons
	Yes	No	Summary (Note 2)	
			and on environmental protection. The Company signs contract terms with major suppliers, and in case of severe violation against corporate social responsibility, the Company will either terminate the contract or dismiss the supplier based on the terms of the contract.	
V. Does the company refer to internationally-used standards or guidelines for the preparation of reports such as CSR reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?		✓	The Company has not yet prepared a Corporate Social Responsibility Report.	Under discussion
VI. If the Company has established corporate social responsibility principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, please describe the implementation and any deviations from the Principles: The Company has formulated the Corporate Social Responsibility Best Practice Principles but has not yet prepared the Corporate Social Responsibility Report. The preparation of which is currently under discussion.				
VII. Other important information to facilitate a better understanding of corporate social responsibility practices: I. Ensuring workplace safety 1. Rigorous access control and security personnel: The Company has set up 24-hour close monitoring system and contracted a security company to maintain office and personnel security. 2. Professional qualified electricians are regularly appointed to inspect that excessive electricity overload can be avoided, thereby preventing fire alarms. 3. External agency is appointed for fire prevention in each year, and qualified fire extinguishers are installed, and their working condition is regularly maintained and checked. 4. Participation in fire prevention seminar to achieve an in-depth understanding of the firefighting equipment at the office and information on evacuation. 5. Maintaining sufficient lighting at the work environment and aisles and keeping the work environment tidy to prevent accidents such as collision or tripping. II. Maintaining the hygiene and sanitation of the work environment 1. Implementing smoke-free office policy and setting up copy machine and fax machines at separate areas. 2. Regularly inspecting and cleaning the office ventilation system, including air conditioners and dust filters, etc. 3. Regularly detect indoor CO2 density and reinforcing the rate of fresh air circulation and air				

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons
	Yes	No	Summary (Note 2)	
refreshing. 4. Paying attention to the safety of employees' drinking water and regularly maintaining the water fountains every three months. 5. Adopting environmentally-friendly lights to ensure sufficient lighting at the office areas.				

Note 1: If Implementation Status is specified "Yes," please explain the key policies, strategies and measures taken and the current progress; if Implementation Status is specified "No," please provide reasons and explain any policy, strategy and measure planned for the future.

Note 2: If the company has prepared a CSR report, Implementation Status may be completed by providing page references to the CSR report instead.

Note 3: Materiality principle refers to environmental, social and corporate governance issues that are of material impact to the company's investors and stakeholders.

(VI) Ethical Corporate Management

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs (I) Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies? (II) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities	✓ ✓		(I) The management mission of the Company is founded on integrity, practicality, improvements, and community service. Founded on the management philosophy of honesty, transparency, and responsibility, the Company has formulated relevant policies founded on ethical business management. The Company has formulated Ethical Corporate Management Best Practice Principles, which have been approved by the Board of Directors and enacted accordingly. Operations and management of the Company are all executed in line with the ethical business management principles by members of the Board of Directors and the managerial officers. The aforementioned Principles have been	No material deviation.

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"? (III) Has the company provided any solutions to prevent the unethical conducts, stipulate the definite procedures, conduct guidelines, punishment for violation as well as appeals system and put into practice, and review and revise on a regular basis the aforesaid solutions?	✓		disclosed on the Company website. (II) The Company has formulated the Ethical Corporate Management Best Practice Principles and the Code of Ethical Conduct, which specify related standardized operational procedures, and auditors also regularly verify the status of conformity to the principles. (III) The Company prohibits directors, supervisors, managers, employees, agents and contractors, and any person with substantive control from offering or receiving bribes, providing illegal political donations, or inappropriate charitable donations during the course of their business activities. Violators will be handled according to relevant punishment measures stipulated by the Company.	
II. Fulfillment of ethical corporate management (I) Has the company evaluated its business partners' ethical records and include ethics-related clauses in business contracts? (II) Has the company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct? (III) Has the company established policies to prevent conflicts of interest, provide appropriate appeal channels, and implement them accordingly? (IV) Has the company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on	✓ (I) ✓ (III) ✓ (IV)	✓ (II) ✓ (IV)	(I) The Company regularly conducts supplier evaluation, maintains partnership relations with suppliers, and avoids transacting with customers or suppliers with unethical conduct. In case any unethical conduct has been found, the partnership will be immediately terminated. (II) The Chairman's Office is in charge of promoting the operations and supervision of ethical corporate management policies, but currently they are not urged to regularly report to the Board of Directors. (III) The Company has formulated conflict prevention policy and also provides proper channel for appeal at cust@email.collins.com.tw. (IV) Effective accounting system and internal control system have been set	No material deviation.

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit? (V) Does the company regularly hold internal and external educational trainings on ethical business management?			up at the Company, and internal auditors regularly review the compliance status of the aforesaid control system. (V) Presently, the Company has not yet provided regular educational training on ethical business management. However, regulations related to integrity are specified during new employee training, and the Company's persistence in ethical business management are also promoted during regular communications with external stakeholders such as customers, suppliers, and agents/distributors.	
III. Operation of the whistle-blowing system (I) Has the company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel? (II) Has the company established standard investigation operation and procedure for whistleblowing matters and relevant protective mechanisms? (III) Does the company adopt proper measures to prevent a whistleblower from retaliation for his/her filing a complaint?	✓ ✓ ✓		(I) The Company has formulated "Handling Procedures of Illegal and Unethical Conduct Incidents", which specifies the unit(s) in charge of handling such incidents, reporting channels, and handling procedures. In addition, electronic grievance mailbox has also been set up. Once the reported incident has been verified to be authentic, the whistleblower will be rewarded in line with the Company's incentive measures. (II) After receiving a reporting incident, written record will be documented, and relevant departments will conduct investigation, handling, and subsequent reporting. (III) The Company has formulated regulations to protect the identity of the whistleblower and the content of the report. In addition, to protect the whistleblower from retaliation, the investigation team is also prohibited from spilling the person's identity.	No material deviation.
IV. Enhanced disclosure of ethical corporate management information	✓		(I) The Company discloses ethical	No material

<table>
<tr><td rowspan="2">Evaluation item</td><td colspan="3">Implementation status (Note 1)</td><td rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</td></tr>
<tr><td>Yes</td><td>No</td><td>Description</td></tr>
<tr><td>Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?</td><td></td><td></td><td>corporate management-related information on its website and the MOPS in a timely manner.</td><td>deviation.</td></tr>
<tr><td colspan="5">V. If the company has established ethical management principles based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the principles and their implementation: The Company's Procedures for Ethical Management and Guidelines for Conduct is adopted pursuant to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", and there is no material discrepancy between the two principles.</td></tr>
<tr><td colspan="5">VI. Other important information to facilitate a better understanding of the company's ethical corporate management policies. (e.g., review and amend its policies): None.</td></tr>
</table>

Note 1: Reasons for checks of "Yes" or "No" of status should be specified in "Summary Description" column.

(VII) In case a code of corporate governance or relevant regulations have been established, a company shall disclose the method to inquire such principles: The Company has set up a Corporate Governance section on its website, and relevant information are also concurrently disclosed on the MOPS.

(VIII) Other material information that can enhance the understanding of the state of corporate governance at the company: None.

(IX) The following matters shall be disclosed in regards to the status of the company's internal control:

1. Statement on Internal Control

Collins Co., Ltd.

Statement on Internal Control

Date: March 22, 2021

Pursuant to self-evaluation results, the Company will make the following statement regarding the Company's internal control system for 2020:

I. The Company has clearly stipulated that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Company's Board of Directors and managers, and the Company has established the internal control system (ICS). The Company's internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify 5 components of internal control based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes a number of categories. Please see rules from the "Regulations" for details on the aforementioned categories.

IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.

V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2020, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.

VI. This statement is an integral part of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement has been unanimously approved by the Board of Directors on March 22, 2021, with 11 directors present at the meeting.

Collins Co., Ltd.

Chairman: Lee, Chung-Liang signed or sealed

President: Lee, Chung-Liang signed or sealed

2. A separate audit report shall be disclosed where an independent registered public accounting firm has reviewed the Company's internal control system: N/A

(X) Penalties imposed upon the Company and its employees according to law, penalties imposed by the Company upon employees for the violation of the internal control system policy, principal deficiencies, and improvement status during the most recent fiscal year and up to the date of publication of the Annual Report: None.

(XI) Major resolutions of shareholders' meeting and Board meetings during the most recent fiscal Year and up to the date of publication of the Annual Report:

1. Major resolutions of 2020 shareholders' meeting and implementation status:

(1) Adoption of the 2019 Business Report and financial statements.

(2) Adoption of the 2019 earnings distribution plan.
Implementation status: July 25, 2020 was announced as the ex-dividend date, and August 12, 2020 as the cash dividend distribution date, in which NT$0.3 of cash dividend would be distributed per share.

(3) Approval of amendment to the Rules of Procedure for Shareholders Meetings.

(4) Approval of the proposal to release the directors from non-compete restriction.

Implementation status:

Title	Name	Positions concurrently held at other companies	Items to be released from non-compete restriction
Director	Lee, Hsi-Lu	Supervisor, Bioengine Capital Inc.	Investment or operation of business that overlaps, or has similar nature to, the Company's scope of business
Director	Chen, Chun-Hung	Director, Mycenax Biotech Inc. Director, Microbio Co., Ltd. Director, Bioengine Capital Inc.	
Director	Chen, Ching-Kuhn	Independent Director, Allied Biotech Corporation	
Independent Director	Chen, Yung-Chang	Independent Director, Center Laboratories Inc	
Independent Director	Ho, Shih-Chinn	Director, Ever Supreme Bio Technology Co., Ltd. Director, Allied Biotech Corporation Director, Luo Lih-Fen Group Independent Director, Center Laboratories Inc	

2. Major resolutions from the Board of Directors meetings in 2020 and up to the date of publication of the Annual Report

Meeting date	Major resolutions
2020.01.13 18th term, 5th meeting	1. 2020 Budget Proposal 2. Proposal to authorize the Chairman to handle all matters related to the Company's transactions with various financial institutions 3. Distribution of 2019 year-end bonus for managerial officers
2020.03.27 18th term, 6th meeting	1. Proposal for recommended distribution of employees' compensations and directors' remuneration for 2019. 2. 2019 Consolidated Financial Statements and Individual Financial Statements. 3. 2019 Business Report. 4. 2019 Distribution of earnings proposal. 5. 2019 Statement on Internal Control. 6. Proposal of CPAs' independence evaluation and their re-appointment.

	7. Proposal to amend the Rules of Procedure for Shareholders' Meeting. 8. Proposal to amend the Rules of Procedure for Board of Directors Meetings. 9. Proposal to amend the Remuneration Committee Charter. 10. Proposal to amend the Audit Committee Charter. 11. Proposal to release the directors from the non-compete restriction. 12. Proposal to convene the 2020 annual shareholders' meeting.
109.05.12 18th term, 7th meeting	None
109.08.12 18th term, 8th meeting	1. Proposal to amend "Authorization Chart". 2. Proposal on materiality standard regarding overdue receivables. 3. Change of Chief Financial Officer, Accounting Supervisor, and Spokesperson of the Company. 4. Remuneration for newly appointed managerial officers. 5. Proposal to delegate a safe-keeper of the Company's seal.
109.11.11 18th term, 9th meeting	1. Proposal for loaning of funds to subsidiary Colltex Garment Mfy (HK) Co., Limited. 2. 2021 Internal Audit Plan. 3. Proposal to amend the Company's Operational Procedures for Preparation of Financial Statements".
110.01.15 18th term, 10th meeting	1. 2021 Corporate Budget. 2. Proposal to authorize the Chairman to handle all matters related to the Company's transactions with various financial institutions 3. Appointment of the Company's Corporate Governance Officer 4. Appointment of the Company's CEO 5. Salary adjustments for managerial officers 6. Distribution of 2020 year-end bonus for managerial officers 7. Proposal to invest in Taiwan Bio Therapeutics Co., Ltd
110.03.22 18th term, 11th meeting	1. Proposal for recommended distribution of employees' compensations and directors' remuneration for 2020. 2. 2020 Consolidated Financial Statements and Individual Financial Statements. 3. 2020 Business Report. 4. 2020 Distribution of earnings proposal. 5. Proposal to distribute cash dividends with legal reserve. 6. 2020 Statement on Internal Control. 7. Proposal of CPAs' independence evaluation and their re-appointment. 8. Proposal to amend the Rules of Procedure for Shareholders' Meeting. 9. Proposal to amend the Rules of Procedure for Board of Directors Meetings. 10. Proposal to release the directors from the non-compete restriction. 11. Proposal to convene the 2021 annual shareholders' meeting. 12. Proposal to invest in Axman Enterprise Co., Ltd.
110.05.12 18th term, 12th meeting	1. Proposal to authorize the revision of the venue of the shareholders' meeting.

(XII) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the Board of Directors during the most recent year and up to the date of publication of this Annual Report: None

(XIII) A summary of resignations and dismissals of the Company's chairperson, president, accounting manager, financial manager, chief internal auditor, or research and development officer during the most recent fiscal year and up to the date of publication of the Annual Report:

Summary of discharge and resignation of Company personnel:

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Termination
Vice President	Lai, Ming-Hui	70/10/27	August 21, 2020	Retirement

V. Information on CPA Professional Fees

Unit: NT$1,000

Name of CPA Firm	Name of CPA	Audit Fees	Non-audit Fees					Audit Period	Remark
			System Design	Company Registration	Human Resources	Others	Total		
KPMG Taiwan	Huang, Ming-Hung	2,640	0	0	0	400	400	109.01.01 ~109.12.31	Other: transfer pricing NT$160 thousand; financial statements in English NT$240 thousand.
	Tang, Chia-Chien								

(I) When non-audit fees paid to the CPA, to the accounting firm of the CPA, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed : None.

(II) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 15 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed : None.

VI. Information on Replacement of CPAs

If the company has replaced its certified public accountant within the last two fiscal years or any subsequent interim period, it shall disclose the following information: None.

VII. Company chairperson, president, or any managerial officer in charge of finance or accounting matters in the most recent fiscal year holding a position at the Company's CPA accounting firm or at an affiliated enterprise of such accounting firm: None.

VIII. Change in shareholding and equity pledge of directors, supervisors, managers, and substantial shareholders holding 10% of the Company's shares or more in 2020 and as of the date of publication of the Annual Report:

(I) Changes in shareholding and equity pledge by directors, supervisors, managers, and substantial shareholders

Unit: shares

Title	Name	2020		As of April 19, 2021	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares pledged
Director/substantial shareholder	LCL CAPITAL INC.		0	0	0
Director	Jing Shing Investment Corp.		0	0	0
Director	Chung Yu Investment Co., Ltd.	0	0	0	0
Director	Witty Mate Corporation	0	0	0	0
Director	Pro-index Investment Co., Ltd.	213,000	0	46,000	0
Director	Hsu, Ming-Jen	0	0	0	0
Independent Director	Chen, Yung-Chang	0	0	0	0
Independent Director	Ho, Shih-Chinn	0	0	0	0
Independent Director	Chu, Li-San	0	0	0	0
Chairman and President	Lee, Chung-Liang	0	0	0	0
Vice President	Wang, Pei-Yu	0	0	0	0
Vice President	Yang, Sheng-Fa	0	0	0	0
Vice President	Chang, Su-Ping	0	0	0	0
Assistant Vice President	Chen, Chin-Ho	0	0	0	0
Assistant Vice President	Chang, Chih-Huang	0	0	0	0
Assistant Vice President	Wang, Mei-Hsueh	0	0	0	0
Assistant Vice President	Hsu, Tung-Hsiang	0	0	0	0
Assistant Vice President	Shih, Yu-Ling	0	0	0	0
Director/CEO	Lee, Chieh-Hsi	0	0	0	0

Assistant Vice President	Ko, Huai-Po	0	0	0	0

(II) Share transfer between related parties: None.

(III) Equity pledge between related parties: None.

IX. Relationship information, if among the company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another

110.04.19

Name (Note 1)	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Among 10 largest shareholders, name and relationship with anyone who is a related party under No. 6 of the Financial and Accounting Standards or a relative within the second degree of kinship (Note 3)		Note
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or Name)	Relationship	
LCL CAPITAL INC. Representative: Lee, Chung-Ting	35,153,634	16.81	0	0	0	0	Lee, Ching-Chan	Brother	
Chi-Pin Industries, Co., Ltd. Representative: Lee, Che-Hung	14,726,045	7.04	0	0	0	0	None	None	
Witty Mate Corporation Representative: Lee, Chin-Chang	14,410,140	6.89	0	0	0	0	Lee, Chung-Ting	Brother	
Jing Shing Investment Corp. Representative: Lee, Hsi-Lu	10,567,769	5.05	0	0	0	0	None	None	
Taiwan Shin Yeh Enterprise Co., Ltd. Representative: Liu, Tong-Lin	10,395,000	4.97	0	0	0	0	None	None	
Lu, Cheng-Yi	8,174,000	3.91	0	0	0	0	None	None	
Hanshin Investment Co., Ltd. Representative: Tsai, Che-Hsiong	8,000,000	3.83	0	0	0	0	None	None	
Masterlink Securities Corporation Representative: Chen, Chun-Hung	7,109,526	3.40	0	0	0	0	None	None	
Kao Sheng Investment Co.,	5,300,277	2.53	0	0	0	0	None	None	

Ltd. Representative: Lin, Chian-Chi									
Lin, Yi-Ching	4,843,000	2.32	0	0	0	0	None	None	

Note 1: The top ten shareholders' names shall be identified separately (in the case of corporate shareholders, the corporate shareholders' names and representatives' names shall be identified separately).

Note 2: The ratio of shareholding is calculated in terms of own shareholdings, shares held by spouse & children under age or shareholdings, and shares held by nominees.

Note 3: Relationship between the aforementioned shareholders (including juristic and natural persons) shall be disclosed according to Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

109.12.31

Investee	Invested by the Company		Investments by directors, supervisors, managerial officers, and by companies directly or indirectly controlled by the Company		Total investment	
	Number of shares (in 1,000 shares)	Shareholding ratio %	Number of shares (in 1,000 shares)	Shareholding ratio %	Number of shares (in 1,000 shares)	Shareholding ratio %
CICL	5	100	-	-	5	100
Collins BVI	1	100	-	-	1	100
Q.C.L	-	79	-	-	-	79
Hi-Clearance Inc.	2,100	5	6,071	17	8,171	22
Hi-Clearance Investment Co., Ltd.	4,698	100			4,698	100
GrowTrend Biomedical Co., Ltd.	6,216	62			6,216	62
QS Control Corp.	1,100	4			1,100	4
Jesco International Co., Ltd.	2,000	100	-	-	2,000	100
Colltex HK	2,000	100	-	-	2,000	100
Easting Biotechnology Company Limited	2,000	21	-	-	2,000	21
Minoshin International Co., Ltd.	3,863	68	-	-	3,863	68
Commend Holdings	-	-	10	100	10	100
Commend (HK)	-	-	500	100	500	100
GLGK	-	-	-	100	-	100

Note: Investments accounted for using the equity method.

Chapter IV. Capital Overview

I. Capital and Shares

(I) Source of Capital

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Note		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Capital increase by assets other than cash	Others
93.12	10	490,000,000	4,900,000,000	373,409,175	3,734,091,750		None	
94.07	10	490,000,000	4,900,000,000	381,997,587	3,819,975,870	Capital increase by reinvestment of 8,588,412 shares of paid-in capital.	None	Approval Letter No. (1)940124776 dated June 22, 2005 from the Financial Supervisory Commission
94.11	10	490,000,000	4,900,000,000	371,997,587	3,719,975,870	Capital reduction from cancellation of 10,000,000 treasury shares	None	Approval Letter No. (3)940144139 dated October 10, 2005 from the Financial Supervisory Commission
96.01	10	490,000,000	4,900,000,000	364,217,587	3,642,175,870	Capital reduction from cancellation of 7,780,000 treasury shares	None	Approval Letter No. (3)09510156521 dated November 30, 2006 from the Financial Supervisory Commission
97.04	10	490,000,000	4,900,000,000	355,048,587	3,550,485,870	Capital reduction from cancellation of 9,169,000 treasury shares	None	Approval Letter No. (3)0970003948 dated January 28, 2008 from the Financial Supervisory Commission
97.08	10	490,000,000	4,900,000,000	248,534,011	2,485,340,110	Capital reduction by cash; returned 106,514,576 shares	None	Effective by Approval Letter No. (1)0970041328 dated August 21, 2008 from the Financial Supervisory Commission
99.06	10	490,000,000	4,900,000,000	247,934,011	2,479,340,110	Capital reduction from cancellation of 600,000 treasury shares	None	Approval Letter No. (Chiao)0990009219 dated March 1, 2010 from the Financial Supervisory Commission
100.06	10	490,000,000	4,900,000,000	237,934,011	2,379,340,110	Capital reduction from cancellation of 10,000,000 treasury shares	None	Approval Letter No. (Chiao)1000004801 dated February 11, 2011 from the Financial Supervisory Commission

100.07	10	490,000,000	4,900,000,000	245,904,768	2,459,047,680	Capital increase by reinvestment of 7,970,757 shares of paid-in capital.	None	Approval Letter No. (Fa)1000030524 dated July 1, 2011 from the Financial Supervisory Commission
100.10	10	490,000,000	4,900,000,000	242,404,768	2,424,047,680	Capital reduction from cancellation of 3,500,000 treasury shares	None	Approval Letter No. (3)0970063366 dated November 20, 2008 from the Financial Supervisory Commission
102.05	10	490,000,000	4,900,000,000	236,742,768	2,367,427,680	Capital reduction from cancellation of 5,662,000 treasury shares	None	Approval Letter No. (3)1020006384 dated February 27, 2013 from the Financial Supervisory Commission
102.10	10	490,000,000	4,900,000,000	221,981,678	2,219,816,780	Capital reduction from cancellation of 5,662,000 treasury shares from Yi-Chia	None	Approval Letter Jing Shou Shang Zi No. 10201187300 dated October 1, 2013
103.5	10	490,000,000	4,900,000,000	221,981,678	2,219,816,780	Capital reduction from cancellation of 10,000,000 treasury shares	None	Approval Letter No. (Chiao)1030002437 dated January 27, 2014 from the Financial Supervisory Commission
106.10	10	490,000,000	4,900,000,000	211,981,678	2,119,816,780	Consolidation with Collin Investment Co., Ltd.; 2,870,595 shares held by Collin Investment Co., Ltd. were written off	None	Approval Letter Jing Shou Shang Zi No. 10601147780 dated October 27, 2017
As of the date of publication of the Annual Report	10	490,000,000	4,900,000,000	209,111,093	2,091,110,930	-	-	-

Note 1: Please specify the information for the current year available until the date of the publication of the Annual Report.
Note 2: Capital increase shall be identified by effective (approval) date and approval document number.
Note 3: The shares issued at the price less than the par value shall be identified prominently.
Note 4: Please specify the offset by monetary creditor's rights and technology, if any, and note the type and amount of offset.
Note 5: The private placement, if any, shall be identified prominently.

(II) Structure of Shareholders

As of April 20, 2020; unit: persons, shares

Structure / Item	Government Agencies	Financial Institutions	Other Institutional Shareholders	Domestic Natural Persons	Foreign Institutions and Natural Persons	Treasury Shares	Total
Number of shareholders	0	1	33	15,461	34	0	15,529
Shares Held	0	406	115,467,730	87,324,938	6,318,019	0	209,111,093
Shareholding Ratio	0.00%	0.00%	55.22%	41.76%	3.02%	0.00%	100.00%
Shareholding Ratio from Chinese Investors: None							

(III) Distribution of Shares

As of April 19, 2021; unit: persons, shares, %

Range of shareholding	Number of shareholders	Shares Held	Shareholding Ratio
1~999	8,173	2,184,697	1.044%
1,000~5,000	5,102	11,102,905	5.309%
5,001~10,000	1,085	8,378,807	4.006%
10,001~15,000	357	4,445,202	2.215%
15,001~20,000	219	3,966,548	1.896%
20,001~30,000	202	5,067,648	2.423%
30,001~40,000	102	3,600,465	1.721%
40,001~50,000	54	2,478,205	1.185%
50,001 - 100,000	111	8,156,976	3.900%
100,001 - 200,000	53	7,659,786	3.663
200,001 - 400,000	44	12,027,247	5.751%
400,001 - 600,000	8	4,022,240	1.923%
600,001 - 800,000	1	700,594	0.335%
800,001 - 1,000,000	1	813,000	0.388%
Over 1,000,001	17	134,506,773	64.323%
Total	15,529	209,111,093	100 %

Note: The Company did not issue preferred shares.

(IV) List of Substantial Shareholders

As of April 19, 2021; Unit: shares, %

Shares / Name of substantial shareholder	Shares Held	Shareholding Ratio
LCL CAPITAL INC.	35,153,634	16.81%
Chi-Pin Industries, Co., Ltd.	14,726,045	7.04%
Witty Mate Corporation	14,410,140	6.89%
Jing Shing Investment Corp.	10,567,769	5.05%
Taiwan Shin Yeh Enterprise Co., Ltd.	10,395,000	4.97%
Lu, Cheng-Yi	8,174,000	3.91%
Hanshin Investment Co., Ltd.	8,000,000	3.83%
Masterlink Securities Corporation	7,109,526	3.40%
Kao Sheng Investment Co., Ltd.	5,300,277	2.53%
Lin, Yi-Ching	4,843,000	2.32%

Note: Disclosure includes the names of substantial shareholders ranking in the top 10 of shareholding.

(V) Share prices for the past two fiscal years, with Company net worth per share, earnings per share, dividends per share, and related information

Unit: shares, NTD

Year / Item			2019	2020	As of March 31, 2021
Market value per share (Note 1)	Highest		12.4	16.25	17.95
	Lowest		9.38	9.01	15.00
	Average		10.88	12.68	16.01
Net value per share (Note 2)	Before distribution		14.03	13.94	14.48
	After distribution		13.73	Resolution	-
Earnings per share	Weighted average shares		209,111	209,111	209,111
	Earnings per share (Note 3)	Before adjustment	0.30	0.15	0.05
		After adjustment			-
Dividends per share	Cash dividends	Stock dividends appropriated from earnings	0.30	0.25	-
		Legal reserve	-	0.05	
	Stock dividends	Stock dividends appropriated from earnings	-	-	-
		Stock dividends appropriated from capital surplus	-	-	-
	Retained dividend (Note 4)		-	-	-
Return on Investment	Price-Earnings Ratio (Note 5)		36.27	84.53	-
	Dividend Yield (Note 6)		36.27	42.27	-
	Cash dividend yield (Note 7)		2.76%	2.37%	-

* In the case of retained shares distribution or capital surplus shares distribution, please also disclose the information about the market value and cash dividend adjusted retroactively based on the quantity of shares as distributed.

Note 1: Please identify the highest market value and the lowest market value of the common stock in various years, and calculate the average market price for each year based on the trading value and turnover for each year.

Note 2: Please apply the quantity of shares already issued at the end of the year and identify the status of distribution according to the resolution made by the shareholders' meeting held in the following year.

Note 3: If it is necessary to make adjustment retroactively due to Free-Gratis dividends, please identify the EPS before and after adjustment.

Note 4: If the terms and conditions under which the equity securities are issued provide that the stock dividend retained in the year may be accumulated until the year in which there are allocable earnings available, please disclose the retained stock dividend accumulated until the then year.

Note 5: Price-Earnings Ratio=Average Closing Price Per Share in current year/Earnings Per Share

Note 6: Dividend Yield=Average Closing Price Per Share in current year/Cash Dividend Per Share

Note 7: Cash Dividend Yields=Cash Dividend Per Share/Average Closing Price Per Share in current year

(VI) Dividends policy and Implementation Status:

1. Dividend policy in the Articles of Incorporation:
The Company's major operating industries are export business and apparel retail business. The life cycle of the business are in a mature stage. In consideration of the Company's goal toward diversified operations, future working capital needs, long-term capital plans, and in protecting the rights and interests of shareholders, the Company has adopted a balanced dividend policy. The total dividend distribution in each year shall be no less than 50% of the distributable earnings, which may be distributed in cash or share dividends. However, the cash dividend to be distributed in each year shall be no less than 10% of total dividend distribution. Nevertheless, if the cash dividend is lower than NT$0.1 in a year, the Board of Directors may resolve not to distribute any dividends.

2. Distribution of dividends proposed in the 2021 shareholders' meeting:
Upon approval from the Board of Directors on March 22, 2021, the Company plans to distribute NT$0.3 of cash dividends for shareholders for the year ended 2020. Distribution will be as follows:

2020 Distribution of cash dividends from earnings	2020 Distribution of cash dividends from legal surplus reserve	Total
NT$0.25	NT$0.05	NT$0.30

3. Description for expected material change to the dividend policy: None.

(VII) Effect on the operating performance and earnings per share of distribution of share dividends proposed at the shareholders' meeting: N/A.

(VIII) Employees' compensations and directors' remunerations:

1. Percentage or range of the compensations and remunerations for employees and directors/supervisors, respectively, as set forth in the Articles of Incorporation:
   (1) 3% for employees' compensations
   (2) No more than 3% as directors' remunerations

2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:
   In case of any discrepancy between the estimated employees' compensations and directors' remunerations for 2020 and the actual distributed amount, the difference will be recognized as profit or loss for 2021.

3. Information on distribution of employees' compensations and directors' remunerations as approved by the Board of Directors:
   (1) Amount to be distributed as employees' compensations and directors' remunerations:
   The Board of Directors has approved of the proposal to distribute NT$1,162,723 as employees' compensations, and NT$1,162,723 as directors' remunerations for 2020.
   (2) Proposed employees' share dividend and the ratio of such share dividend as a percentage of after-tax income and total employee compensation: Not applicable.
   (3) Estimated earnings per share (EPS) after distribution of employees' compensations and directors' remunerations: Not applicable.

4. The actual distribution of employees' compensations and directors' and supervisors' remunerations for the previous fiscal year (with an indication of the number of shares, monetary amount, and share price, of the shares distributed), and, if there is any discrepancy between the

actual distribution and the recognized compensations and remunerations, also state the discrepancy, cause, and how it is treated:
Estimated distributions of employees' compensations and directors' remunerations in 2019 amounted to NT$2,602,549 and NT$2,602,549, respectively. The figures were consistent with the actual distributions in 2020 and there was no discrepancy.

(IX) The Company's buyback of treasury shares: None.

II. Issuance of corporate bonds, preferred shares, global depository receipts, and employee stock warrants, new restricted employee shares, and any merger and acquisition activities (including mergers, acquisitions, and demergers) and implementation of capital utilization plan: None.

Chapter V. Operational Highlights

I. Business Activities

(I) Scope of Business:

1. The Company's major businesses and their respective sales ratios are as follows:

The Company is a service company that is mostly committed to the export of various sundry and garment and the import of apparel and hemodialysis equipment. The percentage of operating revenue from each business in 2020 are as follows:

Name of product (service)	Proportion of revenue (%)
Export of sundry and garment	37.12%
Retail and wholesale of apparel and accessories	10.86%
Hemodialysis business (Note)	39.98%
Others	12.04%

For the business content, market and production and sale of hemodialysis business, please refer to the Annual Report of Hi-Clearance Inc. (stock code 1788).

2. Current Products and services:

(1) Export of sundry and garment

Product category	Item
Household hardware	Cleaning products/tools, bathroom equipment, kitchenware, utensils, containers and plates, barbecue/grill tools, fireplace tools, and automotive products
Plastics	Suitcase, handbags, backpacks, toys, music equipment and fitness equipment etc.
Handy tools	Generic handy tools, gardening tools etc.
Gifts and lights	Various gifts, handicraft, Christmas trees and lights, Christmas and other festive accessories
Electrical appliances	Fans, ceiling fans, dehumidifiers, stoves, various lights, and household appliances
Indoor furniture	Dining table and chairs, sofas, cabinets, desks, and bedding etc.
Outdoor furniture	Deck chairs, sofas, wicker chairs, tents, table sets, and sunshade etc.
Garment	Casual wear, children's clothing, outer wear, and beach wear etc.

(2) Retail and wholesale of apparel and accessories

Product category	Item
Retail and wholesale of fashion apparel, suitcases, bags, and others	Currently the Company's specialty shops include G2000, Delvaux, BALLY, Rimowa, and Minoshin chain select store.

3. New Product (Service) Development:

(1) In terms of global export, the Company will continue to develop export products with new models, new materials, and new functions in existing product lines; moreover, the Company will also strive to achieve more effective lead time and quality through globalized procurement, so as to enhance the added-value of the Company's trading services.

(2) In terms of domestic retail, the Company will continue to develop distribution of new brands and expand customer base, while strengthening management of social networks and e-commerce.

(II) Industry Overview:

1. Current Industry Status and Development

(1) Global Export

With the accessibility of the Internet and changes in the global commercial environment, both customer and supplier groups in export and trading have become more diversified, and pricing has also become more transparent. At the same time, with the emergence of online businesses, exporters need to strive for product innovation while they confront new challenges in the form of small-sized orders with large quantities.

(2) Retail

Structural changes in the Taiwanese industry and emergence of the Internet have led to the shift in local apparel needs and changes in consumer behavior. The roles that shopping centers, e-commerce, and imported fast fashion brands play in mid-priced apparel market has become even more significant. Additionally, as premium brand market continues to generate more and even younger consumer population, though they do not mostly compete in e-commerce platforms, the management of digital media and social networks have also become important marketing channels to all international premium brands.

2. Relationship among upstream, midstream and downstream of the industry

Industry	International export	Domestic retail
Upstream	Manufacturers	Manufacturers
	Receive orders from trading companies, produce and then deliver the finished goods	Receive orders from brands and conduct OEM
Midstream	Trading companies and importers	Own-brand operators
	Develop samples, provide quotes, arrange for order output	Develop various styles and receive orders from downstream
Downstream	Channel operators and retailers	Distributors/dealership/retailers
	Place orders to trading companies based on market demand	Place orders to brands, import and sell goods

3. Product development trends and competition for products

Industry	International export	Domestic retail
Development trends	Presently, professionalism and diversification of supplies are the most important issues for trading companies. The development of e-commerce have led to new types of enterprise customers as well as provided channels for trading companies to reach out to end-users with their own-brands.	Mid-priced apparel Maintaining target positioning of keeping the brand youthful and fresh and keeping e-commerce as a crucial selling platform. Premium brands Maintain connections with existing customers via social network management, CRM system, and large-scale marketing events, while developing potential young customer groups.
Competition	Even more intense competition among industry competitors and manufacturers, and even more transparent pricing.	Mid-priced apparel brands are faced with intense competition; nevertheless, the workwear brand represented by the Company has a clear positioning and various retail locations. Brands represented by Minoshin are leading brands in leather goods and suitcases, presenting competitive strengths.

(III) Technology and R&D Overview: The Company is not a part of the manufacturing industry and this is not applicable.

(IV) Short- and Long-term Business Development Plans

1. Long-term development plans:

(1) Diversify supply sources of exported goods and their customers.

(2) Research and develop products with high added values to increase the competitiveness of export products.

(3) Undertake marketing and exporting of own-brand products and expand to e-commerce platforms.

(4) Add to the lineup of imported brands and products and expand to products other than apparel

(5) Continuously reinforcing back-end support to allow for multi-brand, multi-location operations

(6) Ensure brand presence at high-end department stores, major e-commerce platforms, major shopping areas, and new, popular retail locations

2. Short-term development plans:

(1) Establish specialty stores on major B2C e-commerce platforms in the US to sell own-brand

products through distribution and dealership

(2) Develop new export customers through B2B e-commerce platforms

(3) Develop export customers from emerging markets including Central and South America

(4) Adjust purchases and channels of current apparel and agency brands in response to the COVID-19 pandemic

(5) Complete construction of Shulin Logistics Center

(6) Enhance CRM functions in information system to encourage repeat purchase from major customers

(7) Strengthen social media management

II. Analysis of Market and Production and Marketing Situation

(I) Market Analysis

1. Sales and service regions of major products and services

Unit: NT$1,000

Year Region	2020	2019
Taiwan	4,139,474	4,103,368
U.S.A.	1,369,657	1,732,785
Canada	858,582	1,029,378
Other countries	239,472	359,015
Total	6,607,185	7,224,546

2. Market share

(1) Export sales: According to the Ministry of Economic Affairs, the monetary value represented by total export sales orders in 2020 in 2020 was US$533.7 billion, showing a 10% increase YoY. The cumulative export sales to the United States amounted to US$161.6 billion and consisted of mostly information communications and electronic products. The Company's export products are sundry and garment and consist of numerous categories; therefore, there is no single comparative statistical data available.

(2) Domestic sales: Taiwan has a very wide selection of apparel brands and the market competition is very intense. In 2020, Taiwan's domestic cumulative fabric bulk sale and garment retail revenues was NT$289.8 billion. Revenues from the Company's Fashion Business does not represent a significant amount in this figure; nevertheless, the Company is striving to develop chain operational model and has formulated a fair brand awareness and economies of scale.

3. Future market supply, demand, and growth potential

(1) Global Trade

In terms of mid-priced consumer goods, as the standard of living and production costs of certain developing countries have increased, they have gradually shifted from suppliers to consumers and thereby present market opportunities with the most growth potential. Alternatively, with globalization, their existing productivity have gradually shifted toward regions or countries with even lower production costs. On the other hand, the Company continues to view developed countries such as the United States, Canada, and European countries, as its major markets, but the demand in their retail market is relatively stable and tend to fluctuate with their respective economic growth. Additionally, since the entry barrier to international trading business has been significantly reduced, larger manufacturers have begun to bypass the middle men and receive orders on their own. Therefore, in order to maintain growth, it is crucial for the Company to develop professional product R&D skills and the skills to promote its own-brand products.

(2) Retail Business

Since acquiring the distribution of G2000 in 2000, the Company's retail business has been focused on white-collar, mid-priced apparel. However, the emergence of online shopping and changes in people's workwear preferences have affected its existing market, and the Company will seek for agency/distribution opportunities of alternative products and other brands to respond to such market changes. Additionally, since Taiwan's consumer market is becoming more extreme, on top of continuing to optimize the purchases and channel contents from existing brands and rigorously monitoring inventory turnover, the Company has also expanded into brand agency business in high-end consumer market through reinvestment. This allows the Company to provide sophisticated shopping experience and comprehensive after-sale services for premium and high-end brands.

4. Competitive niche

(1) Global Trade

The Company's export products are mostly homeware products, which are mostly sold to large-scale importers and channel operators in Europe and the U.S. Marketing and sales channels are located throughout China, the U.S., Canada, Hong Kong, and Thailand and more. Through years of export experiences and resources and sound financial support, the Company can satisfy customers' complete product needs and has set up offices in China and in Southeast Asia for product sourcing.

(2) Retail Business

The Company's retail business is mostly focused on agency/distribution of imported brands. Under intense market competition of imported brands, G2000, represented by the Company, continues to be a top choice for mid-priced workwear and maintains a leadership in the scale of its operation. Additionally, investee Minoshin International Co., Ltd. has had years of experience in the premium brand market and is an expert at finding values in potential premium brands and brand management. Currently, it is a distributor for many top-notch brands including Delvaux, a leather goods brand favored by the Belgian royalty, Swiss premium leather goods brand Bally, and leading German travel goods and suitcases brand Rimowa. By relying on its professional skills, corporate reputation and channel advantages, the Company's retail business is confident that it can continue to expand its market share in the future.

5. Favorable and unfavorable factors related to future developments and response measures

(1) Favorable factors

a. There is a trend toward diversifying supplier sources in export business, and having constantly maintained a national leadership position in export, the Company has set up overseas locations early on and owns comprehensive upstream system, high-performing export personnel, and strong financial support.

b. The Company's years of effort in developing major markets outside of the United States have shown significant benefits; wide customer sources have reduced the reliance of export business on any one market and also helps the Company to participate in the growth of customers in emerging markets.

c. By continuously expanding the number of brand representation, the Company's professionalism in brand agency/distribution has received overwhelming support and recognition from consumers and channels.

d. Retail outlets are located throughout Taiwan, thereby helping the Company to stay on top of channel information.

e. Comprehensive lineup in apparel brand distribution helps the Company to target different groups of customers and enhances the Company's negotiation power in developing new brands.

f. Comprehensive back-end support system helps the Company to meet retail channel expansion needs.

(2) Unfavorable factors

a. Increased competitiveness of Southeast Asian countries and China have put more pressure on the export business.

b. Fluctuation of exchange rates have made it more challenging to control profits from export sales.

c. The number of imported retail brands in the market have exacerbated the market competition.

d. It is difficult to maintain distribution/agency period of foreign brands over the long-term.

e. Emergence of online shopping has affected the traditional export models and physical retail channels.

(3) Response measures:

a. Adopt globalized procurement.

b. Increase flexibility in lead time to respond to the short cycles and diverse procurement models adopted by e-commerce platforms.

c. Develop own-brand for export and to develop e-commerce platform management skills.

d. Use financial tools, fixed capital costs and plan financial hedging properly to avoid fluctuations in interest rates and exchange rates.

e. Strengthen brand positioning and maintain channel strengths to ensure the competitive strengths of retail business.

f. Increase the number of brand distribution/agency and products.

g. Develop the high-end consumer market.

(II) Key Applications of Major Products

The Company is a professional, well-rounded trading and export business whose major products are all goods or apparel directly used by consumers. Products include exported consumer homeware and garment and chain apparel retail.

(III) Supply Status of Major Raw Materials

The Company is not a manufacturer and the process of its product or service provision does not concern supplies of raw material.

(IV) Name of Suppliers and Customers that have Accounted for 10 Percent or More of Total Sales or Purchases in Any One of the Two Most Recent Years, and Description of Such Changes:

The Company did not have any customer whose total sales order accounted for 10% or more of the Company's total sales in 2020 and 2019.

The Company did not have any supplier whose total purchase volume accounted for 10% or more of the Company's total purchases in 2020 and 2019.

(V) Production Volume and Value for the Most Recent Two Years: Not applicable.

(VI) Sales Volume and Value for the Most Recent Two Years:

Unit: NT$1,000

Sales volume/value Year Major product (or department)	2020		2019	
	Domestic sales	Export sales	Domestic sales	Export sales
Export Business		2,452,690		3,117,070
Fashion Business	717,757		861,850	
Hemodialysis Business	2,641,292		2,591,495	
Other	795,446		654,131	
Total	4,154,495	2,452,690	4,107,476	3,117,070

III. Employee Information in the Most Recent Year and Up to the Date of Publication of the Annual Report:

Year		2019	2020	As of March 31, 2021
Number of employees		470	430	443
Average age		42	46	46
Average Average years of service		13	19	19
Distribution of educational level	Masters degree or above	2%	9%	9%
	Bachelors degree (junior college)	60%	67%	68%
	High school	38%	24%	23%

IV. Environmental Protection Expenditure

The Company is engaged in trading business and does not pose any environmental pollution.

V. Labor Relations

(I) Employee Benefits, Continuing Education, Training, and Retirement Systems and the Status of Implementation, and the Status of Employee Agreements and Measures for Preserving Employees' Rights and Interests

1. Employee welfare benefits

(1) Besides providing labor insurance and national health insurance in line with the laws, the Company also provides additional group insurance to enhance the safety and protection over its employees.
(2) Employee training is organized to enhance their work proficiency and skills.
(3) The Employee Welfare Committee is organized to oversee employees' benefit measures in line with regulations. The aforesaid measures include: club activities, group travels, year-end gatherings, Dragon Boat Festival and Mid-autumn Festival incentives, and wedding and funeral aids. The Employee Welfare Committee was set upon December 23, 1978, and welfare funds are appropriated based on the 1% of its paid-in capital of NT$200 million, or NT$2 million. The interest from the fund and 0.05% to 0.1% of the monthly operating revenue and 0.5% of employees' monthly salaries are allocated toward the fund and used toward various employee benefit measures.

2. Continuing studies and employee training

The HR Department coordinates general on-the-job training, and a proper and suitable consulting company is in charge of arranging annual employee training. Additionally, the professional training specifically designed for each department are arranged by the departments, and such arrangements shall be submitted before the annual budget could be planned.

3. Retirement system and implementation status thereof

The Company has formulated the Measures for Employee Pension Scheme in line with the Labor Standards Act. All full-time employees whose years of service have reached 25 years, whose years of service have reached 15 years and are 55 years of age, or served for 10 years and are 60 years of age, may apply for voluntary pension payout. Those who are 65 years of age, are mentally unfit or physically ill-equipped to fulfill their duties may be commanded to retire and for pension payout from the Company. Additionally, those who are 65 years of age but have been permitted to retain their position by the President may continue their service, and years of service may continue to count toward the pension scheme.

4. Employee agreements and measures undertaken to ensure employees' rights and interests

The Company has specified the Employee Work Rules, maintains a grievance channel, and has delegated supervisors of each rank to immediately solve or to respond any employee needs or challenges. Since its establishment, the Company has constantly fulfilled its social obligations and maintained the rights and interests of all employees according to laws. Additionally, the Company also strives to implement the internal control system to ensure its legal responsibilities are also fulfilled.

(II) Losses arising from labor disputes in the recent year up to the printing date of this Annual Report, potential current and future losses, and countermeasures: None.

VI. Important Contracts

Type of contract	Contractual party	Contract duration	Scope of contract	Restrictions
Agreement to Urban Renewal Program	Formosa Plastics Construction Corporation	January 18, 2018 onwards	The Company's land on Mingsheng Road, Songshan District will participate in urban renewal program.	None
Construction contract	Architect Lee, Wan-Chiu	December 13, 2019 onwards	Construction of new office building at Shulin factory	None
Shareholder Agreement	Shareholders of Q.C.L.	January 5, 1996	Specifies the rights and obligations of Q.C.L. shareholders	None

Chapter VI. Financial Information

I. Condensed Balance Sheets and Statements of Comprehensive Income for the Past Five Fiscal Years

(I) 1. Consolidated Condensed Balance Sheet - IFRS

Unit: NT$1,000

Item \ Year		2016	2017	2018	2019	2020	Financial information as of March 31, 2021 (Note 3)
Current assets		4,305,556	3,623,634	3,649,753	4,103,460	3,855,915	4,005,859
Property, plant, and equipment (Note 2)		1,361,855	1,439,590	1,942,995	1,956,506	2,177,746	2,210,087
Intangible assets		1,556,379	1,471,154	1,386,464	1,337,488	1,405,220	1,382,568
Other assets (Note 2)		309,096	251,317	273,503	299,711	320,607	358,352
Total assets		8,093,377	7,330,848	7,833,505	9,114,713	9,153,615	9,428,156
Current liabilities	Before distribution	2,412,929	1,857,703	2,446,872	2,534,907	2,598,817	2,752,543
	After distribution	2,497,721	1,941,347	2,530,516	2,597,640	-	-
Non-current liabilities		259,104	244,725	246,417	1,300,168	1,163,705	1,067,089
Total liabilities	Before distribution	2,672,033	2,102,428	2,693,289	3,835,075	3,762,522	3,819,632
	After distribution	2,756,825	2,186,072	2,776,933	3,897,808	-	-
Equity attributable to owners of the parent company		3,034,132	2,934,854	2,904,886	2,933,550	2,915,507	3,027,947
Share capital		2,119,817	2,091,111	2,091,111	2,091,111	2,091,111	2,091,111
Capital surplus		89,520	73,692	73,692	83,749	98,148	103,608
Retained earnings	Before distribution	972,472	924,927	963,712	915,976	907,591	927,839
	After distribution	887,680	841,283	880,068	853,243	-	-
Other equity interest		(101,995)	(154,876)	(223,629)	(157,286)	(181,343)	(94,611)
Treasury shares		(45,682)	-	-	-	-	-
Non-controlling interest		2,387,212	2,293,566	2,235,330	2,346,088	2,475,586	2,580,577
Total equity	Before distribution	5,421,344	5,228,420	5,140,216	5,279,638	5,391,093	5,608,524

	After distribution	5,336,552	5,144,776	5,056,572	5,216,905	-	-

* If the Individual Financial Statements are prepared, the Company shall separately prepare the Condensed Balance Sheets and Statements of Comprehensive Income for the past five fiscal years prepared.

＊For the financial data with the IFRS adopted for less than five years, the financial data in Table (2) should be prepared in accordance with the Financial Accounting Standards of the R.O.C.

Note: All years not audited and certified by the CPAs shall be specified.

Note 2: Those who have applied for asset revaluation in the year should include the date of processing and the value of the revaluation.

Note 3: For TWSE/TPEx companies whose latest financial information has been audited or verified by CPAs as of the date of publication of the Annual Report, such information shall also be disclosed.

Note 4: The aforementioned figure after distribution shall be filled in line with the resolution from the following shareholders' meeting.

Note 5: For those who have been notified by the competent authority to revise their financial information or restate the information by themselves, all the revised figures/numbers shall be adopted, and the status and reasons for such revision shall be noted.

(I) 2. Individual Condensed Balance Sheet - IFRS

Unit: NT$1,000

Item \ Year		2016	2017	2018	2019	2020
Current assets		1,253,381	986,936	823,486	790,109	701,120
Property, plant, and equipment (Note 2)		865,014	851,548	1,111,157	1,113,617	1,115,521
Intangible assets		-	-	-	-	-
Other assets (Note 2)		123,158	97,254	102,239	265,331	226,329
Total assets		4,441,773	3,825,845	3,934,518	4,246,737	3,977,587
Current liabilities	Before distribution	1,166,595	661,383	827,781	1,010,218	813,042
	After distribution	1,251,387	745,027	911,425	1,072,951	-
Non-current liabilities		241,046	229,608	201,851	302,969	249,038
Total liabilities	Before distribution	1,407,641	890,991	1,029,632	1,313,187	1,062,080
	After distribution	1,492,433	974,635	1,113,276	1,375,920	-
Share capital		2,119,817	2,091,111	2,091,111	2,091,111	2,091,111
Capital surplus		89,520	73,692	73,692	83,749	98,148
Retained earnings	Before distribution	972,472	924,927	963,712	915,976	907,591
	After distribution	887,680	841,283	853,068	853,243	-
Other equity interest		(101,995)	(154,876)	(223,629)	(157,286)	(181,343)
Treasury shares		(45,682)	-	-	-	-
Total equity	Before distribution	3,034,132	2,934,854	3,934,518	4,246,737	3,977,587
	After distribution	3,118,924	2,851,210	3,850,874	4,184,004	-

* If the Individual Financial Statements are prepared, the Company shall separately prepare the Condensed Balance Sheets and Statements of Comprehensive Income for the past five fiscal years prepared.

＊For the financial data with the IFRS adopted for less than five years, the financial data in Table (2) should be prepared in accordance with the Financial Accounting Standards of the R.O.C.

Note 1: All years not audited and certified by the CPAs shall be specified.

Note 2: For TWSE/TPEx companies whose latest financial information has been audited or verified by CPAs as of the date of publication of the Annual Report, such information shall also be disclosed.

Note 3: Loss from discontinued operations shall be listed using the net amount after tax.

Note 4: For those who have been notified by the competent authority to revise their financial information or restate the information by themselves, all the revised figures/numbers shall be adopted, and the status and reasons for such revision shall be noted.

(II) 1. Condensed Consolidated Statement of Comprehensive Income - IFRSs

Unit: NT$1,000

Item \ Year	2016	2017	2018	2019	2020	Financial information as of March 31, 2021 (Note 3)
Operating revenue	6,605,768	7,124,509	6,936,134	7,224,546	6,607,185	1,876,899
Gross profit	1,488,330	1,678,531	1,588,829	1,775,577	1,708,058	463,876
Operating income	259,142	307,479	191,396	261,187	257,531	63,508
Non-operating income and expenses	(20,204)	(13,659)	69,796	29,345	44,905	17,448
Net income before tax	238,938	293,820	261,192	290,532	302,436	80,956
Income from continuing operations	196,253	173,134	165,126	183,518	209,254	60,362
Loss from discontinued operations	-	-	-	-	-	-
Net income (Loss)	196,253	173,134	165,126	183,518	209,254	60,362
Other comprehensive income (loss), net after tax	(34,553)	(45,624)	31,532	55,346	(18,364)	95,888
Total comprehensive income	161,700	127,510	196,658	238,864	190,890	156,250
Net income attributable to owners of the parent company	96,891	38,575	36,127	62,894	30,461	11,078
Net income attributable to non-controlling interests	99,362	134,559	128,999	120,624	178,793	49,284
Comprehensive income attributable to owners of the parent company	53,395	(12,514)	69,450	117,246	30,291	106,980
Comprehensive Income attributable to non-controlling interests	108,305	140,024	127,208	121,618	160,599	49,270
Earnings per share	0.46	0.18	0.17	0.30	0.15	0.05

* If the Individual Financial Statements are prepared, the Company shall separately prepare the Condensed Balance Sheets and Statements of Comprehensive Income for the past five fiscal years prepared.

＊For the financial data with the IFRS adopted for less than five years, the financial data in Table (2) should be prepared in accordance with the Financial Accounting Standards of the R.O.C.

Note 1: All years not audited and certified by the CPAs shall be specified.

2: TWSE/TPEx companies shall set out the information as of the quarter before the date of publication of the Annual Report. Furthermore, the company shall specify whether the financial information was either certified, audited by CPAs, or both.

3: Loss from discontinued operations is shown in net amount after income tax.

4: For those who have been notified by the competent authority to revise or to recompile their financial information by themselves, all the figures/numbers used shall be the revised or recompiled ones, and the status and reasons for such revision shall be noted.

2. Condensed Individual Statement of Comprehensive Income - IFRSs

Unit: NT$1,000

Item \ Year	2016	2017	2018	2019	2020
Operating revenue	2,517,976	2,126,485	1,908,390	1,507,446	1,038,937
Gross profit	634,532	589,653	539,562	476,882	357,454
Operating income	(24,051)	6,070	(90,304)	(32,137)	(81,621)
Non-operating income and expenses	82,231	49,321	150,794	113,683	118,053
Net income before tax	58,180	55,391	60,490	81,546	36,432
Income from continuing operations	96,891	38,575	36,127	62,894	30,461
Loss from discontinued operations	-	-	-	-	-
Net income (Loss)	96,891	38,575	36,127	62,894	30,461
Other comprehensive income (loss), net after tax	(43,496)	(51,089)	33,323	54,352	(170)
Total comprehensive income	53,395	(12,514)	69,450	117,246	30,291
Net income attributable to owners of the parent company	-	-	-	-	-
Net income attributable to non-controlling interests	-	-	-	-	-
Comprehensive income attributable to owners of the parent company	-	-	-	-	-
Comprehensive Income attributable to non-controlling interests	-	-	-	-	-
Earnings per share	0.46	0.18	0.17	0.30	0.15

* If the Individual Financial Statements are prepared, the Company shall separately prepare the Condensed Balance Sheets and Statements of Comprehensive Income for the past five fiscal years prepared.

＊For the financial data with the IFRS adopted for less than five years, the financial data in Table (2) should be prepared in accordance with the Financial Accounting Standards of the R.O.C.

Note 1: All years not audited and certified by the CPAs shall be specified.

2: TWSE/TPEx companies shall set out the information as of the quarter before the date of publication of the Annual Report. Furthermore, the company shall specify whether the financial information was either certified, audited by CPAs, or both.

3: Loss from discontinued operations is shown in net amount after income tax.

4: For those who have been notified by the competent authority to revise or to recompile their financial information by themselves, all the figures/numbers used shall be the revised or recompiled ones, and the status and reasons for such revision shall be noted.

Note 1: The financial information has been audited and verified by the CPAs.

(II) Name of CPAs and Audit Opinions for the Last Five Years

Year	Name of CPA Firm	Certified public accountant (CPA)	Audit opinion
105	KPMG Taiwan	Chen, Ya-Lin; Chang, Hsin-Chia	Unqualified audit report with explanatory paragraph
106	KPMG Taiwan	Huang, Ming-Hung; Chen, Ya-Lin	Unqualified audit report with explanatory paragraph
107	KPMG Taiwan	Huang, Ming-Hung; Chen, Ya-Lin	Unqualified audit report with explanatory paragraph
108	KPMG Taiwan	Huang, Ming-Hung; Tang, Chia-Chien	Unqualified audit report with explanatory paragraph
109	KPMG Taiwan	Huang, Ming-Hung; Tang, Chia-Chien	Unqualified audit report with explanatory paragraph

II. Financial Analyses for the Past Five Fiscal Years

1. Consolidated Financial Analysis - IFRSs

Analysis item (Note 3) \ Year (Note 1)		2016	2017	2018	2019	2020	Financial information as of March 31, 2021 (Note 3)
Financial Structure (%)	Debt to asset ratio	33.02	28.68	34.38	42.08	41.10	40.51
	Ratio of long-term capital to property, plant, and equipment	417.11	380.19	277.23	336.30	300.99	302.05
Solvency (%)	Current ratio	178.44	195.06	149.12	161.88	148.37	145.53
	Quick ratio	139.04	141.18	105.32	117.52	102.94	99.66
	Interest coverage ratio	19.20	33.85	33.55	11.03	11.94	13.84
Operating Ability	Accounts receivable turnover rate (times)	5.63	4.45	4.17	4.01	3.81	4.55
	Average days for cash receipts	65	82	88	91	96	80
	Inventory turnover rate (times)	7.52	6.12	5.78	5.62	4.70	5.28
	Accounts payable turnover rate (times)	8.55	6.36	5.90	5.70	5.51	1.73
	Average days for sale of goods	49	60	63	65	78	69
	Property, plant, and equipment turnover rate (times)	7.41	5.09	4.10	3.71	3.20	3.60
	Total assets turnover rate (times)	1.02	0.92	0.91	0.85	0.72	0.83
Profitability	Return on total assets (%)	3.18	2.34	2.26	2.44	2.53	2.88
	Return on equity (%)	4.53	3.25	3.19	3.52	3.92	4.48
	Ratio of income before tax to paid-in capital (%)	11.27	14.05	12.49	13.89	14.46	15.49
	Net profit margin (%)	2.96	2.43	2.38	2.54	3.17	3.22
	Earnings per share (NT$)	0.46	0.18	0.17	0.30	0.15	0.05
Cash Flows	Cash flow ratio (%)	3.89	18.13	8.49	13.87	23.13	(2.43)
	Cash flow adequacy ratio (%)	110.78	114.54	72.98	68.50	75.21	145.76
	Cash reinvestment ratio (%)	(0.20)	4.29	2.13	3.77	7.54	(1.03)
Leverage	Operating leverage	2.94	3.39	4.83	3.91	3.87	4.12
	Financial leverage	1.05	1.03	1.04	1.12	1.12	1.11
	Please describe reasons for changes in the financial ratios in the last two years. (Analysis may be exempted if the change is less than 20%) 1. Decrease in ratio of long-term capital to property, plant, and equipment in 2020 YoY is mostly attributable to reduced bonds payable and increased operating facilities. 2. Decrease in current ratio in 2020 YoY is mostly attributable to reduced accounts receivable in 2020. 3. Increase in cash reinvestment ratio in 2020 YoY is mostly attributable to increased net cash inflow from operating activities in 2020.						

*Companies having prepared individual financial report shall otherwise prepare the individual financial ratio analysis of the Company.
*Companies adopting IFRS for the financial information for less than five years shall otherwise compile financial information complying with financial accounting standards in Taiwan in Table (2) below.

Note 1: The financial information has been audited and verified by the CPAs.

Note 2: For TWSE/TPEx companies whose latest financial information has been audited or verified by CPAs as of the date of publication of the Annual Report, such information shall also be analyzed.

Note 3: The formulas of the above table shall be included at the bottom of this table.

1. Financial structure
   (1) Debt to asset ratio = total liabilities/total assets.
   (2) Ratio of long-term capital to property, plant, and equipment = (Total equity + Non-current liabilities)/Net value of property, plant, and equipment.
2. Solvency
   (1) Current ratio = Current assets/Current liabilities.
   (2) Quick ratio = (Current assets - Inventories - Prepaid expenses)/Current liabilities.
   (3) Interest coverage ratio = Income before tax and interest expenses/Interest expenses.
3. Operating ability
   (1) Accounts receivable (including accounts receivable and notes receivable generated from operations) turnover rate = Net sales/Average balance of accounts receivable (including accounts receivable and notes receivable generated from operations) for each period.
   (2) Average days for cash receipts = 365/Accounts receivable turnover rate.
   (3) Inventory turnover rate = Cost of goods sold/Average inventories.
   (4) Accounts payable (including accounts payable and notes payable generated from operations) turnover rate = Cost of goods sold/Average balance of accounts payable (including accounts payable and notes payable generated from operations) for each period.
   (5) Average days for sale of goods = 365/Inventory turnover rate.
   (6) Property, plant, and equipment turnover rate＝ Net sales/Average property, plants and equipment, net..
   (7) Total assets turnover rate = Net sales/Average total assets.
4. Profitability
   (1) Return on assets = [Income after tax + Interest expenses x (1 - tax rate)]/Average total assets.
   (2) Return on equity = Income after tax/Average total equity.
   (3) Net profit margin = Income after tax/Net sales.
   (4) Earnings per share = (Income attributable to owners of the parent - preferred stock dividends)/Weighted average number of shares issued. (Note 4)
5. Cash flows
   (1) Cash flow ratio = Net cash flows generated from operating activities/Current liabilities.
   (2) Cash flow adequacy ratio = Five-year sum of net cash flows generated from operating activities/Five-year sum of capital expenditure, inventory additions and cash dividends).
   (3) Cash reinvestment ratio = (Net cash flows from operating - cash dividends)/(Gross amount of property, plant, and equipment + Long term investment + Other non-current assets + Working capital). (Note 5)
6. Leverage
   (1) Operating leverage = (Net operating revenue - Variable operating costs & expenses)/Operating income (Note 6).
   (2) Financial leverage = Operating income/(Operating income - Interest expenses).

Note 4: Special attention shall be paid to the following matters when using the calculation formula of earning per share above:

1. Shares outstanding is based on weighted average shares, and not based on year end shares outstanding.
2. Cash offerings or treasury stock transactions are considered in calculating weighted average shares.
3. Earnings appropriation or reserves to paid in capital shall be calculated and adjusted accordingly.
4. If preferred shares are cumulative non-convertible preferred shares, dividends shall be subtracted (regardless of whether they are paid out in dividends), from after tax net profit. If preferred shares are non-cumulative, in the event of net profits, preferred shares shall be subtracted after tax, but no adjustments needed if there are losses.

Note 5: Special attention should be paid to the following when measuring cash flow analysis:

1. Cash flows from operating activities refers to operating cash flows.
2. Capital expenditures are from the annual cash flow statements on capital expenditure outflows.
3. Inventory increases are from period end balance greater than period beginning balances, if inventories are less, then zero is applied.
4. Cash dividends includes common stock and preferred shares dividends.
5. Property, plant, and machinery balance shall be the figure after deducting accumulative depreciation.

Note 6: The issuer shall classify the operating costs and operating expenses as fixed or variable as per their nature. If it involves estimation or subjective judgment, they are classified based on rationality and consistency.

Note 7: The calculation of the foreign company's ratio of paid-in capital shall be calculated based on the equity ratio.

1. Individual Financial Analysis - IFRSs

Analysis item (Note 3)	Year (Note 1)	2016	2017	2018	2019	2020
Financial Structure (%)	Debt to asset ratio	31.69	23.29	26.17	30.92	26.7
	Ratio of long-term capital to property, plant, and equipment	378.63	368.35	279.59	290.63	283.68
Solvency (%)	Current ratio	107.44	149.22	99.48	78,21	86.23
	Quick ratio	75.61	97.13	65.48	52.38	63.59
	Interest coverage ratio	5.91	8.86	13.90	8.25	5.14
Operating Ability	Accounts receivable turnover rate (times)	6.77	6.92	5.46	3.77	3.54
	Average days for cash receipts	54	53	67	97	103
	Inventory turnover rate (times)	4.90	4.63	4.84	4.27	3.27
	Accounts payable turnover rate (times)	15.52	16.90	13.94	11.46	15.44
	Average days for sale of goods	75	79	75	86	111
	Property, plant, and equipment turnover rate (times)	3.98	2.48	1.94	1.36	0.93
	Total assets turnover rate (times)	0.58	0.51	0.49	0.37	0.25
Profitability	Return on total assets (%)	2.44	1.07	1.03	1.76	0.91
	Return on equity (%)	3.17	1.29	1.24	2.15	1.04
	Ratio of income before tax to paid-in capital (%)	2.74	2.65	2.89	3.90	1.74
	Net profit margin (%)	3.85	1.81	1.89	4.17	2.93
	Earnings per share (NT$)	0.46	0.18	0.17	0.30	0.15
Cash Flows	Cash flow ratio (%)	-3.78	35.41	3.08	11.21	53.45
	Cash flow adequacy ratio (%)	74.64	90.09	50.22	41.31	62.32
	Cash reinvestment ratio (%)	-4.12	4.46	-1.77	0.86	11.11
Leverage	Operating leverage	-11.01	26.28	-1.70	-3.73	-0.59
	Financial leverage	0.67	-6.23	0.95	0.74	0.90
	Please describe reasons for changes in the financial ratios in the last two years. (Analysis may be exempted if the change is less than 20%) 1. Decrease in debt to asset ratio in 2020 is mostly attributable to reduced inventory in 2019. 2. Increases in current ratio and quick ratio in 2020 YoY are mostly attributable to the reduced short-term loans and lease liabilities in 2020. 3. Decrease in interest coverage ratio in 2020 YoY is mostly attributable to the reduced net income before tax and interest expense in 2020. 4. Decrease in net profit margin in 2020 YoY is mostly attributable to reduced net income in 2020. 5. Increase in cash flow ratio in 2020 YoY is mostly attributable to increased net cash inflow from operating activities in 2020.					

III. Audit Committee's Report for 2020 Financial Statements

REVIEW REPORT OF THE AUDIT COMMITTEE

The Board of Directors of the Company has prepared the Annual Operating Report, the Financial Statements and the Profit Distribution Plan for 2020. Accountants Huang, Ming-Hung and Tang, Chia-Chien from KPMG Taiwan have reviewed the Financial Statements and issued an audit report.

We do not find the said Annual Operating Report, Financial Statements, and Earnings Appropriation Statement inconsistent. Therefore, with the consent of all members, we report as above as required by Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

Shareholders' Meeting of Collins Co., Ltd. in 2021

COLLINS CO., LTD.

Convener of the Audit Committee: Ho, Shih-Chinn

MARCH 22, 2021

IV. 2020 CONSOLIDATED FINANCIAL STATEMENTS

Representation Letter

The entities that are required to be included in the combined financial statements of Collins Co., Ltd. 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 endorsed 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, Collins Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Collins Co., Ltd.
Chairman: Chung Liang, Lee
Date: March 22, 2021

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 home.kpmg/tw

Independent Auditors' Report

To the Board of Directors of Collins Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Collins Co., Ltd. (“the Company”) and its subsidiaries (“the Group”), which comprise 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 audits in accordance with the Regulations Governing Auditing and Certification 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) “Inventories” for accounting policy, note 5(a) for accounting assumption, judgements and estimation uncertainty of inventory and note 6(e) for the disclosure of the valuation of inventory to the consolidated financial statements.

Description of key audit matter:

The main inventory of the Group is apparel. Selling price in the fashion industry can be extremely volatile due to the significant change of customer demand deriving from trends, in addition to the prevalence of online sales, which has a significant impact on physical store sales that may result in a risk of having the carrying value of inventory to exceed its net realizable value. Therefore, the valuation of inventory is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included evaluating the reasonableness of the Group's inventory valuation policy and the management's assumption used when measuring the allowance for inventory valuation and obsolescence losses; performing retrospective review by considering the recent selling price and subsequent inventory movement to evaluate the reasonableness of impairment loss of slow-moving inventories; reviewing the historical inventory impairment and current scrapped inventory loss as a reference to compare to the current inventory impairment provision and evaluate the reasonableness of assumptions and approaches.

2. Goodwill impairment

Please refer to note 4(n) "Impairment of non-financial assets" for accounting policy, note 5(b) for accounting assumption, judgements and estimation uncertainty of the financial statements and note 6(l) for the disclosure of the impairment of goodwill to the financial statements.

Description of key audit matter:

Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which are the bases of the assessment of recoverability, the assessment is one of the key judgement areas that our audit is concentrated on to address the risk that the key assumptions, estimates and judgements on which the calculation are inappropriate. Therefore, the assessment of goodwill impairment is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included assessing the rationality of management's evaluation approach used to measure the recoverable amounts and the accuracy of estimates; evaluating the assumptions used by the management to prepare the future cash flow forecasts and calculate the recoverable amounts; performing sensitivity analysis on critical assumptions, inquiring from the management and reviewing audit evidence obtained from subsequent events audit procedures to determine there was no goodwill impairment incurred after the reporting date.

Other Matter

The Company has 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 and unmodified opinion with emphasis of matter.

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

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

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

Those charged with governance (including the Audit Committee or supervisors) 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 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 Ming- Hung Huang and Chia Chien Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its 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 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 auditors' report and consolidated financial statements, the Chinese version shall prevail.

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

COLLINS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 645,991	7	875,001	10
1110	Current financial assets at fair value through profit or loss (note 6(b))	52,317	1	50,059	1
1120	Current financial assets at fair value through other comprehensive income (note 6(c))	207,519	2	100,085	1
1150	Notes receivables (notes 6(d) and 8)	205,371	2	225,321	2
1170	Account receivables, net (note 6(d))	1,423,255	16	1,613,755	18
1175	Lease receivables (note 6(d))	30,953	-	26,811	-
1220	Current income tax assets	5,171	-	6,984	-
130X	Inventories (notes 6(e) and 8)	1,077,971	12	1,008,782	11
1476	Other current financial assets (note 8)	104,757	1	81,039	1
1479	Other current assets	102,610	1	115,623	1
		3,855,915	42	4,103,460	45
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	396,759	4	476,479	5
1550	Investments accounted for using equity method (note 6(f))	159,179	2	109,187	1
1600	Property, plant and equipment (notes 6(i), 7 and 8)	2,177,746	24	1,956,506	21
1755	Right-of-use assets (note 6(x))	812,059	9	805,743	9
1760	Investment property (note 6(x))	26,130	-	26,139	-
1780	Intangible assets (note 6(j))	1,405,220	15	1,337,488	15
1840	Deferred income tax assets (note 6(q))	90,381	1	90,003	1
1920	Guarantee deposits paid	68,785	1	75,635	1
1931	Long-term notes receivables (note 6(x))	5,806	-	12,146	-
1935	Long-term lease receivables (note 6(d))	89,213	1	75,119	1
1990	Other non-current assets (notes 6(p) and 8)	66,422	1	46,808	1
		5,297,700	58	5,011,253	55
	Total assets	$ 9,153,615	100	9,114,713	100

	Liabilities and Equity	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current liabilities:				
2100	Short-term loans (note 6(l))	$ 1,197,337	13	1,152,380	13
2120	Current financial liabilities at fair value through profit or loss (note 6(b))	-	-	144	-
2130	Current contract liabilities (note 6(x))	29,278	-	22,549	-
2150	Notes payables	8,307	-	15,352	-
2170	Accounts payable	882,044	10	873,939	10
2230	Current income tax liabilities	59,841	1	66,433	1
2280	Current lease liabilities (note 6(x))	142,184	2	125,464	1
2305	Other current financial liabilities (note 6(x))	279,826	3	278,646	3
		2,598,817	29	2,534,907	28
	Non-Current liabilities:				
2527	Non-current contract liabilities (note 6(x))	15,760	-	15,008	-
2531	Bonds payable (note 6(n))	259,540	3	396,438	4
2570	Deferred income tax liabilities (note 6(x))	126,368	1	132,374	1
2580	Non-current lease liabilities (note 6(x))	687,699	8	688,567	8
2645	Guarantee deposits received	812	-	3,429	-
2600	Other non-current liabilities (note 6(q))	73,526	1	64,352	1
		1,163,705	13	1,300,168	14
	Total liabilities	3,762,522	42	3,835,075	42
	Equity attributable to owners of parent (notes 6(c), (f), (g) and (x)):				
3110	Ordinary share	2,091,111	23	2,091,111	23
3200	Capital surplus	98,148	1	83,749	1
	Retained earnings:				
3310	Legal reserve	627,940	7	624,349	7
3320	Special reserve	220,615	2	225,245	2
3350	Unappropriated retained earnings	59,036	1	66,382	1
		907,591	10	915,976	10
	Other equity interest:				
3410	Exchange differences on translation of foreign financial statements	(104,188)	(1)	(86,323)	(1)
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive income	(77,155)	(1)	(70,963)	(1)
		(181,343)	(2)	(157,286)	(2)
	Total equity attributable to owners of parent:	2,915,507	32	2,933,550	32
36XX	**Non-controlling interests (notes 6(g),(h),(n) and (x))**	2,475,586	26	2,346,088	26
	Total equity	5,391,093	58	5,279,638	58
	Total liabilities and equity	$ 9,153,615	100	9,114,713	100

See accompanying notes to consolidated financial statements.

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

COLLINS CO., LTD. AND 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	**Operating revenues (notes 6(u) and 7)**	$ 6,607,185	100	7,224,546	100
5000	**Operating costs (notes 6(f), (o), (p), (s) and 12)**	4,899,127	74	5,448,969	75
5900	**Gross profit from operations**	1,708,058	26	1,775,577	25
6000	**Operating expenses (notes 6(e), (j), (o), (p), (s), 7 and 12):**				
6100	Selling expenses	712,651	11	755,035	10
6200	Administrative expenses	737,233	11	728,248	10
6450	Expected credit loss	643	-	31,107	1
	Total operating expenses	1,450,527	22	1,514,390	21
6900	**Net operating income**	257,531	4	261,187	4
7000	**Non-operating income (notes 6(g), (n), (u) and (v)):**				
7010	Other income	66,085	1	63,656	1
7020	Other gains and losses, net	11,040	-	(9,298)	-
7050	Finance cost	(27,648)	-	(28,954)	(1)
7060	Share of profit of associates accounted for using equity method	(13,606)	-	(7,195)	-
7100	Interest income	9,034	-	11,136	-
	Total non-operating income and expenses	44,905	1	29,345	-
7900	**Profit before income tax**	302,436	5	290,532	4
7950	Less: income tax expenses (note 6(q))	93,182	1	107,014	1
	Profit	209,254	4	183,518	3
8300	**Other comprehensive income (loss) (notes 6(f), (q) and (s)):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Losses on remeasurements of defined benefit plans	(19,197)	-	(5,996)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	22,384	-	64,381	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		3,187	-	58,385	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(21,540)	-	(3,099)	-
8370	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(11)	-	60	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(21,551)	-	(3,039)	-
8300	**Other comprehensive income (after tax)**	(18,364)	-	55,346	-
8500	**Comprehensive income**	**$ 190,890**	**4**	**238,864**	**3**
	Profit (loss) attributable to:				
8610	Owners of parent	$ 30,461	1	62,894	1
8620	Non-controlling interests	178,793	3	120,624	2
		$ 209,254	**4**	**183,518**	**3**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 30,291	1	117,246	1
8720	Non-controlling interests	160,599	3	121,618	2
		$ 190,890	**4**	**238,864**	**3**
9750	**Basic earnings per share (NT dollars) (note 6(t))**	**$**	**0.15**		**0.30**
9850	**Diluted earnings per share (NT dollars) (note 6(t))**	**$**	**0.15**		**0.30**

See accompanying notes to consolidated financial statements.

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

COLLINS CO., LTD. AND 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										
			Retained earnings				Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total 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 at January 1, 2019	$ 2,091,111	73,692	620,736	218,999	123,977	963,712	(80,209)	(143,420)	2,904,886	2,235,330	5,140,216
Profit	-	-	-	-	62,894	62,894	-	-	62,894	120,624	183,518
Other comprehensive income	-	-	-	-	(3,915)	(3,915)	(6,114)	64,381	54,352	994	55,346
Total comprehensive income	-	-	-	-	58,979	58,979	(6,114)	64,381	117,246	121,618	238,864
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	3,613	-	(3,613)	-	-	-	-	-	-
Special reserve	-	-	-	6,246	(6,246)	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(83,645)	(83,645)	-	-	(83,645)	(166,989)	(250,634)
Changes in ownership interests in subsidiaries	-	10,057	-	-	(14,994)	(14,994)	-	-	(4,937)	42,298	37,361
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	113,831	113,831
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	(8,076)	(8,076)	-	8,076	-	-	-
Balance at December 31, 2019	2,091,111	83,749	624,349	225,245	66,382	915,976	(86,323)	(70,963)	2,933,550	2,346,088	5,279,638
Profit	-	-	-	-	30,461	30,461	-	-	30,461	178,793	209,254
Other comprehensive income	-	-	-	-	(4,689)	(4,689)	(17,865)	22,384	(170)	(18,194)	(18,364)
Total comprehensive income	-	-	-	-	25,772	25,772	(17,865)	22,384	30,291	160,599	190,890
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	3,591	-	(3,591)	-	-	-	-	-	-
Special reserve reversed	-	-	-	(4,630)	4,630	-	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(62,733)	(62,733)	-	-	(62,733)	(174,124)	(236,857)
Changes in ownership interests in subsidiaries	-	14,399	-	-	-	-	-	-	14,399	(14,399)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	157,422	157,422
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	28,576	28,576	-	(28,576)	-	-	-
Balance at December 31, 2020	**$ 2,091,111**	**98,148**	**627,940**	**220,615**	**59,036**	**907,591**	**(104,188)**	**(77,155)**	**2,915,507**	**2,475,586**	**5,391,093**

See accompanying notes to consolidated financial statements.

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

COLLINS CO., LTD. AND 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	$ 302,436	290,532
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	255,383	212,626
Amortization expense	103,942	96,054
Expected credit loss	643	31,107
Finance cost	27,648	28,954
Interest income	(9,034)	(11,136)
Dividend income	(25,351)	(21,512)
Share of loss (profit) of associates accounted for using equity method	13,606	7,195
Loss (gain) on disposal of property, plant and equipment	(2,583)	2,007
Net (loss) gain on financial instruments at fair value through profit or loss, net	(3,142)	(1,299)
Gain on lease modification	(2,885)	(188)
Total adjustments to reconcile profit	358,227	343,808
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets at fair value through profit or loss	884	74,984
Decrease (increase) in notes receivable	20,151	(8,485)
Decrease (increase) in accounts receivable	242,547	(33,320)
Increase in inventories	(116,316)	(29,160)
Decrease in long-term notes receivable	6,400	6,838
Decrease in other current assets	16,652	23,329
Increase in other financial assets	(22,623)	(48,005)
Increase in lease receivables	(18,412)	(13,859)
Total changes in operating assets	129,283	(27,678)
Changes in operating liabilities:		
Increase (decrease) in financial liabilities at fair value through profit or loss	(144)	144
Increase in contract liabilities	7,481	8,896
Decrease in notes payable	(7,045)	(49,225)
Decrease in accounts payable	(100,179)	(94,925)
Increase in other current liabilities	5,637	6,288
Decrease in net defined benefit liability	(4,809)	(40,844)
Total changes in operating liabilities	(99,059)	(169,666)
Total adjustments	388,451	146,464
Cash inflow generated from operations	690,887	436,996
Interest received	9,034	11,136
Dividends received	24,256	9,867
Interest paid	(18,668)	(21,146)
Income taxes paid	(104,345)	(85,148)
Net cash flows from operating activities	601,164	351,705
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(67,550)	(3,773)
Proceeds from disposal of financial assets at fair value through other comprehensive income	54,345	25,845
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	8,735	4,211
Net cash flow from acquisition of subsidiaries	(94,641)	(43,775)
Proceeds from capital reduction of investments accounted for using equity method	(63,600)	-
Acquisition of property, plant and equipment	(223,565)	(55,840)
Proceeds from disposal of property, plant and equipment	10,584	1,969
Decrease (increase) in guarantee deposits paid	10,360	(10,964)
Acquisition of intangible assets	(60,809)	(3,984)
Decrease (increase) in other non-current assets	44,696	(19,331)
Net cash used in investing activities	(381,445)	(105,642)
Cash flows from (used in) financing activities:		
Increase in short-term loans	6,113,684	8,418,300
Decrease in short-term loans	(6,068,727)	(8,437,993)
Proceeds from issuance of corporate bonds	-	421,200
Repayments of long-term loan	-	(5,665)
Decrease in guarantee deposits received	(2,617)	(381)
Payment of lease liabilities	(161,096)	(130,067)
Decrease in other non-current liabilities	(64,638)	-
Cash dividends paid	(62,733)	(83,645)
Dividends paid by subsidiary to non-controlling interest	(174,124)	(166,989)
Changes in non-controlling interest	(10,771)	89,505
Net cash flows from (used in) financing activities	(431,022)	104,265
Effect of exchange rate changes on cash and cash equivalents	(17,707)	(7,784)
Net increase (decrease) in cash and cash equivalents	(229,010)	342,544
Cash and cash equivalents at beginning of period	875,001	532,457
Cash and cash equivalents at end of period	$ 645,991	875,001

See accompanying notes to consolidated financial statements.

(1) Company history

Collins Co., Ltd. (the "Company") was established in May 1969. In the initial stage, the Company mainly operated building materials and related processing businesses. In 1971, the Company altered its direction of business practice plan by setting up a division in the United States to actively promote the products of SME in Taiwan. Collins Co. Ltd was approved by the government as a Major trading company in March 1978. It has set up offices in Hong Kong, Manila, Bangkok and other regions and gradually established foreign business information network to promote its business.

The Company and its subsidiaries hereinafter, jointly referred to as the ("Group") mainly engaged in import and export trading, clothing retail, leasing, garment processing and trading, medical equipment, biochemical testing, medicine trading, medical management consulting services and investment.

(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 22, 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, IAS39 and IFRS7 "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"

(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 Equipmentt－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)

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (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

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(p).

(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 consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD 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.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

(Continued)

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

			Shareholding	
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2020**	**December 31, 2019**
The Company	Collins International Co, Ltd (CICL.)	Trade	100.00 %	100.00 %
The Company	Quality Craft Ltd (Q.C.L)	Trade	78.26 %	78.26 %
The Company	Collins (BVI) International CO., Ltd	General investing	100.00 %	100.00 %
The Company	Xing Chang Investment CO., Ltd (Xing Chang)	General investing	100.00 %	100.00 %
The Company	Jesco International Co., Ltd (Jesco)	Manpower dispatch	100.00 %	100.00 %
The Company	GrowTrend Biomedical Co., Ltd (GrowTrend) (Note 1)	Wholesale of Medical Devices	62.16 %	61.34 %
The Company	Colltex Garment MFY (HK) Co., Ltd (Colltex)	Trade	100.00 %	100.00 %
The Company	Minoshin International Co., Ltd. (Minoshin)	Trade	67.71 %	67.71 %
Collins (BVI)	Commend Holdings Limited (CH)	Trade	100.00 %	100.00 %
COMMEND HOLDINGS	Commend (HK) Limited (CHK)	Trade	100.00 %	100.00 %
COMMEND HOLDINGS	Gaolingaoke Giftware (Shenzhen) Company Limited (GLGK)	Trade	100.00 %	100.00 %
Xing Chang	HI-CLEARANCE INC. (HIC) (Note 1)	Manufacturing	21.72 %	22.69 %
HI-CLEARANCE INC.	Succeed Agents Limited (B.V.I.) (SA)	Investment Holding	100.00 %	100.00 %
HI-CLEARANCE INC.	Renalysis Medical Care Co., LTD (RMC)	Medical Management Consulting	100.00 %	100.00 %
HI-CLEARANCE INC.	Hsin Fu Healthcare Co., Ltd. (HFH)	Medical Management Consulting	100.00 %	100.00 %
HI-CLEARANCE INC.	Sin Hwa Biotech Co., Ltd. (SHB)	Medical Management Consulting	100.00 %	100.00 %
HI-CLEARANCE INC.	Sin Hwa Investment Co., Ltd. (SHI)	Investment Holding	100.00 %	100.00 %
HI-CLEARANCE INC.	HC-Healthcare Co., Ltd. (HCH)(Obtained in July 2020)	Medical devices trade	100.00 %	- %
SA	PT Hiclear Medical Indonesia (HMI) Established in January 2020	Medical devices trade	100.00 %	-
SA	Moral Well Co., Ltd. (MW)	Investment Holding	100.00 %	100.00 %
MW	Taicha Medicare (Shanghai) Corp. (Taicha)	International and entrepot trade	100.00 %	100.00 %

(Continued)

Note 1: The Company subscribed to the additional shares of GrowTrend at a percentage different from its existing ownership percentage in 2020; resulting in the investment amount of $433 to be different from the amount of the Company' s proportionate interest in the net assets of GrowTrend, charging to capital surplus.

Note 2: .The Company and Xing Chang subscribed to the additional shares of HIC at a percentage different from its existing ownership percentage in 2020 and 2019; resulting in the investment amounts of $14,832 and $8,735, respectively, to be different from the amount of the Company's proportionate interest in the net assets of HIC, credited to capital surplus.

Note 3: The Company subscribed to the additional shares of GrowTrend at a percentage different from its existing ownership percentage in 2019; resulting in the investment amount of $8,123 to be different from the amount of the Company' s proportionate interest in the net assets of GrowTrend, charging to capital surplus, charging to capital surplus of $1,390 and retained earnings of $2,103.

Note 4: The Company subscribed to the additional shares of Q.C.L at a percentage different from its existing ownership percentage in 2020; resulting in the investment amount of $144 to be different from the amount of the Company' s proportionate interest in the net assets of Q.C.L, charging to capital surplus.

Note 5: Although the Company and Xing Chang hold less than 50% of HIC's shares, they are the major shareholders who have the authority to decide on HIC' s financial and operating policies. Therefore, HIC is presumed to be a subsidiary.

Note 6: HIC gained control of DaVita Care (Taiwan) Private Limited on July 1, 2020, resulting in the Group to include DaVita Care (Taiwan) Private Limited in its consolidated financial statements thereafter. Davita Care (Taiwan) Private Limited changed its registered name to HC-Healthcare Co., Ltd on September 23, 2020.

(d) Foreign currencies

(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 at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences 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.

(Continued)

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 non-controlling 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.

(Continued)

(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

Accounts receivable issued 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 accounts 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. An account 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; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. 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, plus/minus, the cumulative amortization using the effective interest method, 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.

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 payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial assets on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

· contingent events that would change the amount or timing of cash flows;

· terms that may adjust the contractual coupon rate, including variable rate features;

· prepayment and extension features; and

· terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

(Continued)

5) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, lease payments receivable, guarantee deposit paid and other financial assets).

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

- Bank balances, other receivables, other financial assets, and guarantee deposit paid 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.

Loss allowance for accounts receivables are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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 and debt securities at FVOCI 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.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

(Continued)

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.

6) 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.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

(Continued)

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) 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.

6) 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.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(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, and other costs incurred in bringing them to their present location and condition.

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

(Continued)

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, 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 associate.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(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.

Rental income from investment property is recognized as other income on a straight-line basis over the term of the lease.

When the purpose of investment property is changed and reclassified into property, plant and equipment, the reclassification is based on the book value of the changed purpose.

(Continued)

(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.

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

1)	Buildings	5～60 years
2)	Leased assets	5～37 years
3)	Operating and Other equipment	1～8 years

Depreciation methods, useful lives and residual values are reviewed at 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) Leases

(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.

(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.

(Continued)

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 in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, 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 short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including office, warehouse and IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Continued)

(iii) As a lessor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

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

(m) Intangible assets

(i) Recognition and measurement

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

Other intangible assets, including customer relationships, patents and franchise, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

(Continued)

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

1)	Patent	4～5 years
2)	Customer relationships	15 years
3)	Franchise	1～2 years
4)	Others	1～10 years

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

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets, asset generated by employee benefits) 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 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 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.

(Continued)

(i) Sale of goods

The Group is engaged in import and export trading, clothing retail, garment processing, sales of medical equipment and medicine to related institutions and distributors. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled 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 obsolescence and 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.

The Group provides certain customers who buy medical equipment with an extended warranty over one to five years period in addition to the assurance that the product complies with agreed-upon specifications. This kind of contract contains two performance obligations and, therefore, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. Management estimates the stand-alone selling prices at contract inception based on the observable prices at which the Group would sell the product medical equipment and the extended warranty separately in similar circumstances and to similar customers. The Group recognizes revenue for the service-type warranty on a straight-line basis over the extended warranty period. The payment terms of the extended warranty are similar to product medical equipment.

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.

(ii) Commodity maintenance, advisory and management services

The Group provides medical institutions commodity maintenance, advisory, and management services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the amount of labor performed as a percentage of the total amount of labor to be performed.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(iii) 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.

(Continued)

(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.

(q) Government grants

The Group recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(Continued)

(r) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(s) 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.

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. 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 taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted at the reporting date.

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

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

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

1) the same taxable entity; or

2) different taxable entities which intends 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.

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; such reductions are reversed when the probability of future taxable profits improves.

(t) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any noncontrolling interests in the acquiree either at fair value or at the noncontrolling interest’ s proportionate share of the acquiree’ s identifiable net assets, if the noncontrolling interests are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(Continued)

(u) 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, such as employee remuneration.

(v) 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 assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) Evaluation of inventory

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 determined by future products demand within a specific time horizon therefore changes in market conditions may have a material impact on the estimation of the net realizable value.

(b) Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs.

(Continued)

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash	$ 3,265	2,714
Cash in bank	597,226	756,839
Time deposits	45,500	115,448
Cash and cash equivalents in the consolidated statement of cash flows	**$ 645,991**	**875,001**

The Group classified its foreign currency deposits under other current financial assets due to the regulation of "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" as below:

	December 31, 2020	December 31, 2019
Other current financial assets	**$ 52,624**	**-**

(b) Financial assets and liabilities at fair value through profit or loss

(i) Details as below:

	December 31, 2020	December 31, 2019
Mandatorily measured at fair value through profit or loss:		
Beneficiary Certification – Fund	$ 52,172	50,059
Forward exchange contracts	145	-
Total	**$ 52,317**	**50,059**
Held-for-trading financial liabilities:		
Derivative instruments not used for hedging		
-Forward exchange contracts	**$ -**	**144**

(ii) Derivative financial instruments not designated as hedging instruments

The Group uses derivative financial instruments to hedge the certain foreign exchange risk the Group is exposed to, arising from its operating activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

	December 31, 2020			
	Amount (in thousands)		**Currency**	**Maturity dates**
Derivative financial assets:				
Forward exchange contracts:				
Forward exchange purchased	JPY	431,853	NTD to JPY	110.01.04~110.05.04
Forward exchange purchased	USD	748	NTD to USD	110.01.04~110.02.08

	December 31, 2019			
	Amount (in thousands)		**Currency**	**Maturity dates**
Derivative financial liabilities:				
Forward exchange contracts:				
Forward exchange purchased	JPY	53,854	NTD to JPY	2020.01.06~2020.01.07
Forward exchange purchased	USD	378	NTD to USD	2020.01.06~2020.02.15

As of December 31, 2020 and 2019, the financial assets at fair value through profit or loss of the Group were not pledged as collateral.

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

	December 31, 2020	**December 31, 2019**
Equity investments at fair value through other comprehensive income:		
Domestic listed shares	$ 427,331	373,351
Domestic unlisted shares	91,288	86,429
Foreign unlisted shares	85,659	116,784
Total	**$ 604,278**	**576,564**
Current	$ 207,519	100,085
Non- current	396,759	476,479
Total	**$ 604,278**	**576,564**

(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.

The Group holds 25% common shares of TUNGYA Collins (TUNGYA). However, the Group's management does not have significant influence over TUNGYA and holds no seat in its board of directors; it also does not have a representative in those charged with governance.

The Group sold parts of its investment to adjust its investment portfolio, the profit or loss of the transactions didn't impact its operation. In 2020 and 2019, the disposal prices were $54,345 and $25,845, the gains/losses of disposals were $28,576 and $(8,076), respectively. The realized gains/losses were reclassified from other equity to retained earnings. In addition, cash received from capital reduction were $8,735 and $4,211 in 2020 and 2019, respectively.

(ii) For market risk, please refer to note 6(y).

(iii) As of December 31, 2020 and 2019, above financial assets were not pledged as collateral.

(d) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	$ 207,516	227,670
Accounts receivable	1,464,312	1,668,841
Notes receivable-long-term	5,911	12,431
Less: Loss allowance	(43,261)	(57,559)
Unrealized interest income	(46)	(161)
	1,634,432	1,851,222
Overdue receivables (included in other non-current assets)	108,691	100,605
Less: Loss allowance	(108,691)	(100,605)
	-	-
	$ 1,634,432	**1,851,222**

	December 31, 2020	December 31, 2019
Allowance for loss attributable to:		
Notes receivable	$ (2,145)	(2,349)
Accounts receivable	(41,057)	(55,086)
Overdue receivables	(108,691)	(100,605)
Notes receivable-long-term	(59)	(124)
	$ (151,952)	**(158,164)**

Lease payments receivable and lease payments receivable - long-term:

A maturity analysis of lease payments, which reflects the undiscounted lease payments to be received after the reporting date, is as follows:

	December 31, 2020	December 31, 2019
Less than one year	$ 37,201	33,294
1~2 years	30,898	25,801
2~3 years	22,937	19,554
3~4 years	13,675	16,020
4~5 years	7,306	13,003
More than 5 years	32,237	20,524
Total lease payments receivable	144,254	128,196
Unearned finance income	(22,874)	(25,237)
Present value of lease payments receivable	121,380	102,959
Less: loss allowance	(1,214)	(1,029)
Present value of lease payments receivable	**$ 120,166**	**101,930**

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 the incorporated forward-looking information, including macroeconomic and relevant industry information.

The loss allowance provisions for notes and accounts receivable were determined as follows:

	December 31, 2020		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,538,603	0%~1.373%	21,125
1 to 180 days past due	124,167	6%~13.11%	13,675
181 to 365 days past due	9,872	33.07%~93.36%	3,410
More than 365 days past due	5,051	100%	5,051
	$ 1,677,693		**43,261**

	December 31, 2019		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 1,708,725	0%~13.17%	30,614
1 to 180 days past due	188,601	3.83%~14.52%	16,034
181 to 365 days past due	2,299	76.34%	1,755
More than 365 days past due	9,156	100%	9,156
	$ 1,908,781		**57,559**

(Continued)

On October 15, 2018, the Group's client Sears Holding Corp. filed for chapter 11 Bankruptcy.

For the years ended December 31, 2020 and 2019, the Group has recognized USD3,435 thousand and USD3,265 thousand as allowance of doubtful accounts (classified under overdue receivables); the Group continuously follows the reorganization situation to secure the Group's right.

The movements in the allowance for notes accounts receivable, notes receivable - long-term, overdue receivables and lease payments receivable were as follows:

		2020	2019
Balance at January 1	$	159,193	128,289
Impairment loss recognized		643	31,107
Foreign exchange gain / (loss)		(6,670)	(203)
Balance at December 31	$	153,166	159,193

The Group utilized collection notes to provide financial guarantees, please refer to Note 8.

(e) Inventories

		December 31, 2020	December 31, 2019
Commodity	$	888,905	926,551
Inventory in transit		189,066	82,231
	$	1,077,971	1,008,782

The operating costs except for sold of inventories were as follows:

		2020	2019
Write-downs of inventories (reversal of write-downs)	$	3,943	(8,454)
Losses (gains) on inventory count		(188)	798
Total	$	3,755	(7,656)

Inventories of the Group had been pledged as collateral, please refer to note 8.

(f) Investments accounted for using equity method

(i) A summary of the Group's financial information for investments accounted for using the equity method at the reporting date was as follows:

		December 31, 2020	December 31, 2019
Associates	$	159,179	109,187

The Group invested in WS FAR IR Medical Technology Co., Ltd. (WS FAR) at the amount of $63,600 in December 2020, wherein Group holds 30% common shares of WS FAR. Furthermore, the Group obtained two-fifth of the total number of WS FAR's directors, resulting in the Group to have significant influence, but not control, over WS FAR. All related registration procedures of the above transaction had been completed as of the reporting date.

(Continued)

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

	December 31, 2020	December 31, 2019
Carrying amount of individually insignificant associates' equity	$ 159,179	109,187

In 2020 and 2019, the Group's share of the comprehensive income of associates was as follows:

	2020	2019
Attributable to the Group:		
Profit (loss) from continuing operations	$ (13,606)	(7,195)
Other comprehensive (loss) income	(11)	60
Comprehensive income	$ (13,617)	(7,135)

(ii) Pledge

As of December 31, 2020 and 2019, the Group did not provide any investments accounted for using equity method as collaterals for its loans.

(g) Acquisition of subsidiary and non-controlling interest

(i) In July 2020, the Group acquired 100% shares and ownership of HCH, the fair value of assets and liabilities on acquisition date was as follow:

Transfer consideration:		
Cash		$ 118,919
Fair value of assets and liabilities on the date of acquisition		
Cash and cash equivalents	$ 24,278	
Accounts receivable	123,955	
Other receivables	3,064	
Other current assets	575	
Property, plant and equipment	34,114	
Right-of-use assets	112,121	
Intangible assets- prohibition of competition	43,236	
Other non-current assets	3,510	
Other payables	(108,284)	
Other current liabilities	(124)	
Other non-current liabilities	(73,932)	
Lease liabilities	(113,483)	49,030
Goodwill		$ **69,889**

The above fair value of assets and liabilities on the date of acquisition is provisional, wherein it will be retrospectively adjusted upon the completion of measurement.

(Continued)

The Group continuously reviews the aforementioned items during the measurement period. If there is information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which may lead to an adjustment to the above provisional amounts, or any additional provisions as at the acquisition date, then the acquisition accounting will be revised.

1) From acquisition date to December 31, 2020, HCH contributed the revenue and net profit of $26,876 and $8,532, respectively. If the acquisition were to occur on January 1, 2020, the Group's pro-forma consolidated revenue and net profit would have been $6,632,077 and $95,767, respectively. To determine such amounts, the management assumed that acquisition date was on January 1, 2020, in which the provisional fair value adjustments were identical to those of the actual acquisition date.

2) HCH did not pay its loan, as well as management and consultant service fee amounting to $232,301, to its original shareholders as of the acquisition date. The above consultant service fee was derived from the medical quality management approach established by HCH. In light of the matter above, the Group and the original shareholders negotiated to pledge HCH's shares for collateral. As of December 31, 2020, the above liabilities were repaid, and the pledge condition ceased to exist.

3) For the year ended December 31, 2020, the Group incurred acquisition-related costs of $530 on legal fees and due diligence costs. These costs have been included in other expenses in the statement of comprehensive income.

(ii) On January 7, 2019, the Group obtained control of Minoshin by acquiring 60% of the shares and voting interests in Minoshin. The following table summarizes the recognized fair value of assets acquired and liabilities assumed at the acquisition date.

Transfer consideration:		
Cash and cash equivalents		$ 51,000
Add: Non-controlling interests measured at prorated percentage of net assets		29,818
Fair value of asset and liabilities on the date of acquisition		
Cash and cash equivalents	$ 7,225	
Accounts receivable	38,026	
Inventories	66,971	
Other financial assets	469	
Other current assets	2,196	
Property, plant and equipment	15,837	
Refundable deposits	3,443	
Intangible assets-franchise	31,723	
Bank loan	(13,210)	
Long-term loans due within a year	(2,040)	
Other short-term loans	(31,485)	
Notes and accounts payable	(10,164)	
Other current liabilities	(30,536)	
Long-term loans	(3,625)	
Other non-current liabilities	(285)	74,545
Goodwill		**$ 6,273**

(Continued)

After the acquisition date, the Group subscribed the additional shares contributed by Minoshin for $70,000 in cash. Resulting an increase of its ownership from 60% to 67.71%, resulting in the investment amount of $12,519 to be different from the amount of the Company's proportionate interest in the net assets of Minoshin, charging to retained earnings.

Fair value of the non-controlling interests in Minoshin at the acquisition date amounted to $29,818. The fair value is computed based on a cost approach and an income approach. The fair value measurement for the non-controlling interests has been categorized as a Level 3 fair value based on the inputs to the valuation technique used. The key model inputs for determining the fair value were as follows:

1) assumed 6.09% of internal rate of return, WACC and WARA based on unobservable market data;

2) assumed discount rate of 7.03%;

3) assumed financial multiplier of companies similar to Minoshin

(h) Material non-controlling interests of subsidiaries

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

Subsidiaries	Main operation place	Percentage of non-controlling interests December 31, 2020	Percentage of non-controlling interests December 31, 2019
HIC	Taipei	78.28 %	77.31 %

HIC is a listed company, fair value on the reporting date was as follows:

	December 31, 2020	December 31, 2019
HIC	**$ 4,569,581**	**3,780,000**

The following information of the aforementioned subsidiaries have been prepared in accordance with the IFRSs. 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.

	December 31, 2020	December 31, 2019
Current assets	$ 2,224,919	2,244,898
Non-current assets	3,299,604	2,888,296
Current liabilities	(1,325,345)	(1,007,012)
Non- current liabilities	(874,727)	(945,698)
Net assets	**$ 3,324,451**	**3,180,484**
Non-controlling interests	**$ 2,344,240**	**2,213,276**

(Continued)

		2020	2019
Revenue	$	**3,431,968**	**3,240,723**
Profit	$	232,577	161,018
Other comprehensive income		(19,260)	(4,401)
Comprehensive income	$	**213,317**	**156,617**
Profit, attributable to non-controlling interests	$	**182,061**	**124,444**
Comprehensive income, attributable to non-controlling interests	$	**166,985**	**121,044**

		2020	2019
Net cash flows from operating activities	$	413,162	256,039
Net cash flows from investing activities		(385,532)	(36,923)
Net cash flows from financing activities		(93,506)	(23,933)
Effect of exchange rate changes		(745)	(1,666)
Net increase (decrease) in cash and cash equivalents	$	**(66,621)**	**193,517**
Dividends paid to non-controlling interests	$	**(166,989)**	**(166,989)**

(i) Property, plant and equipment

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

		Land	Buildings	Leased assets	Operating and other equipment	Total
Cost:						
Balance on January 1, 2020	$	1,556,473	232,797	375,067	329,456	2,493,793
Additions		550	-	33,199	189,816	223,565
Reclassification (Note)		-	-	45,243	3,839	49,082
Disposals		(520)	(44)	(32,038)	(50,720)	(83,322)
Acquisition through business combinations		-	-	73,589	13,796	87,385
Effect of movements in exchange rates		(103)	(573)	-	(2,404)	(3,080)
Balance on December 31, 2020	$	**1,556,400**	**232,180**	**495,060**	**483,783**	**2,767,423**
Balance on January 1, 2019	$	1,553,115	232,885	351,356	242,875	2,380,231
Additions		3,291	-	10,294	42,255	55,840
Reclassification (Note)		-	-	19,700	2,347	22,047
Disposals		-	-	(6,283)	(7,601)	(13,884)
Acquisition through business combinations		-	-	-	51,678	51,678
Effect of movements in exchange rates		67	(88)	-	(2,098)	(2,119)
Balance on December 31, 2019	$	**1,556,473**	**232,797**	**375,067**	**329,456**	**2,493,793**
Accumulated depreciation:						
Balance on January 1, 2020	$	-	90,305	172,813	274,169	537,287
Depreciation		-	5,312	45,409	35,134	85,855
Reclassification (Note)		-	-	(7,667)	(1,179)	(8,846)
Disposals		-	(44)	(26,805)	(48,472)	(75,321)
Acquisition through business combinations		-	-	46,860	6,411	53,271
Effect of movements in exchange rates		-	(413)	-	(2,156)	(2,569)
Balance on December 31, 2020	$	**-**	**95,160**	**230,610**	**263,907**	**589,677**

		Land	Buildings	Leased assets	Operating and other equipment	Total
Balance on January 1, 2019	$	-	85,143	138,703	213,390	437,236
Depreciation		-	5,355	40,080	28,968	74,403
Reclassification (Note)		-	-	(271)	-	(271)
Disposals		-	-	(5,699)	(4,209)	(9,908)
Acquisition through business combinations		-	-	-	35,841	35,841
Effect of movements in exchange rates		-	(193)	-	179	(14)
Balance on December 31, 2019	$	-	90,305	172,813	274,169	537,287
Carrying amounts:						
Balance on December 31, 2020	$	1,556,400	137,020	264,450	219,876	2,177,746
Balance on January 1, 2019	$	1,553,115	147,742	212,653	29,485	1,942,995
Balance on December 31, 2019	$	1,556,473	142,492	202,254	55,287	1,956,506

Note: Transferred to (from) inventories or prepayments for equipment.

The property, plant and equipment of the Group had been pledged as collateral for short-term loans, please refer to note 8.

(j) Right-of-use assets

The Group leases buildings and structures and equipment. The movements of right-of-use assets were as follows:

		Buildings and structures	Equipment	Total
Cost:				
Balance at January 1, 2020	$	920,546	4,072	924,618
Acquisition through business combination		140,665	-	140,665
Additions		308,231	2	308,233
Disposal		(344,849)	(577)	(345,426)
Effect of movements in exchange rates		(1,949)	(23)	(1,972)
Balance at December 31, 2020	$	**1,022,644**	**3,474**	**1,026,118**
Balance at January 1, 2019	$	-	-	-
Effects of retrospective application for IFRS 16		770,731	3,470	774,201
Additions		197,100	612	197,712
Disposals		(46,591)	-	(46,591)
Effects of movements in exchange rates		(694)	(10)	(704)
Balance at December 31, 2019	$	**920,546**	**4,072**	**924,618**
Accumulated depreciation:				
Balance at January 1, 2020	$	117,394	1,481	118,875
Depreciation for the year		168,044	1,475	169,519
Acquisition through business combination		28,544	-	28,544
Disposal		(103,327)	(216)	(103,543)
Effect of movements in exchange rates		666	(2)	664
Balance at December 31, 2020	$	**211,321**	**2,738**	**214,059**

(Continued)

	Buildings and structures	Equipment	Total
Balance at January 1, 2019	$ -	-	-
Effect of retrospective application for IFRS16	-	-	-
Depreciation for the year	136,732	1,481	138,213
Disposals	(19,296)	-	(19,296)
Effect of change in foreign exchange rate	(42)	-	(42)
Balance at December 31, 2019	**$ 117,394**	**1,481**	**118,875**
Carrying amount:			
Balance at December 31, 2020	**$ 811,323**	**736**	**812,059**
Balance at December 31, 2019	**$ 803,152**	**2,591**	**805,743**

(k) Investment property

	Owned property		
	Land	Buildings and construction	Total
Cost:			
Balance at January 1, 2020	$ 25,736	484	26,220
Balance at December 31, 2020	**$ 25,736**	**484**	**26,220**
Balance at January 1, 2019	$ 25,736	484	26,220
Balance at December 31, 2019	**$ 25,736**	**484**	**26,220**
Accumulated depreciation:			
Balance at January 1, 2020	$ -	81	81
Depreciation	-	9	9
Balance at December 31, 2020	**$ -**	**90**	**90**
Balance at January 1, 2019	$ -	71	71
Depreciation	-	10	10
Balance at December 31, 2019	**$ -**	**81**	**81**
Carrying amount:			
Balance at December 31, 2020	**$ 25,736**	**394**	**26,130**
Balance at January 1, 2019	**$ 25,736**	**413**	**26,149**
Balance at December 31, 2019	**$ 25,736**	**403**	**26,139**
Fair value:			
Balance at December 31, 2020			**$ 28,489**
Balance at December 31, 2019			**$ 29,077**

The Group's investment properties were subsequently measured at fair value using the income approach after initial recognition, wherein the fair value was determined by the present value of net cash flows to be generated from the property, taking into account of expected rate of return.

(Continued)

The effective gross income multipliers adopted were as follows:

Location	2020	2019
Chaozhou Township, Pingtung County	0.27%	0.17%

As of December 31, 2020 and 2019, the Group did not pledge investment property as collateral for its loans.

(l) Intangible assets

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

		Goodwill	Patent	Customer relationship	Franchise	Other	Total
Cost:							
Balance at January 1, 2020	$	364,598	4,361	1,245,474	31,723	7,793	1,653,949
Additions		69,889	-	-	-	43,236	113,125
Acquisition through business combinations		-	-	-	-	57,000	57,000
Disposals		-	-	-	-	(7,619)	(7,619)
Effect of movement in exchange rates		-	(234)	-	-	(1)	(235)
Balance at December 31, 2020	$	**434,487**	**4,127**	**1,245,474**	**31,723**	**100,409**	**1,816,220**
Balance at January 1, 2019	$	358,325	7,454	1,245,474	-	-	1,611,253
Acquisition through business combinations		6,273	-	-	31,723	-	37,996
Additions		-	-	-	-	7,793	7,793
Disposals		-	(3,133)	-	-	-	(3,133)
Effect of movement in exchange rates		-	40	-	-	-	40
Balance at December 31, 2019	$	**364,598**	**4,361**	**1,245,474**	**31,723**	**7,793**	**1,653,949**
Accumulated amortization:							
Balance at January 1, 2020	$	-	4,075	302,578	6,345	3,463	316,461
Amortization for the year		-	239	84,444	6,345	11,317	102,345
Disposals		-	-	-	-	(7,619)	(7,619)
Effect of movement in exchange rates		-	(187)	-	-	-	(187)
Balance at December 31, 2020	$	**-**	**4,127**	**387,022**	**12,690**	**7,161**	**411,000**
Balance at January 1, 2019	$	-	6,655	218,134	-	-	224,789
Amortization for the year		-	325	84,444	6,345	3,463	94,577
Disposals		-	(3,133)	-	-	-	(3,133)
Effect of movement in exchange rates		-	228	-	-	-	228
Balance at December 31, 2019	$	**-**	**4,075**	**302,578**	**6,345**	**3,463**	**316,461**
Carrying amount:							
Balance at December 31, 2020	$	**434,487**	**-**	**858,452**	**19,033**	**93,248**	**1,405,220**
Balance at January 1, 2019	$	**358,325**	**799**	**1,027,340**	**-**	**-**	**1,386,464**
Balance at December 31, 2019	$	**364,598**	**286**	**942,896**	**25,378**	**4,330**	**1,337,488**

(Continued)

(ii) Impairment testing for cash-generating units (including goodwill)

The intangible assets of the Group were mainly arising from the acquisition of HIC, RMC and HCH.

According to IAS 36, goodwill acquired in a business combination is tested for impairment at least annually.

According to the result of the Group's impairment testing, the fair value of HIC turned out to be greater than its carrying amount as of December 31, 2020, the recoverable amount of HIC was greater than its carrying amount and no impairment loss was recognized. The recoverable amount of HIC had been determined based on a value in use calculation.

As of December 31, 2019, the recoverable amount of HIC had been determined based on a value in use calculation, the key assumptions used in the value in use calculation are as follows:

1) The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate after next 5 years is 2.1%.

2) Budgeted EBITDA was estimated taking into account past experience, adjusted as follows. Revenue growth was projected taking into account the average growth levels experience.

3) The discount rate was estimated based on the weighted-average cost of capital at 12.25%.

As of December 31, 2020 and 2019, the recoverable amount of RMC and HCH had been determined based on a value in use calculation. The revenue growth rates of RMC and HCH were 6% and 0.42%, respectively, and discount rates were 10.19% and 6.19%, respectively.

(iii) As of December 31, 2020 and 2019, the intangible assets of the Group had been pledged as collateral.

(m) Short-term loans

The details of the Group for short-term loans were as follows:

	December 31, 2020	December 31, 2019
Unsecured bank loans	$ 1,010,366	951,835
secured bank loans	186,971	200,545
Total bank loans	**$ 1,197,337**	**1,152,380**
Unused short-term credit lines	**$ 2,978,480**	**2,622,560**
Range of interest rates	**0.72%~2.95%**	**0.85%~4.39%**

For interest expense, please refer to note 6(x).

For the collateral for short-term loans, please refer to note 8.

(Continued)

(n) Bonds payable

The details of unsecured convertible bonds were as follows:

	December 31, 2020	December 31, 2019
Total convertible corporate bonds issued	$ 420,000	420,000
Unamortized discounted corporate bonds	(8,460)	(23,562)
Cumulative converted amount	(152,000)	-
Corporate bonds issued balance at year-end	**$ 259,540**	**396,438**
Equity component – conversion options, included in capital surplus– stock options	**$ 20,622**	**32,318**

	2020	2019
Interest expense	**$ 9,424**	**7,556**

Item	The first domestic unsecured convertible corporate bond
1. Issued amount	$420,000
2. Issue denomination	$100
3. Issuance period	2019.04.18~2022.04.18
4. Bond maturity	3 years
5. Coupon rate	0%
6. Repayment description	Principal repaid in a lump sum at maturity.
7. Redemption clauses	(1) HIC is entitled to redeem the bonds by cash at face value from July 19, 2019 to March 9, 2022 if the closing price of common shares is 30% higher than its conversion price within thirty business days in a row. (2) HIC is entitled to redeem the bonds by cash at face value from July 19, 2019 to March 9, 2022 if the balance of outstanding bonds is 10% lower than the original face value.
8. Conversion period	(1) Each bond entitles the holder to convert it into ordinary shares of HIC, wherein the conversion may occur at any time between July 19, 2019 and April 18, 2022. (2) Each bond entitles the holder to convert it into ordinary shares of HIC, except for the following periods: (i) From fifteen days before the book closure date of issuance of bonus shares and cash dividends, to the target date fixed by HIC for the distribution of dividends, bonus or other benefits; (ii) from a day before the capital reduction record date to a day before the commencement date of exchanging shares in accordance with HIC's regulations.
9. Conversion price and adjustment	The initial conversion price was NT$106.5 per share at offering date and the conversion price will be subject to adjustment in the event of the conversion provisions due to anti-dilution clause. On July 18, 2020, June 11, 2019 and August 4, 2019, the conversion price was adjusted to NT$94.4, NT$105.9 and NT$99.8 per share, respectively.

(Continued)

(o) Lease liabilities

	December 31, 2020	December 31, 2019
Current	$ 142,184	125,464
Non-current	$ 687,699	688,567

For the maturity analysis, please refer to note 6(y).

The amounts recognized in profit or loss was as follows:

	2020	2019
Interest on lease liabilities	$ 10,693	9,844
Variable lease payments not included in the measurement of lease liabilities	$ 12,572	13,372
Income from sub-leasing right-of-use assets	$ 74,209	61,304
Expenses relating to short-term leases	$ 15,061	21,981
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 1,928	2,132
Covid-19-related rent concessions (recognized as deduction of depreciation expenses)	$ 2,036	-

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

	2020	2019
Total cash outflow for leases	$ 201,350	177,396

(i) Real estate leases

The Group leased buildings and structures for its office space, warehouse and retail stores. The leases of office space typically run for a period of 10 years, of warehouse for 2 years and of retail stores for 3 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of office building contain extension options exercisable by the Group. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lessee is not reasonable certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(i) Other leases

The Group also leases office equipment with contract terms of one to two years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

(p) Operating lease

The Group leases out its investment property, business premises and medical equipment etc. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

For the years ended December 31, 2020 and 2019, the rental income recognized in profit or loss amounted to $158,332 and $129,175, respectively, wherein rental income from investment properties were both $1,497.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follow:

		December 31, 2020	December 31, 2019
Less than one year	$	79,369	57,710
One to two years		69,048	47,933
Two to three years		57,369	37,622
Three to four years		38,323	29,476
Four to five years		30,541	18,800
More than five years		60,213	40,286
Total undiscounted lease payments	$	**334,863**	**231,827**

(q) Employee benefits

(i) Defined benefit plans

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

		December 31, 2020	December 31, 2019
Present value of the defined benefit obligations	$	170,611	159,573
Fair value of plan assets		(109,514)	(106,797)
Net defined benefit liabilities	$	**61,097**	**52,776**

Above balances were included in following accounts:

		December 31, 2020	December 31, 2019
Net defined benefit assets (included in "other non-current assets")	$	-	(738)
Net defined benefit liabilities (included in "other non-current liabilities")		61,097	53,514
	$	**61,097**	**52,776**

(Continued)

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group 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 Group's Bank of Taiwan labor pension reserve account balance amounted to $109,514 and $106,797 as of December 31, 2020 and 2019, respectively. 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 the defined benefit obligations for the Group were as follows:

	2020	2019
Defined benefit obligations at January 1	$ 159,573	203,771
Current service costs and interest cost	1,719	2,503
Remeasurements of the net defined benefit liabilities (asset):		
—Actuarial gain or loss arising from financial assumptions	23,605	8,725
Benefits paid	(14,286)	(55,426)
Defined benefit obligations at December 31	**$ 170,611**	**159,573**

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:

	2020	2019
Fair value of plan assets at January 1	$ 106,797	115,298
Return on planned assets	821	968
Remeasurements of the net defined benefit liabilities (asset):		
—Actuarial gain or loss arising from financial assumptions	4,408	2,729
Contributions paid by the employer	4,816	688
Benefits paid	(7,328)	(12,886)
Fair value of plan assets at December 31	**$ 109,514**	**106,797**

(Continued)

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Current service costs	$	370	542
Net interest on the net defined benefit liabilities		528	993
	$	**898**	**1,535**

		2020	2019
Administrative expenses	$	**898**	**1,535**

5) Remeasurements of the net defined benefit liabilities (asset) recognized in other comprehensive income:

		2020	2019
Accumulated balance at January	$	25,267	19,271
Recognition in the period		19,197	5,996
Accumulated balance at December 31	$	**44,464**	**25,267**

6) Actuarial assumptions

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

	December 31, 2020	December 31, 2019
Discount rate	0.3006%~0.625%	0.7138%~1.000%
Future salary increase rate	1.25%~1.5%	1.25%~1.5%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $4,887.

The weighted average lifetime of the defined benefits plans is 9.82～15.67 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	
		Increased	Decreased
December 31, 2020			
Discount rate decrease (increase) by 0.25%	$	3,827	(3,706)
Future salary increasing rate increase (decrease) by 0.25%		5,500	(5,256)

(Continued)

		Influences of defined benefit obligations	
		Increased	**Decreased**
December 31, 2019			
Discount rate decrease (increase) by 0.25%	$	5,335	(5,046)
Future salary increasing rate increase (decrease) by 0.25%		5,195	(4,948)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions 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.

(ii) Defined contribution plans

The pension costs incurred from the contributions amounted to $17,189 and $18,460 for the years ended December 31, 2020 and 2019, respectively.

(r) Income taxes

(i) The components of income tax in the years 2020 and 2019 were as follows:

		2020	**2019**
Current tax expense			
Current tax expense	$	99,566	97,345
Deferred tax expense			
Origination and reversal of temporary differences		(6,384)	9,669
Income tax expense	**$**	**93,182**	**107,014**

For the years ended December 31, 2020 and 2019, there were no income tax expense (income) recognized in other comprehensive income.

Reconciliations of income tax and profit before tax for 2020 and 2019 were as follows.

		2020	**2019**
Profit excluding income tax	**$**	**302,436**	**290,532**
Income tax using the Company's domestic tax rate	$	60,487	58,106
Effect of tax rates in foreign jurisdiction		22,745	10,633
Non-deductible expenses		20,094	35,585
Income tax derived from repatriation of offshore investment income		5,222	-
Change in temporary differences		(12,304)	-
Income basic tax		2,077	-
Others		(5,139)	2,690
Income tax expense	**$**	**93,182**	**107,014**

(Continued)

(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	$ 2,527	3,412
The carryforward of unused tax losses	268,842	45,432
	$ 271,369	48,844

According to the law and regulation in respective countries, tax losses can be carried forward to offset taxable income after permitted by tax authorities.

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 information of the Group's unused tax losses for which no deferred tax assets were recognized was as follows:

Year of loss	Unused tax loss
2009	$ 12,051
2013	8,625
2014	25,605
2015	34,432
2016	34,515
2017	26,652
2018	58,763
2019	61,464
2020	6,735
	$ 268,842

2) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2020 and 2019. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities. Details was as follows:

	December 31, 2020	December 31, 2019
Temporary differences associated with investment in subsidiaries	$ 256,823	467,424

(Continued)

3) Recognized deferred tax assets and liabilities

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

Deferred Tax Assets:

	Unrealized loss on inventories	Unused tax losses	Allowance of doubtful accounts	Defined benefit obligation	Others	Total
Balance at January 1, 2020	$ 17,800	29,355	29,930	4,877	8,041	90,003
Recognized in profit or loss	853	2,773	(247)	(1,582)	(1,419)	378
Balance at December 31, 2020	**$ 18,653**	**32,128**	**29,683**	**3,295**	**6,622**	**90,381**
Balance at January 1, 2019	$ 16,106	28,479	23,677	13,850	5,184	87,296
Recognized in profit or loss	1,694	876	6,253	(8,973)	2,857	2,707
Balance at December 31, 2019	**$ 17,800**	**29,355**	**29,930**	**4,877**	**8,041**	**90,003**

Deferred Tax Liabilities:

	Reserve for land value increment tax	Others	Total
Balance at January 1, 2020	$ (107,318)	(25,056)	(132,374)
Recognized in profit or loss	-	6,006	6,006
Balance at December 31, 2020	**$ (107,318)**	**(19,050)**	**(126,368)**
Balance at January 1, 2019	$ (107,318)	(12,680)	(119,998)
Recognized in profit or loss	-	(12,376)	(12,376)
Balance at December 31, 2019	**$ (107,318)**	**(25,056)**	**(132,374)**

(iii) The Company's tax returns for all years through 2018 were assessed by the tax authorities.

(s) Capital and other equity

(i) As of December 31, 2020 and 2019, the amounts of authorized ordinary shares were $4,900,000 with par value of NT$10 per share. The total issued shares amounted to 209,111 thousand. All issued shares were paid up upon issuance.

(ii) Capital surplus

Balances of capital surplus as of December 31, 2020 and 2019 were as follows

	December 31, 2020	December 31, 2019
Treasury share transactions	$ 31,084	31,084
Dividends paid to subsidiaries	42,608	42,608
Changes in equity recognized by equity method	24,456	10,057
Total	**$ 98,148**	**83,749**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and

(Continued)

only the realized capital surplus can be used to increase the ordinary shares 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 ordinary share outstanding.

(iii) Retained earnings

The Company's article of incorporation stipulate that Company's net earnings should first be used to offset the prior year's deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve (except when legal reserve equals to the company's paid-in capital), settling aside a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The earnings distribution can be either in cash or by stock dividends, wherein the cash dividends shall not be less than 10% of total dividends.

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

Under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS", on the initial adoption of IFRSs, the Company should appropriate to a special reserve with amounts the same as those of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Company's use of exemptions under IFRS 1. At the transition date, the aforementioned unrealized revaluation increment and the cumulative translation differences amounted to $219,750, and the increase in retained earnings due to the initial adoption of IFRSs was $287,553. The Company accordingly appropriated its special reserve of $219,750 accordingly, of which may be reversed in proportion to the usage, disposal or reclassification of the related assets, and thereafter distributed.

As of December 31, 2020 and 2019, the balances of special reserve were $220,615 and $225,245, respectively.

According to the above-mentioned regulation, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special 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 reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. 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 18, 2020 and June 14, 2019, respectively. The relevant dividend distributions to shareholders were as follows:

	2019		2018	
	Amount per share (NT$)	**Total amount**	**Amount per share (NT$)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.30	62,733	0.40	83,645

Furthermore, HIC appropriated the cash dividends, each amounting to $216,000, for 2019 and 2018’ s earning distribution according to the resolutions made during the shareholders' meetings held on June 12, 2020 and June 21, 2019, wherein the amount of $166,989 was appropriated to non-controlling interests for each year.

On March 22, 2021, the Company's Board of Directors resolved to appropriate the earnings of 2020. These earnings were appropriated as follows:

	2020	
	Amount per share (NT$)	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.25	52,278

(Continued)

(i) Other comprehensive income accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	NCI	Total
Balance at January 1, 2020	$ (86,323)	(70,963)	(19,432)	(176,718)
Exchange differences on foreign operations	(17,854)	-	(3,686)	(21,540)
Exchange differences on associates accounted for using equity method	(11)	-	-	(11)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	22,384	-	22,384
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	(28,576)	-	(28,576)
Balance at December 31, 2020	**$ (104,188)**	**(77,155)**	**(23,118)**	**(204,461)**

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	NCI	Total
Balance at January 1, 2019	$ (80,209)	(143,420)	(22,507)	(246,136)
Exchange differences on foreign operations	(6,174)	-	3,075	(3,099)
Exchange differences on associates accounted for using equity method	60	-	-	60
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	64,381	-	64,381
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	8,076	-	8,076
Balance at December 31, 2019	**$ (86,323)**	**(70,963)**	**(19,432)**	**(176,718)**

(t) Share-based payment

The board of directors of HIC resolved the cash capital increase on November 30, 2018, wherein 150 thousand shares were reserved for employee subscription. The measurement inputs were as follows:

	Cash capital increase reserved for employee subscription
Grant date	2019.4.27
Number of shares granted	150 thousand shares
Number of shares exercise	150 thousand shares
Recipients	The employees of HIC
Vested period	Immediately vested

The fair value of each unit was NT$18 at the grant date, wherein the remuneration cost of $2,700 was recognized in 2019, classified under operating expenses.

(Continued)

(u) Earnings per share

The calculation of basic and diluted earnings per share are as follow:

(i) Basic earnings per share

Basic earnings per share	**2020**	**2019**
Profit attributable to ordinary shareholders of the Company	$ 30,461	62,894
Weighted average number of ordinary shares (thousand)	209,111	209,111
Basic earnings per share (NT$)	$ 0.15	0.30

(ii) Diluted earnings per share

Diluted earnings per share	**2020**	**2019**
Profit attributable to ordinary shareholders of the Company (diluted)	$ 30,461	62,894
Weighted average number of ordinary shares (basic) (thousand)	209,111	209,111
Effect of dilutive potential ordinary shares-employee remuneration (thousand)	134	270
Weighted average number of ordinary shares (diluted) (thousand)	209,245	209,381
Diluted earnings per share (NT$)	$ 0.15	0.30

(v) Revenue from contracts with customers

(i) Details of revenue

The details of revenue were as follows:

	2020				
	Department of trading	**Department of fashion**	**Department of kidney dialysis**	**Department of other**	**Total**
Primary geographical markets:					
Taiwan	$ -	717,757	2,639,376	782,341	4,139,474
America	1,369,657	-	-	-	1,369,657
Canada	858,582	-	-	-	858,582
Other	224,451	-	1,916	13,105	239,472
	$ 2,452,690	717,757	2,641,292	795,446	6,607,185
Major products/services lines:					
Sale of goods	$ 2,452,690	717,757	2,616,995	539,310	6,326,752
Rental income	-	-	10,117	148,152	158,269
Service income	-	-	14,180	107,984	122,164
	$ 2,452,690	717,757	2,641,292	795,446	6,607,185

(Continued)

	2019				
	Department of trading	**Department of fashion**	**Department of kidney dialysis**	**Department of other**	**Total**
Primary geographical markets:					
Taiwan	$ -	861,850	2,590,987	651,532	4,104,369
America	1,873,910	-	-	-	1,873,910
Canada	1,029,378	-	-	-	1,029,378
Other	213,782	-	508	2,599	216,889
	$ 3,117,070	861,850	2,591,495	654,131	7,224,546
Major products/services lines:					
Sale of goods	$ 3,117,070	861,850	2,575,959	439,003	6,993,882
Rental income	-	-	2,720	126,318	129,038
Service income	-	-	12,816	88,810	101,626
	$ 3,117,070	861,850	2,591,495	654,131	7,224,546

(ii) Contract balances

	December 31, 2020	**December 31, 2019**	**January 1, 2019**
Contract liabilities- sale of goods	$ 16,397	8,850	5,459
Contract liabilities- maintenance service	28,641	28,707	23,202
	$ 45,038	37,557	28,661

For details on notes receivable, accounts receivable and lease payments receivable and allowance for impairment, please refer to note 6(d).

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 $21,309 and $14,138, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(iii) Transaction price allocated to the remaining performance obligations

As of December 31, 2020 and 2019, the aggregate amount of the transaction price of extended warranty service allocated to the remaining performance obligation was $28,641 and $28,707. The Group will recognize this revenue over time as the service is provided, which is expected to occur over the next 2 to 6 years.

(Continued)

(w) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute 3% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2020 and 2019, the Company estimated its employee remuneration amounting to $1,162 and $2,602, and directors' remuneration amounting to $1,162 and $2,602, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses during 2020 and 2019. Related information would be available at the Market Observation Post System website. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2020 and 2019. If the Board of directors resolve to distribute employee remuneration in shares, the numbers of shares to be distributed is calculated based on the closing price of the Company's ordinary shares one day before the date of the meeting of Board of directors.

(x) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

		2020	2019
Rental income	$	18,333	17,935
Dividend income		25,351	21,512
Government grants		6,676	-
Other income		15,725	24,209
	$	**66,085**	**63,656**

(ii) Interest income

		2020	2019
Interest income from bank deposits	$	1,746	2,813
Interest income from lease payments receivable		7,122	8,284
Other interest income		166	39
	$	**9,034**	**11,136**

(iii) Other gains and losses

The details of other gains and losses were as follows:

	2020	2019
Foreign exchange gains or losses	$ 4,214	(3,492)
Gains or losses on financial assets (liabilities) at fair value through profit or loss	3,142	1,299
Gains or losses on disposals of property, plant and equipment	2,583	(2,007)
Others	1,101	(5,098)
	$ 11,040	**(9,298)**

(iv) Finance costs

The details of finance costs were as follows:

	2020	2019
Interest expense-bank loan	$ (7,531)	(11,554)
Interest expense-lease liabilities	(10,693)	(9,844)
Interest expense-bonds payable	(9,424)	(7,556)
	$ (27,648)	**(28,954)**

(y) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The concentration of credit risk occurs when the transactions of financial commodity are mainly dealt with individual counterparty, or such transactions are not concentrated in individual counterparty whereas the counterparty engages in similar business activities and has similar credit characteristics. The Group's accounts were concentrated in an individual counterparty as follows:

	Amount	% of the Group's accounts receivable
December 31, 2020		
Company T	**$ 127,173**	**9**
December 31, 2019		
Company T	**$ 228,634**	**14**

(Continued)

3) Receivables

For credit risk exposure of notes and accounts receivable, please refer to note 6(d).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, excluding estimated interest payments.

		Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2020								
Non-derivative financial liabilities								
Short-term loans	$	1,197,337	1,197,337	1,127,337	70,000	-	-	-
Lease Liabilities		829,883	829,883	73,110	69,074	134,340	235,622	317,737
Notes payable		8,307	8,307	8,307	-	-	-	-
Accounts payable		882,044	882,044	882,044	-	-	-	-
Other payables		145,544	145,544	145,544	-	-	-	-
Guarantee Deposits Received		3,424	3,424	1,196	1,416	812	-	-
Bonds payable		259,540	259,540	-	-	-	259,540	-
	$	**3,326,079**	**3,326,079**	**2,237,538**	**140,490**	**135,152**	**495,162**	**317,737**
December 31, 2019								
Non-derivative financial liabilities								
Short term loans	$	1,152,380	1,152,380	1,082,380	70,000	-	-	-
Lease Liabilities		814,031	814,031	65,488	59,976	112,167	244,283	332,117
Notes payable		15,352	15,352	15,352	-	-	-	-
Accounts payable		873,939	873,939	873,939	-	-	-	-
Other payables		90,566	90,566	90,566	-	-	-	-
Guarantee Deposits Received		3,429	3,429	-	-	3,429	-	-
Bonds payable		396,438	396,438	-	-	-	396,438	-
Derivative financial liabilities								
Non-hedging derivative instruments		144	144	144	-	-	-	-
	$	**3,346,279**	**3,346,279**	**2,127,869**	**129,976**	**115,596**	**640,721**	**332,117**

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

(Continued)

(iii) Currency risk

1) Exposure to foreign currency risk

The Group is significant exposure to foreign currency risk were as follows:

	December 31, 2020			December 31, 2019		
	Foreign currency (In thousand dollars)	Exchange rate	TWD	Foreign currency (In thousand dollars)	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 19,666	28.43	559,114	27,031	29.93	809,036
JPY	15,351	0.27	4,211	531,738	0.29	151,971
CNY	276	4.35	1,202	575	4.28	2,463
Financial liabilities						
Monetary items						
USD	15,717	28.43	446,836	11,419	29.93	341,780
JPY	619,582	0.27	169,951	717,386	0.29	205,029
HKD	2,476	3.643	9,021	11,751	3.82	44,878
CNY	1,483	4.35	6,453	-	-	-

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 and loans and borrowings, and accounts payable that are denominated in foreign currency.

A weakening (strengthening) of 1% of the NTD against foreign currency for the years ended December 31, 2020 and 2019 would have increased (decreased) the profit before tax $678 and $3,718. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis is performed on the same basis for 2019.

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For years 2020 and 2019, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $4,214 and $(3,492), 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 exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1%, the Group's profit before tax would have decreased / increased by $11,973 and $11,524 for the year ended December 31, 2020 and 2019, respectively, with all other variable factors remaining constant. This is mainly due to the changes of Group's borrowing at variable rates.

(v) Other market price risk

For the years ended December 31, 2020 and 2019, the sensitivity analysis for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2020		**2019**	
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Profit before tax**	**Other comprehensive income before tax**	**Profit before tax**
Increasing 1%	$ **6,043**	**522**	**5,766**	**501**
Decreasing 1%	$ **(6,043)**	**(522)**	**(5,766)**	**(501)**

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2020				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Beneficiary certificate - Fund	$ 52,172	52,172	-	-	52,172
Derivative instruments not used for hedging - Forward exchange contracts	145	-	145	-	145
Subtotal	52,317	52,172	145	-	52,317

(Continued)

	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income-current					
Domestic listed shares	207,519	207,519	-	-	207,519
Financial assets at fair value through other comprehensive income-noncurrent					
Domestic listed shares	219,812	219,812	-	-	219,812
Domestic and foreign listed shares	176,947	-	-	176,947	176,947
Subtotal	396,759	219,812	-	176,947	396,759
Financial assets measured at amortized cost					
Cash and cash equivalents	645,991	-	-	-	-
Accounts receivable	1,754,598	-	-	-	-
Other current financial assets	104,757	-	-	-	-
Guarantee deposits paid	68,785	-	-	-	-
Subtotal	2,574,131	-	-	-	-
Total	$ 3,230,726	479,503	145	176,947	656,595
Financial liabilities at amortized cost					
Short-term loans	$ 1,197,337	-	-	-	-
Lease liabilities	829,883	-	-	-	-
Notes and accounts payable	1,035,895	-	-	-	-
Bonds payable	259,540	-	-	-	-
Guarantee deposits received	3,424	-	-	-	-
Subtotal	3,326,079	-	-	-	-
Total	$ 3,326,079	-	-	-	-

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Beneficiary certificate - Fund	$ 50,059	50,059	-	-	50,059
Financial assets at fair value through other comprehensive income-current					
Domestic listed shares	100,085	100,085	-	-	100,085
Financial assets at fair value through other comprehensive income-noncurrent					
Domestic and foreign unlisted shares	273,266	273,266	-	-	273,266
Domestic listed shares	203,213	-	-	203,213	203,213
Subtotal	476,479	273,266	-	203,213	476,479

(Continued)

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	875,001	-	-	-	-
Accounts payable	1,953,152	-	-	-	-
Other current financial assets	81,039	-	-	-	-
Guarantee deposits paid	75,635	-	-	-	-
Subtotal	2,984,827	-	-	-	-
Total	$ **3,611,450**	**423,410**	**-**	**203,213**	**626,623**
Financial liabilities at fair value through profit or loss					
Derivative instruments not used for hedging - Forward exchange contracts	$ 144	-	144	-	144
Financial liabilities measured at amortized cost					
Short-term loan	1,152,380	-	-	-	-
Notes and accounts payable	979,857	-	-	-	-
Guarantee deposits received	3,429	-	-	-	-
Lease liabilities	814,031	-	-	-	-
Bonds payable	396,438	-	-	-	-
Subtotal	3,346,135	-	-	-	-
Total	$ **3,346,279**	**-**	**144**	**-**	**144**

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments with an active market are listed below according to types and attributes:

The listed stocks are traded in the active market and their fair value is based on the quoted price.

(Continued)

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or the market transaction prices of the similar companies or other valuation techniques, including models, is calculated based on available market data at the reporting date.

3) Transfers between Level 1 and Level 2

For years ended December 31, 2020 and 2019, there was no transfer between level 2 and level 1 financial assets of the fair value hierarchy.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income Unquoted equity instruments
Opening balance, January 1, 2020	$ 203,213
Total gains and losses recognized:	
In profit or loss	(18,378)
Derecognized	(8,749)
Effect of exchange rate changes	861
Ending Balance, December 31, 2020	**$ 176,947**
Opening balance, January 1, 2019	$ 203,300
Total gains and losses recognized:	
In other comprehensive income	22,467
Purchased	6,918
Derecognized	(24,952)
Effect of exchange rate changes	(4,520)
Ending Balance, December 31, 2019	**$ 203,213**

For the years ended December 31, 2020 and 2019, total gains and losses that were included in “unrealized gains and losses from financial assets at fair value through other comprehensive income” were as follows:

	2020	2019
Recognized in other comprehensive income, and presented in “unrealized gains and losses from financial assets at fair value through other comprehensive income”	**$ (18,378)**	**22,467**

(Continued)

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contain multiple significant unobservable inputs. The significant unobservable input of the equity investments are independent from each other, as a result, there is no relevance between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income-equity investments without an active market	Comparable listed companies approach	·Price-book ratio (as of December 31, 2020 and 2019, were 1.11~3.02 and 1.12~2.46) ·Market liquidity discount rate (as of December 31, 2020 and 2019 were both 10%~20%)	The higher the multiplier, the higher the fair value: ·The higher the discount, the lower the fair value

6) Fair value measurement in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

			Other comprehensive income	
	Inputs	**Increase or decrease**	**Favorable**	**Unfavorable**
December 31, 2020				
Financial assets at fair value through other comprehensive income	Price-book ratio	10%	17,695	(17,695)
December 31, 2019				
Financial assets at fair value through other comprehensive income	Price-book ratio	10%	20,321	(20,321)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the inter-relationships with another input.

(Continued)

(z) Financial risk management

(i) Overview

(ii) Structure of risk management

Each department monitors, controls, tracks and supervises the risks of strategy, finance, and operation. The Group reports the progress of risk management and control to the chairman of the Board of directors regularly. Apart from regular monitoring and supervision, during emergency, the Group must immediately set up an incident response team for further consideration and carry out necessary approaches to reduce risks.

(iii) Credit risk

For credit risk analysis of cash and cash equivalents and accounts receivable, please refer to note 6(y).

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2020, no other endorsements and guarantees were outstanding (2019: none).

(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 and insufficient banking facilities to be used.

The liquidity risk is monitored by the financial department of the Group. In order to ensure that the Group has 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.

As of December 31, 2020 and 2019, the unused credit lines for short-term borrowings please refer note 6(m). Group's operational capital is sufficient to meet contractual obligations, therefore there is no liquidity risk of raising funds to fulfill contractual obligations. For information of the maturity date of financial liabilities, please refer to note 6(y).

(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.

(Continued)

All such transactions are carried out within the guidelines "procedures for dealing in derivatives transactions", approved by the Company's Board of directors and/or shareholders. The related financial operations are also supervised by the internal audit department. The management of market risks of the Group is explained as follows:

1) Currency risk

The Group is exposed to currency risk on sales, procurements and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD, US Dollar (USD), and Hong Kong Dollar (HKD). At any point in time, the Group hedges its foreign currency exposure with respect to its net position of receivables, payables or assets/liabilities over the following six months.

The Group buys or sells foreign currencies at the spot rate when the short-term imbalance of monetary assets or liabilities, denominated in foreign currencies, occurs. The Group does not hedge the currency risk of investments in its subsidiaries.

2) Interest rate risk

The Group's interest rate risk mainly comes from bank deposits and short-term loans at variable interest rate. The aforementioned risk is not significant. Please refer to note 6(y).

3) Security price risk: please refer to note 6(y).

(aa) Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain the confidence of investors, creditors, and the market, and to sustain future development of the business. Capital includes ordinary shares, special reserve, retained earnings and non-controlling interests. The Board of directors monitors the level of dividends to shareholders as well as return on capital.

The Group's debt to equity ratio at the end of the reporting period is as follows:

		December 31, 2020	**December 31, 2019**
Total liabilities	$	3,762,522	3,835,075
Less: cash and cash equivalents		(645,991)	(875,001)
Net debt	$	**3,116,531**	**2,960,074**
Total capital	$	**5,391,093**	**5,279,638**
Debt-to-equity ratio		**57.81 %**	**56.07 %**

As of December 31, 2020, the Group's capital management strategy is consistent with the prior years.

(ab) Investing and financing activities not affecting current cash flow

(i) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2020	Business combination	Cash flows	Non-cash changes: New lease	Non-cash changes: Others	December 31, 2020
Short-term loans	$ 1,152,380	-	44,957	-	-	1,197,337
Lease liabilities	814,031	113,483	(161,096)	308,233	(244,768)	829,883
Bonds payable	396,438	-	-	-	(136,898)	259,540
Total liabilities from financing activities	$ 2,362,849	113,483	(116,139)	308,233	(381,666)	2,286,760

	January 1, 2019	Business combination	Cash flows	Non-cash changes: New lease	Non-cash changes: Others	December 31, 2019
Short-term loans	$ 1,127,378	44,695	(19,693)	-	-	1,152,380
Long-term loans	-	5,665	(5,665)	-	-	-
Lease liabilities	774,201	-	(130,067)	197,712	(27,815)	814,031
Bonds payable	-	-	421,200	-	(24,762)	396,438
Total liabilities from financing activities	$ 1,901,579	50,360	265,775	197,712	(52,577)	2,362,849

(7) Related-party transactions:

Key management personnel compensation comprised:

	2020	2019
Short-term employee benefits	$ 84,155	89,661
Post-employment benefits	5,822	-
	$ 89,977	89,661

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2020	December 31, 2019
Other financial assets-current	Performance guarantee and letter of credit	$ 9,331	25,008
Inventory	Short-term loans	186,667	120,817
Property, plant and equipment	Short-term loans	164,760	166,345
		$ 360,758	312,170

As of December 31, 2020 and 2019, the Group has used forward letters of credit amounted to $459,898 and $493,683, respectively. The note deposited in the bank for used forward letters of credit's collateral were $211,215 and $235,358, respectively.

(9) Commitments and contingencies:

(a) The Group's outstanding standby letter of credit are as follows:

	December 31, 2020	December 31, 2019
Outstanding standby letter of credit	$ 285,705	286,685

(b) The Group provided a guarantee for notes as follows:

	December 31, 2020	December 31, 2019
Setting up counters and purchasing goods	$ 5,384	5,555
Bank loan	1,970,870	1,519,370
	$ 1,976,254	1,524,925

(c) Unrecognized contractual commitments:

December 31, 2020	December 31, 2019
$ 142,724	213,229

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

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

By function / By item	2020 Cost of Sales	2020 Operating Expenses	2020 Total	2019 Cost of Sales	2019 Operating Expenses	2019 Total
Employee benefits						
Salary	55,374	576,066	631,440	49,007	563,024	612,031
Labor and health insurance	3,939	35,279	39,218	3,928	37,033	40,961
Pension	1,859	16,228	18,087	1,732	18,263	19,995
Others	1,528	19,585	21,113	1,497	21,434	22,931
Depreciation	122,107	133,276	255,383	95,685	116,941	212,626
Amortization	239	103,703	103,942	418	95,636	96,054

(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:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 5)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	COLLTEX HK	Advance payment	Yes	94,480	42,645	-	2.00%	(Note 1)	-	(Note 2)	-	-	-	291,551 (Note 3)	1,166,203 (Note 4)
1	HIC	HCH	Accounts receivable	Yes	150,000	150,000	40,000	0.90%	(Note 1)	-	(Note 2)	-	Notes	150,000	201,313 (Note 3)	805,252 (Note 4)

Note 1: Short-term financing.

Note 2: Operating Working Capital.

Note 3: Where funds are loaned for reasons of business dealings, the ceiling of the loan is commensurate to the total amount of trading between the two companies. If short-term financing is needed, individual financing shall not exceed 10% of the lender's shareholders' equity.

Note 4: The total amount of these financing shall not exceed 40% of the amount of the lender's shareholders' equity.

Note 5: The amounts of highest balance and ending balance during the period were approved by the board of directors.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Commend Holdings Limited	2	583,101	120,800	113,720	4,265	-	3.90 %	1,457,754	Y	N	N
0	The Company	COMMEND (HK)	2	583,101	151,000	142,150	-	-	4.88 %	1,457,754	Y	N	N
1	HIC	SIN HWA BIOTECH CO., LTD.	2	1,006,565	50,000	50,000	-	50,000	2.48 %	1,006,565	Y	N	N
1	HIC	HC-Healthcare Co., Ltd.	2	1,006,565	120,000	120,000	-	120,000	5.96 %	1,006,565	Y	N	N

Note 1: Relationship with the Company:

1. Ordinary business relationship.

2. An entity, directly and indirectly, owned more than 50% voting shares of a guarantor.

3. A guarantor, directly and indirectly, owned more than 50% voting shares of an entity.

4. An entity, directly and indirectly, owned more than 90% voting shares of a guarantor.

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

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

7. Peer engaged in the escrow of the sales contract on pre-sale house under the Consumer Protection Act.

(Continued)

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

Note 2: The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 50% of the Company's equity;The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 20% of the Company's equity.

The total amount for guarantees and endorsements provided by HIC to other entities shall not exceed 50% of HIC equity; The amount for guarantees and endorsements provided by HIC to any individual entity shall not exceed 50% of HIC equity.

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

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Sin Hwa Investment Co., Ltd.	Fuh Hwa Emerging Market RMB Short-Term Income Fund	-	Current financial assets at fair value through profit or loss	942,000	10,254	- %	10,254	942,000	
Sin Hwa Investment Co., Ltd.	SinoPac Global Multi Income Fund	-	Current financial assets at fair value through profit or loss	1,000,000	11,173	- %	11,173	1,000,000	
Hsin Fu Healthcare Co., Ltd.	Fuh Hwa You Li Money Market Fund	-	Current financial assets at fair value through profit or loss	2,264,000	30,745	- %	30,745	2,264,000	
	Subtotal				52,172		52,172		
The Company	Center Laboratories Co.,Ltd / Stock	-	Current financial assets at fair value through other comprehensive income	1,747,411	88,323	- %	121,096	1,747,411	
	DV Biomed Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	1,234,792	48,000	- %	86,423	1,234,792	
	Subtotal				136,323				
	Valuation adjustment				71,196				
	Total				207,519		207,519		
The Company	Capital Securities Corporation / Stock	-	Non-current financial assets at fair value through other comprehensive income	1,373,225	15,678	- %	18,607	1,450,586	
"	Shine More Technology Materials Co., Ltd / Stock	-	Non-current financial assets at fair value through other comprehensive income	318,375	2,693	- %	1,242	318,375	
"	Ever Supreme Bio Technology Co.,Ltd / Stock	-	Non-current financial assets at fair value through other comprehensive income	85,000	11,349	- %	14,873	214,000	
"	Shin Kong Financial Holding Co., Ltd / Stock	-	Non-current financial assets at fair value through other comprehensive income	21,009,050	249,457	- %	185,090	21,034,881	
	Subtotal				279,177		219,812		
	Valuation adjustment				(59,365)				
	Total				219,812				

(Continued)

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

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	EUROC V.C. GROUP	-	Non-current financial assets at fair value through other comprehensive income	229,680	2,297	3.75 %	2,432	459,360	
"	San Quan construction Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,200,000	12,000	- %	-	1,200,000	
"	Teletronics International, Inc.	-	Non-current financial assets at fair value through other comprehensive income	740,600	27,855	- %	-	740,600	
"	Powr World Fund, Inc.	-	Non-current financial assets at fair value through other comprehensive income	677,245	6,772	5.68 %	6,965	677,245	
"	AeroVision Avionics Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,656,000	14,400	4.36 %	16,151	1,656,000	
"	Acradia Design Systems Inc.	-	Non-current financial assets at fair value through other comprehensive income	150,000	23,034	- %	-	150,000	
"	China Yes Infor Media (Cayman) Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,000,000	6,361	- %	-	1,000,000	
"	Universal EC Inc.	-	Non-current financial assets at fair value through other comprehensive income	598,062	17,299	1.20 %	5,876	598,062	
"	Top Taiwan VI Venture Capital Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	331,434	3,314	1.30 %	3,439	430,434	
"	Tung Ya Collins	-	Non-current financial assets at fair value through other comprehensive income	2,000	83,057	25.00 %	54,936	2,000	
"	Bionegine Capital Inc.	-	Non-current financial assets at fair value through other comprehensive income	3,600,000	15,000	1.05 %	56,425	3,600,000	
"	CNC Distressed Opportunities Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,481	5,343	1.41 %	4,325	1,481	

(Continued)

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

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Leadsun New StarCorp	-	Non-current financial assets at fair value through other comprehensive income	88	25,743	12.50 %	19,499	100	
"	Leadsun Investment	-	Non-current financial assets at fair value through other comprehensive income	787,500	5,577	8.00 %	5,805	787,500	
	Subtotal				248,052		175,853		
	Valuation adjustment				(72,199)		-		
	Total				175,853				
Xing Chang Investment Co., Ltd.	NEOVICTORY TECHNOLOGY CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	78,396	-	2.00 %	-	78,396	
Taicha	Shanghai Shenshang Technologies Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	250,000	1,094	6.20 %	1,094	250,000	
	Subtotal				1,094		1,094		
	Total				396,759		396,759		

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

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:None

(ix) Trading in derivative instruments:Please refer to notes 6(b).

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	JESCO	1	Operating expense	79,184	Not significantly different from non-related parties	1.20%
0	〃	〃	1	Other current liability	9,777	〃	0.11%
0	〃	CICL	1	Operating expense	5,900	〃	0.09%
0	〃	COMMEND HOLDINGS	1	Operating expense	21,563	〃	0.33%
0	〃	〃	1	Other current liability	1,544	〃	0.02%
0	〃	HI-CLEARANCE INC.	1	Other income	13,017	〃	0.20%
0	〃	〃	1	Other receivable	10,500	〃	0.11%
0	〃	COLLTEX HK	1	Other income	1,525		0.02%
0	〃	Minoshin International Corp., Ltd.	1	Other income	3,381	〃	0.05%
1	COMMEND HOLDINGS	COMMEND (HK)	3	Other income	13,867	〃	0.21%
1	〃	〃	3	Other receivable-related parties	31,248	〃	0.34%

(Continued)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	COMMEND HOLDINGS	GLGK	3	Other receivables-related parties	1,530	Not significantly different from non-related parties	0.02%
2	〃	Q.C.L.	3	Other receivables-related parties	1,071	〃	0.01%
2	GLGK	COMMEND HOLDINGS	3	Other income	28,874	〃	0.44%
3	〃	COMMEND HOLDINGS	3	Other receivables-related parties	9,649	〃	0.11%
3	Xing Chang Investment Co., Ltd.	HIC	3	Other income	1,259	〃	0.02%
3	COMMEND (HK)	CICL	3	Other receivables	9,469	〃	0.10%

Note 1: The number is filled in as follows:

1. 0 represents the parent company
2. Subsidiary company number starts with Arabic numeral 1

Note 2: Relationship of the counterparties:

1. Transactions are between the parent company and its subsidiary.
2. Transactions are between the subsidiary and the parent company.
3. Transactions are between subsidiaries.

Note 3: The section only disclosed the information of the account balance over 1,000 thousands.

Note 4: For business relationships and significant inter-company transactions of HIC, please refer to HIC (Stock Code：1788)'s consolidated financial statements note 13.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2020 (excluding information on investees in Mainland China):

(In thousands of USD/HKD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Highest shares of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares (thousands)	Percentage of ownership	Carrying value				
The Company	CICL	USA	Trade	21,082	21,082	5	100.00 %	2,430	5	343	343	Subsidiary
"	Collins BVI	BVI	Investment activities	36,024	36,024	1	100.00 %	56,273	1	(1,658)	(1,658)	"
"	Q.C.L	Canada	Trade	5,607	5,607	-	79.00 %	258,847	-	42,164	32,997	"
"	HIC	Taipei	Trade Marketing Medical equipment, biochemical reagents and western medicine sales	208,495	208,495	2,100	5.00 %	203,897	2,100	317,294	13,197	"
"	Xing Chang Investment Co., Ltd.	Taipei	Investment activities	775,440	775,440	4,698	100.00 %	779,536	4,698	38,438	38,438	"
"	Growtrend Biomedical Co., Ltd.	Taipei	Medical equipment wholesale and retail	62,163	42,935	6,216	62.00 %	31,496	4,249	(13,934)	(8,525)	"
"	Q.S.CONTROL CORP.	Taipei	Medical equipment and auto parts	16,830	16,830	1,100	4.00 %	18,578	1,100	20,053	735	Associate
"	COLLTEX HK	Hong Kong	Trade	59,971	59,971	2,000	100.00 %	44,895	2,000	11,499	11,499	Subsidiary
"	JESCO International Co., Ltd.	Taipei	Manpower dispatch	30,030	30,030	2,000	100.00 %	19,265	2,000	1,418	1,418	"
"	Easting Biotechnology Co., Ltd.	New Taipei	Medical product manufacturing	70,000	70,000	2,000	21.00 %	37,539	2,000	(19,812)	(16,087)	Associate
"	Minoshin International Co., Ltd.	Taipei	Trade	121,000	121,000	3,863	68.00 %	86,196	3,863	(11,281)	(11,445)	Subsidiary
				1,406,642	1,387,414			1,538,952			60,912	
Collins BVI	Commend Holdings	Hong Kong	Trade	10	10	10	100.00 %	56,273	10	(2,265)	(2,265)	Subsidiary
COMMEND HOLDINGS	Commend (HK)	Hong Kong	Trade	500	500	500	100.00 %	1,821	500	(4,249)	(4,249)	"
Xing Chang Investment Co., Ltd.	HIC (Note3)	Taipei	Trade Marketing Medical equipment, biochemical reagents and western medicine sales	115,633	115,633	6,071	17.00 %	302,545	6,071	317,294	52,555	"

(Continued)

Note 1: The profit and loss on investments recognized by the company in the current period already includes the profit and loss on investments of subsidiary.

Note 2: Except for associated companies the amount of the transaction and the ending balance had been offset in the consolidated financial statements.

Note 3: For information on investees (excluding investees in Mainland china) of HIC, please refer to HIC's consolidated financial statements (Stock Code：1788) note 13(b).

(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 USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Highest Percentage of ownership	Accumulated remittance of earnings in current period
					Outflow	Inflow								
GLGK	Design, scientific research, and economic information consultation of trade business products	25,587 USD900	(Note 4)	25,587 USD900	-	-	25,587 USD900	3,771 USD127 (Note 1)	100.00%	1	3,771 USD127 (Note 1)	16,162 USD568 (Note 1)	-	-

Note 1: It is recognized by the equity method based on the financial report of the investee Company signed by an accountant during the same period.

Note 2: GLGK was eliminated on consolidation.

Note 3: For the mainland investment information of HIC please refer to Note 13 (3) of the consolidated financial report of HIC (stock code: 1788).

Note 4: Reinvest in GLGK through Commend Holdings Limited.

(ii) Limitation on investment in Mainland China:

(In thousands of USD)

Accumulated Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
25,587 (USD 900)	25,587 (USD 900)	1,749,304

(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:None

Shareholding Shareholder's Name	Thousand shares	Percentage
LCL CAPITAL INC.	35,154	16.81 %
Witty Mate Corporation	14,410	6.89 %
Chih Pin Industrial Co.,Ltd.	13,166	6.29 %
Jing Shing Investment corp.	10,568	5.05 %

(14) Segment information:

(a) General information

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

The departments that the merged company should report are as follows:

(i) Trading business department: It is engaged in the export of all kinds of groceries, ready-made garments, trading of home furnishings and flooring, sales to medium large importers and distributors in the United States, Canada, other America regions and European regions.

(ii) Fashion life business department: It is engaged in the exclusive sales agency business of Hong Kong brand G2000, Korean brand Chatelaine and other products, as well as casual apparel distribution business.

(iii) Kidney dialysis business department: It sells all kinds of hemodialysis related consumables to hospitals, clinics and distributors.

(iv) Other business department: It is engaged in domestic and foreign investment, as well as sales of dental consumables and other businesses.

The reportable segments are the Group’s strategic departments. They offer different products and services, and are managed separately because they require different technology and marketing strategies. Most of the strategic divisions were acquired separately.

The information and reconciliation of the operating departments of the consolidated companies are as follows:

General information

The information and reconciliation of the operating departments of the consolidated companies are as follows:

	2020					
	Department of trading	**Department of fashion**	**Department of kidney dialysis**	**Department of other**	**Reconciliation and elimination**	**Total**
Revenue						
Revenue from external customers	$ 2,452,690	717,757	2,641,292	795,446	-	6,607,185
Intersegment revenues	5,900	79,184	-	-	(85,084)	-
Interest income	687	25	-	8,326	(4)	9,034
Total revenue	**$ 2,459,277**	**796,966**	**2,641,292**	**803,772**	**(85,088)**	**6,616,219**
Interest expenses	**$ 1,306**	**3,970**	**17,347**	**5,025**	**-**	**27,648**
Depreciation and amortization	**$ 26,612**	**105,231**	**222,568**	**4,914**	**-**	**359,325**
Share of profit (loss) of associates accounted for using equity method	**$ -**	**-**	**-**	**(13,606)**	**-**	**(13,606)**
Gains of valuation on financial assets	**-**	**-**	**-**	**3,142**	**-**	**3,142**
Reportable segment profit	**$ 42,265**	**3,087**	**220,809**	**36,275**	**-**	**302,436**

(Continued)

The intersegment revenue amounted to $85,088 was eliminated in toatal reportable segment revenue in 2020.

	2019					
	Department of trading	**Department of fashion**	**Department of kidney dialysis**	**Department of other**	**Reconciliation and elimination**	**Total**
Revenue						
Revenue from external customers	$ 3,117,070	861,850	2,591,495	654,131	-	7,224,546
Intersegment revenues	6,996	87,937	-	-	(94,933)	-
Interest income	628	32	-	10,690	(214)	11,136
Total revenue	$ 3,124,694	949,819	2,591,495	664,821	(95,147)	7,235,682
Interest expenses	$ 2,705	2,624	15,710	7,989	(74)	28,954
Depreciation and amortization	$ 5,796	100,819	197,039	5,026	-	308,680
Share of profit (loss) of associates accounted for using equity method	$ -	-	-	(7,195)	-	(7,195)
Gains of valuation on financial assets	$ -	-	-	1,299	-	1,299
Reportable segment profit	$ 86,813	46,681	165,301	(8,263)	-	290,532

(b) Geographic information

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

Revenue from external customers:

(i) Product type and labor service type information: This information has been disclosed in Note (14)(b) Operation Department Information and Adjustments.

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

Revenue from external customers:

Geographical information	**2020**	**2019**
Taiwan	$ 4,139,474	4,104,369
America	1,369,657	1,873,910
Singapore	858,582	1,029,378
Other countries	239,472	216,889
Total	**$ 6,607,185**	**7,224,546**

(Continued)

Non-current assets:

Geographical information	December 31, 2020	December 31, 2019
Taiwan	$ 3,993,464	3,743,903
Other countries	59,625	64,183
Total	**$ 4,053,089**	**3,808,086**

Non-current assets includes property, plant and equipment, right-of-use assets, investment property, intangible assets, and other assets, excluding financial instruments, deferred tax assets and non-current assets of rights arising from an insurance contract.

(iii) Major customers:

The Group did not have any customer with revenues exceeding 10% of the revenues for the years ended December 31, 2020 and 2019.

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 home.kpmg/tw

Independent Auditors' Report

To the Board of Directors of COLLINS CO., LTD.:

Opinion

We have audited the parent company only financial statements of COLLINS CO., LTD.("the Company"), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits of the parent company only financial statements 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 parent company only Financial Statements section of our report. We are independent of the Company 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 parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our judgements, the key audit matters we communicated in the auditors' report was as follows:

1. Inventory valuation

   Please refer to note 4(g) "Inventories" for accounting policy, note 5(a) for accounting assumption, judgements and estimation uncertainty of inventory and note 6(d) for the disclosure of the valuation of inventory to the parent company only financial statements.

   Description of key audit matter:

   The main inventory of the Company is apparel. Selling price in the fashion industry can be extremely volatile due to the significant change of customer demand deriving from trends, in addition to the prevalence of online sales, which has a significant impact on physical store sales that may result in a risk of having the carrying value of inventory to exceed its net realizable value. Therefore, the valuation of inventory is one of our key audit matters.

How the matter was addressed in our audit:

Our principal audit procedures included evaluating the reasonableness of the Company's inventory valuation policy and the management's assumption used when measuring the allowance for inventory valuation and obsolescence losses; performing retrospective review by considering the recent selling price and subsequent inventory movement to evaluate the reasonableness of impairment loss of slow-moving inventories; reviewing the historical inventory impairment and current scrapped inventory loss as a reference to compare to the current inventory impairment provision and evaluate the reasonableness of assumptions and approaches.

2. Impairment of investments accounted for using equity method

   Please refer to note 4(l) for impairment of accounting policy, note 5(b) for accounting assumption, judgements and estimation uncertainty and note 6(e) for the disclosure of the impairment of goodwill to the parent company only financial statements.

   Goodwill arises from acquisitions when the costs of investment are greater than the acquired net assets. Due to the inherent uncertainty involved in forecasting and discounting future cash flows, which are the bases of the assessment of recoverability, the assessment is one of the key judgement areas that our audit is concentrated on to address the risk that the key assumptions, estimates and judgements on which the calculation are inappropriate and that the investments accounted for using the equity method are overstated as a result. Therefore, the impairment assessment of investments accounted for using the equity method is one of our key audit matters.

   How the matter was addressed in our audit:

   Our principal audit procedures included assessing the rationality of management's evaluation approach used to measure the recoverable amounts and the accuracy of estimates; evaluating the assumptions used by the management to prepare the future cash flow forecasts and calculate the recoverable amounts; performing sensitivity analysis on critical assumptions, inquiring from the management and reviewing audit evidence obtained from subsequent events audit procedures to determine there was no goodwill impairment incurred after the reporting date

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is also responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 parent company only 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 Ming- Hung Huang and Chia-Chien Tang.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2021

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only 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 auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

COLLINS CO., LTD.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 20,618	1	26,854	1
1120	Current financial assets at fair value through other comprehensive income (note 6(b))	207,519	5	100,085	2
1150	Notes receivable, net (note (c))	1,222	-	4,257	-
1170	Accounts receivable, net (note 6(c))	194,619	5	386,320	9
1210	Other receivables due from related parties (note 7)	10,500	-	10,000	-
1220	Current tax assets	1,695	-	1,587	-
1300	Inventories (note 6(d))	184,108	5	232,066	5
1476	Other current financial assets (note 6(a))	63,243	2	12,396	-
1479	Other current assets	17,596	-	16,544	-
		701,120	18	790,109	17
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	395,665	10	427,777	10
1550	Investments accounted for using equity method (note 6(e))	1,538,952	39	1,649,903	39
1600	Property, plant and equipment (note 6(f))	1,115,521	28	1,113,617	26
1755	Right-of-use assets (note 6(g))	145,531	3	190,209	4
1840	Deferred tax assets (note 6(k))	49,349	1	48,406	2
1920	Guarantee deposits paid	20,678	1	21,589	2
1990	Other non-current assets (note 6(c))	10,771	-	5,127	-
		3,276,467	82	3,456,628	83
	Total assets	**$ 3,977,587**	**100**	**4,246,737**	**100**

	Liabilities and Equity	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current liabilities:				
2100	Short-term loans (note 6(h))	$ 640,533	16	786,958	19
2130	Current contract liabilities	3,420	-	8,850	-
2150	Notes payable	59	-	64	-
2170	Accounts payable	26,497	1	61,643	1
2230	Current tax liabilities	2,077	-	-	-
2280	Current lease liabilities (note 6(i))	60,509	2	62,888	1
2300	Other current liabilities (notes 6(o) and 7)	79,947	2	89,815	2
		813,042	21	1,010,218	23
	Non-Current liabilities:				
2570	Deferred tax liabilities (note 6(k))	116,217	3	119,625	3
2580	Non-current lease liabilities (note 6(i))	84,954	2	126,401	3
2645	Guarantee deposits received	812	-	3,429	-
2600	Other non-current liabilities (note 6(j))	47,055	1	53,514	1
		249,038	6	302,969	7
	Total liabilities	1,062,080	27	1,313,187	30
	Equity (notes 6(b), (e), (j) and (l)):				
3110	Ordinary share	2,091,111	53	2,091,111	50
3200	Capital surplus	98,148	2	83,749	2
	Retained earnings:				
3310	Legal reserve	627,940	16	624,349	15
3320	Special reserve	220,615	6	225,245	5
3350	Unappropriated retained earnings	59,036	1	66,382	2
		907,591	23	915,976	22
	Other equity interests:				
3410	Exchange differences on translation of foreign financial statements	(104,188)	(3)	(86,323)	(2)
3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(77,155)	(2)	(70,963)	(2)
		(181,343)	(5)	(157,286)	(4)
	Total equity	2,915,507	73	2,933,550	70
	Total liabilities and equity	**$ 3,977,587**	**100**	**4,246,737**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

COLLINS CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	**Operating revenue (note 6(u))**	$ 1,038,937	100	1,507,446	100
5000	**Operating costs (note 6(d))**	681,483	66	1,030,564	68
	Gross profit from operations	357,454	34	476,882	32
	Operating expenses (notes 6(c), (f), (g), (i), (j), (o), 7 and 12):				
6100	Selling expenses	309,455	30	357,113	24
6200	Administrative expenses	115,696	11	130,237	9
6450	Expected credit loss	13,924	1	21,669	1
	Total operating expenses	439,075	42	509,019	34
	Net operating loss	(81,621)	(8)	(32,137)	(2)
	Non-operating income and expenses (notes 6(e), (f), (i), (p) and 7):				
7010	Other income	70,745	7	59,479	4
7020	Other gains and losses	(4,950)	-	(7,711)	-
7050	Finance costs	(8,791)	(1)	(11,254)	(1)
7070	Share of profit (loss) of subsidiaries and associates accounted for using equity method	60,912	6	72,794	5
7100	Interest income	137	-	375	-
	Total non-operating income and expenses	118,053	12	113,683	8
	Profit before income tax	36,432	4	81,546	6
7951	Less: income tax expenses (note 6(k))	5,971	1	18,652	1
	Profit	30,461	3	62,894	5
8300	**Other comprehensive income (loss) (notes 6(f), (j) and (l)):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Losses on remeasurements of defined benefit plans	(664)	-	(3,304)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	35,856	3	54,098	4
8330	Share of other comprehensive income of subsidiaries and associates accounted for using equity method	(17,497)	(2)	9,672	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		17,695	1	60,466	4
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(17,865)	(2)	(6,114)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(17,865)	(2)	(6,114)	(1)
8300	**Other comprehensive income (after tax)**	(170)	(1)	54,352	3
8500	**Total comprehensive income**	**$ 30,291**	**2**	**117,246**	**8**
9750	**Basic earnings per share (NT dollars) (note 6(m))**	**$**	**0.15**		**0.30**
9850	**Diluted earnings per share (NT dollars) (note 6(m))**	**$**	**0.15**		**0.30**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

COLLINS CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Total other equity interest		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total 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
Balance at January 1, 2019	$ 2,091,111	73,692	620,736	218,999	123,977	963,712	(80,209)	(143,420)	2,904,886
Profit	-	-	-	-	62,894	62,894	-	-	62,894
Other comprehensive income	-	-	-	-	(3,915)	(3,915)	(6,114)	64,381	54,352
Total comprehensive income	-	-	-	-	58,979	58,979	(6,114)	64,381	117,246
Appropriation and distribution:									
Legal reserve	-	-	3,613	-	(3,613)	-	-	-	-
Special reserve	-	-	-	6,246	(6,246)	-	-	-	-
Cash dividends	-	-	-	-	(83,645)	(83,645)	-	-	(83,645)
Changes in ownership interests in subsidiaries	-	10,057	-	-	(14,994)	(14,994)	-	-	(4,937)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(8,076)	(8,076)	-	8,076	-
Balance at December 31, 2019	2,091,111	83,749	624,349	225,245	66,382	915,976	(86,323)	(70,963)	2,933,550
Profit	-	-	-	-	30,461	30,461	-	-	30,461
Other comprehensive income	-	-	-	-	(4,689)	(4,689)	(17,865)	22,384	(170)
Total comprehensive income	-	-	-	-	25,772	25,772	(17,865)	22,384	30,291
Appropriation and distribution:									
Legal reserve	-	-	3,591	-	(3,591)	-	-	-	-
Special reserve	-	-	-	(4,630)	4,630	-	-	-	-
Cash dividends	-	-	-	-	(62,733)	(62,733)	-	-	(62,733)
Changes in ownership interests in subsidiaries	-	14,399	-	-	-	-	-	-	14,399
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	28,576	28,576	-	(28,576)	-
Balance at December 31, 2020	**$ 2,091,111**	**98,148**	**627,940**	**220,615**	**59,036**	**907,591**	**(104,188)**	**(77,155)**	**2,915,507**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

COLLINS CO., LTD.

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 operating activities:		
Profit before tax	$ 36,432	81,546
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	86,110	88,626
Amortization expense	192	540
Expected credit loss	13,924	21,669
Finance cost	8,791	11,254
Interest income	(137)	(375)
Dividend income	(25,349)	(21,512)
Share of profit of subsidiaries and associates accounted for using equity method	(60,912)	(72,794)
Gain on disposal of property, plant and equipment	(4)	(176)
Net gains on lease modification	(2,856)	(188)
Total adjustments to reconcile profit	19,759	27,044
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in notes receivable	3,066	386
Decrease in accounts receivable	171,910	17,131
Decrease in inventories	47,958	18,978
Increase (decrease) in other current assets	(1,584)	9,885
Decrease in other financial assets	682	977
Total changes in operating assets	222,032	47,357
Changes in operating liabilities:		
Increase (decrease) in contract liabilities	(5,430)	3,391
Decrease in notes payable	(5)	(102)
Decrease in accounts payable	(35,146)	(53,711)
Decrease in other current liabilities	(12,730)	(6,150)
Decrease in net defined benefit liability	(7,123)	(40,872)
Total changes in operating liabilities	(60,434)	(97,444)
Total adjustments	161,598	(50,087)
Cash inflow generated from operations	217,789	58,503
Interest received	137	375
Dividends received	232,989	68,314
Interest paid	(8,540)	(11,003)
Income taxes paid	(7,821)	(2,959)
Net cash flows from operating activities	434,554	113,230
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(102,546)	(3,773)
Proceeds from disposal of financial assets at fair value through other comprehensive income	54,345	25,845
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	8,735	4,211
Acquisition of financial assets at amortized cost	(52,624)	-
Acquisition of investments accounted for using equity method	(55,646)	(143,716)
Proceeds from capital reduction of investments accounted for using equity method	-	8,345
Acquisition of property, plant and equipment	(16,164)	(14,581)
Proceeds from disposal of property, plant and equipment	4	176
Decrease in refundable deposits	911	3,168
Increase in other receivables due from related parties	(500)	-
Increase in other non-current assets	-	(4,806)
Net cash used in investing activities	(163,485)	(125,131)
Cash flows from (used in) financing activities:		
Increase in short-term loans	4,393,248	7,313,393
Decrease in short-term loans	(4,539,673)	(7,134,852)
Decrease in guarantee deposits received	(5)	(22)
Payment of lease liabilities	(68,142)	(77,237)
Cash dividends paid	(62,733)	(83,645)
Net cash flows from (used in) financing activities	(277,305)	17,637
Net increase (decrease) in cash and cash equivalents	(6,236)	5,736
Cash and cash equivalents at beginning of period	26,854	21,118
Cash and cash equivalents at end of period	$ **20,618**	**26,854**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

COLLINS CO., LTD.

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2020 and 2019

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

(1) Company history

COLLINS CO., LTD. (the "Company") was established in May 1969. In the initial stage, the Company mainly operated building materials and related processing businesses. In 1971, the Company altered its direction of business practice plan by setting up a division in the United States to actively promote the products of SME in Taiwan. Collins Co. Ltd was approved by the government as a Major trading company in March 1978. It has set up offices in Hong Kong, Manila, Bangkok and other regions and gradually established foreign business information network to promote its business.

The Company mainly engaged in import and export trading and clothing retail.

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

These parent company only financial statements were authorized for issue by the Board of Directors on March 22, 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 Company has initially adopted the new amendments, which do not have a significant impact on its parent company only financial statements, from January 1, 2020.

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

The Company 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 parent company only 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"

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent company only 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 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 16 "Property, Plant and Equipmentt－Proceeds before Intended Use"

(Continued)

- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- 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"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the parent company only financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

These parent company only 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").

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the parent company only financial statements have been prepared on a historical cost basis:

1) Financial assets at fair value through other comprehensive income are measured at fair value;

2) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(o).

(ii) Functional and presentation currency

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

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into NTD at the exchange rates at the dates of the transactions.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, wherein differences are recognized in other comprehensive income.

(Continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into NTD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into NTD 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 non controlling interests. When the Company 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, the foreign currency gains and losses 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.

(d) 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.

(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 Company 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.

(Continued)

(e) 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.

(f) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is accounts 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. Accounts 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 or settle date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company 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, plus/minus, the cumulative amortization using the effective interest method, 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.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company 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 from equity investments is recognized in profit or loss on the date on which the Company's right to receive payment is established, which is normally the Ex-dividend date.

3) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables from related parties, guarantee deposits paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ELC, except for the following which are measured as 12-month ECL:

· Bank balances, other receivables from related parties, other financial assets, and guarantee deposit paid 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.

Loss allowance for accounts receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company 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 Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

(Continued)

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 Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI 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.

Loss allowances 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 Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company 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 Company 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 Company's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities

1) Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company 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.

(Continued)

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 Company 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.

(g) 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, and other costs incurred in bringing them to their present location and condition. Inventories are subsequently written down to net realizable value item by item.

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

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The parent company only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, 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 Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(Continued)

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

When preparing the parent company only financial statements, the investments in subsidiaries, which are controlled by the Company, are accounted for using the equity method. Under the equity method, the profit or loss for the period and other comprehensive income presented in the parent company only financial statements should be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis; and the owners' equity presented in the parent-company-only financial statements should be the same as the equity attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis. The Company also recognized its shares in the changes in its equity of subsidiaries.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost 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 Company.

(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.

(Continued)

Land is not depreciated.

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

1) Buildings and structures 5～60 years

2) Leased assets 37 years

3) Operating and Other equipment 1～8 years

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

(k) Leases

(i) Identifying a lease

At inception of a contract, the Company 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 Company 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 Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

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

- the Company 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 Company 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 Company designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

(Continued)

(ii) As a lessee

The Company 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 Company's incremental borrowing 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 Company's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the assessment on whether it will have an option to exercise a purchase, or

— there is a change in the assessment on the lease term as to whether it will be extended terminated; 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.

(Continued)

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 Company 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 Company 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 Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including office, equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a lessor

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

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

(l) Impairment of non-financial assets

At each reporting date, the Company 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 the cash-generating units (CGUs).

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.

(Continued)

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.

(m) Revenue

Revenue from contracts with customers is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

The Company is engaged in import and export trading, clothing retail and garment processing. The Company recognizes revenue when control of the products has transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled 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 obsolescence and 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 Company has objective evidence that all criteria for acceptance have been satisfied.

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.

The Company 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 Company does not adjust any of the transaction prices for the time value of money.

(n) Government grants

The Company recognizes an unconditional government grant in profit or loss as expense reduction when the grant becomes receivable. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Company'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 Company, 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 Company 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 Company 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 Company 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.

(p) 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.

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 Company 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.

(Continued)

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted at the reporting date.

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

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities ; and

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

1) the same taxable entity; or

2) different taxable entities which intends 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.

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; such reductions are reversed when the probability of future taxable profits improves.

(q) Earnings per share

The Company 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, such as employee compensation.

(r) Operating segments

The Company discloses its segment reporting in the consolidated financial statements. Therefore, the Company does not disclose segment information in the parent company only financial statements.

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

The preparation of the parent company only financial statements in conformity with the Regulations requires the 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.

(Continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) Evaluation of inventory

The Company 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 determined by future products demand within a specific time horizon therefore changes in market conditions may have a material impact on the estimation of the net realizable value.

(b) Impairment of investments accounted for using equity method

The impairment assessment of investments accounted for using equity method, wherein goodwill arising from the amounts of investments exceeded the acquired equity, requires the Company to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash	$ 1,437	1,462
Cash in bank	19,181	25,392
Cash and cash equivalents in the parent company only statement of cash flows	**$ 20,618**	**26,854**

The Company classified its foreign currency deposits under other current financial assets due to the regulation of "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" as below:

	December 31, 2020	December 31, 2019
Other current financial assets	**$ 52,624**	**-**

(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:		
Domestic listed shares	$ 427,331	373,352
Domestic unlisted shares	91,288	86,428
Foreign unlisted shares	84,565	68,082
Total	**$ 603,184**	**527,862**

(Continued)

	December 31, 2020	December 31, 2019
Current	$ 207,519	100,085
Non-current	395,665	427,777
Total	$ 603,184	603,184

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

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

The Company holds 25% common shares of TUNGYA Collins (TUNGYA). However, the Company's management does not have significant influence over TUNGYA and holds no seat in its board of directors; it also does not have a representative in those charged with governance.

In 2020 and 2019, the Company sold parts of the investment to adjust its investment portfolio, in which the profit or loss of the transaction did not have an impact on its operation. In 2020 and 2019, the disposal prices were $54,345 and $25,845, respectively, and the gains of disposals were $28,576 and $10,690, respectively. The realized gains / losses were reclassified from other equity to retained earnings. In addition, the amount of capital reduction refunds was $8,735 and $4,211 in 2020 and 2019, respectively.

(ii) For market risk, please refer to note 6(q).

(iii) As of December 31, 2020 and 2019, above financial assets were not pledged as collateral.

(c) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	$ 1,234	4,300
Accounts receivable	198,659	390,013
Less: Loss allowance	(4,052)	(3,736)
	195,841	390,577
Overdue receivables (included in other non-current assets)	105,807	97,721
Less: Loss allowance	(105,807)	(97,721)
	-	-
	$ 195,841	390,577

(Continued)

The Company 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, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information. The loss allowance provisions in Taiwan were determined as follows:

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 175,801	-	-
1 to 90 days past due	13,919	5.40%	697
90 to 180 days past due	542	31.35%	170
More than 180 days past due	9,631	33.07%	3,185
Total	**$ 199,893**		**4,052**

	December 31, 2019		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Not overdue	$ 296,767	-	-
1 to 90 days past due	82,377	3.03%	2,494
90 to 180 days past due	67	-	-
More than 180 days past due	15,102	8.23%	1,242
Total	**$ 394,313**		**3,736**

On October 15, 2018, the Company's client Sears Holding Corp. filed for chapter 11 Bankruptcy. For the years ended December 31, 2020 and 2019, the Company has recognized loss allowance provisions of USD3,435 thousand and USD3,265 thousand, respectively, under overdue receivables; the Company continuously follows the reorganization situation to secure the Company's right.

The movements in the loss allowance provisions for notes and accounts receivable, and overdue receivables were as follows:

	2020	**2019**
Balance at January 1	$ 101,457	79,788
Impairment loss recognized	13,924	21,669
Foreign exchange losses	(5,522)	-
Balance at December 31	**$ 109,859**	**101,457**

The above financial assets were not discounted and pledged.

(Continued)

(d) Inventories

	December 31, 2020	December 31, 2019
Commodity	$ 184,108	227,725
Inventory in transit	-	4,341
	$ 184,108	**232,066**

Except cost of goods sold and inventories recognized as expenses, the remaining gain or losses which were recognized as operating cost or deduction of operating cost were as follows:

	2020	2019
Write-downs of inventories (reversal of write-downs)	$ 1,458	(10,015)
Losses (gains) on inventory count	(195)	182
Total	**$ 1,263**	**(9,833)**

Inventories of the Company were not pledged.

(e) Investments accounted for using equity method

(i) A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2020	December 31, 2019
Subsidiaries	$ 1,482,835	1,578,423
Associates	56,117	71,480
	$ 1,538,952	**1,649,903**

(ii) Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2020. In addition, there was no impairment of investments accounted for using equity method in 2020 and 2019.

(iii) Associates

A summary of financial information for the individually insignificant investments in associates accounted for using the equity method were as follows. These financial information are included in the parent company only financial statements.

	December 31, 2020	December 31, 2019
Share of net assets of individually insignificant associates	**$ 56,117**	**71,480**

(Continued)

	2020	2019
Attributable to the Company:		
Loss from continuing operations	$ (15,352)	(10,356)
Other comprehensive income	(11)	12
Total comprehensive income	**$ (15,363)**	**(10,344)**

As of December 31, 2020 and 2019, the investments accounted for using equity method were not pledged.

(f) Property, plant and equipment

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

	Land	Buildings and structures	Leased assets	Operating and other equipment	Total
Cost:					
Balance on January 1, 2020	$ 1,017,975	54,919	71,346	165,029	1,309,269
Additions	-	-	57	16,107	16,164
Disposals	-	(44)	-	(27,881)	(27,925)
Balance on December 31, 2020	**$ 1,017,975**	**54,875**	**71,403**	**153,255**	**1,297,508**
Balance on January 1, 2019	$ 1,017,975	54,919	71,346	153,460	1,297,700
Additions	-	-	-	14,581	14,581
Disposals	-	-	-	(3,012)	(3,012)
Balance on December 31, 2019	**$ 1,017,975**	**54,919**	**71,346**	**165,029**	**1,309,269**
Accumulated depreciation:					
Balance on January 1, 2020	$ -	39,780	6,884	148,988	195,652
Depreciation	-	800	1,882	11,578	14,260
Disposals	-	(44)	-	(27,881)	(27,925)
Balance on December 31, 2020	**$ -**	**40,536**	**8,766**	**132,685**	**181,987**
Balance on January 1, 2019	$ -	38,958	5,007	142,578	186,543
Depreciation	-	822	1,877	9,422	12,121
Disposals	-	-	-	(3,012)	(3,012)
Balance on December 31, 2019	**$ -**	**39,780**	**6,884**	**148,988**	**195,652**
Carrying amounts:					
Balance on December 31, 2020	**$ 1,017,975**	**14,339**	**62,637**	**20,570**	**1,115,521**
Balance on January 1, 2019	**$ 1,017,975**	**15,961**	**66,339**	**10,882**	**1,111,157**
Balance on December 31, 2019	**$ 1,017,975**	**15,139**	**64,462**	**16,041**	**1,113,617**

The Company did not pledge any collateral on property, plant and equipment.

(Continued)

(g) Right-of-assets

The Company leases buildings and structures, wherein the movements of cost and accumulated depreciation were presented below:

	Buildings and structures
Cost:	
Balance of January 1, 2020	$ 247,418
Additions	265,513
Disposals	(330,048)
Balance of December 31, 2020	$ 182,883
Balance of January 1, 2019	$ -
Effects of retrospective application for IFRS 16	233,552
Balance of January 1, 2019 after adjustments	233,552
Additions	60,457
Disposals	(46,591)
Balance of December 31, 2019	$ 247,418
Accumulated depreciation:	
Balance of January 1, 2020	$ 57,209
Depreciation	71,850
Disposals	(91,707)
Balance of December 31, 2020	$ 37,352
Balance of January 1, 2019	$ -
Effect of retrospective application for IFRS16	-
Balance of January 1, 2019 after adjustments	-
Depreciation	76,505
Disposals	(19,296)
Balance of December 31, 2019	$ 57,209
Carrying amount:	
Balance of December 31, 2020	$ 145,531
Balance of December 31, 2019	$ 190,209

(h) Short-term loans

	December 31, 2020	December 31, 2019
Unsecured bank loans	$ 640,533	786,958
Unused short-term credit lines	$ 1,720,786	1,552,462
Range of interest rates	0.72%~1.12%	0.91%~3.03%

The Company did not pledge the assets as collateral for short-term loans.

(Continued)

(i) Lease liabilities

The carrying amounts of lease liabilities was as follows:

	December 31, 2020	December 31, 2019
Current	$ 60,509	62,888
Non-current	$ 84,954	126,401

For the maturity analysis, please refer to note 6(q).

The amounts recognized in profit or loss were as follows:

	2020	2019
Interest on lease liabilities	$ 2,270	2,651
Variable lease payments not included in the measurement of lease liabilities	$ 6,756	8,715
Expenses relating to short-term leases	$ 1,274	1,599
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 1,302	1,503
COVID-19-related rent concessions (recognized as deduction of depreciation expenses)	$ 2,036	-

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

	2020	2019
Total cash outflow for leases	$ 79,744	91,705

(i) Real estate leases

The Company leases buildings and structures for its warehouse and retail stores. The leases of warehouse and retail stores typically run for a period of 3 to 5 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(i) Other leases

The Company leases office and equipment on a short-term basis. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

(j) Employee benefit plans

(i) Defined benefit plans

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

		December 31, 2020	December 31, 2019
Present value of the defined benefit obligations	$	98,875	107,694
Fair value of plan assets		(51,820)	(54,180)
Net defined benefit liabilities	**$**	**47,055**	**53,514**

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

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 labor pension reserve account balance amounted to $51,820 and $54,180 as of December 31, 2020 and 2019, respectively. 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

For the years ended December 31, 2020 and 2019, the movements in the present value of the defined benefit obligations for the Company were as follows:

		2020	2019
Defined benefit obligations at January 1	$	107,694	154,402
Current service costs and interest cost		1,049	1,699
Remeasurements of the net defined benefit liabilities (asset):			
—Actuarial gain or loss arising from financial assumptions		2,575	5,070
Benefits paid		(12,443)	(53,477)
Defined benefit obligations at December 31	**$**	**98,875**	**107,694**

(Continued)

3) Movements of defined benefit plan assets

For the years ended December 31, 2020 and 2019, the movements in the present value of the defined benefit plan assets for the Company were as follows:

		2020	2019
Fair value of plan assets at January 1	$	54,180	63,320
Return on planned assets		443	444
Remeasurements of the net defined benefit asset:			
—Actuarial gain or loss arising from financial assumptions		1,911	1,766
Contributions paid by the employer		907	83
Benefits paid by the plan		(5,621)	(11,433)
Fair value of plan assets at December 31	**$**	**51,820**	**54,180**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the years ended December 31, 2020 and 2019 were as follows:

		2020	2019
Current service costs	$	71	236
Net interest on the net defined benefit liabilities		535	1,019
	$	**606**	**1,255**

		2020	2019
Administrative expenses	**$**	**606**	**1,255**

5) Remeasurements of the net defined benefit liabilities recognized in other comprehensive income:

The Company's remeasurement of the net defined benefit liabilities recognized in other comprehensive income was as follows:

		2020	2019
Accumulated balance as of January 1	$	13,903	10,599
Recognition in the current period		664	3,304
Accumulated balance as of December 31	**$**	**14,567**	**13,903**

(Continued)

6) Actuarial assumptions

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

	December 31, 2020	December 31, 2019
Discount rate	0.625 %	1.000 %
Future salary increase rate	1.50 %	1.50 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $930.

For 2020 and 2019, the weighted average lifetime of the defined benefits plans are 12.27 years and 12.90 years, respectively.

7) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Company utilizes judgments and estimates to determine relevant actuarial assumptions set on the reporting date, including discount rates, employee turnover rates, and future salary increasing rates, wherein these actuarial assumptions may have a significant impact on the calculation of the defined benefit obligations.

As of December 31, 2020 and 2019, 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	
	Increase	Decrease
December 31, 2020		
Discount rate decrease (increase) by 0.25%	$ 2,039	(1,979)
Future salary increasing rate increase (decrease) by 0.25%	1,968	(1,924)
December 31, 2019		
Discount rate decrease (increase) by 0.25%	$ 2,190	(2,127)
Future salary increasing rate increase (decrease) by0.25%	2,130	(2,075)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions 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.

(Continued)

(ii) Defined contribution plans

The Company set aside 6% of the contribution rate of the employee' s monthly wages to the Labor Pension personal account of the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Company set aside a fixed amount to the Bureau of Labor Insurance without the payment of additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $2,863 and $3,270 for the years ended December 31, 2020 and 2019, respectively.

(k) Income taxes

(i) Income tax expense

The components of income tax expenses for the ended December 31, 2020 and 2019 were as follows:

		2020	2019
Current tax expense			
Current period	$	10,322	1,622
Deferred tax expense			
Origination and reversal of temporary differences		(4,351)	17,030
Income tax expense	$	5,971	18,652

For the years ended December 31, 2020 and 2019, there were no income tax expenses recognized in other comprehensive income.

Reconciliations of income tax and profit before tax for 2020 and 2019 were as follows:

		2020	2019
Profit excluding income tax	$	36,432	81,546
Income tax using the Company's domestic tax rate	$	7,286	16,309
Permanent differences		4,013	1,865
Income tax derived from repatriation of offshore investment income		5,222	-
Change in temporary differences		(12,304)	-
Income basic tax		2,077	-
Others		(323)	478
Income tax expense	$	5,971	18,652

(Continued)

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2020 and 2019. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences were not recognized as deferred tax liabilities. Details are as follows:

	December 31, 2020	December 31, 2019
Aggregate amount of temporary differences related to investments in subsidiaries	$ 256,823	467,424
Unrecognized deferred tax liabilities	$ 52,365	93,485

2) Recognized deferred tax assets and liabilities

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

Deferred Tax Assets:

	Unrealized loss on inventories	Defined benefit obligation	Unused tax losses	Allowance of doubtful accounts	Others	Total
Balance at January 1, 2020	$ 11,676	4,864	11,650	19,308	908	48,406
Recognized in profit or loss	291	(1,569)	-	2,047	174	943
Balance at December 31, 2020	**$ 11,967**	**3,295**	**11,650**	**21,355**	**1,082**	**49,349**
Balance at January 1, 2019	$ 13,679	13,242	10,378	14,941	889	53,129
Recognized in profit or loss	(2,003)	(8,378)	1,272	4,367	19	(4,723)
Balance at December 31, 2019	**$ 11,676**	**4,864**	**11,650**	**19,308**	**908**	**48,406**

Deferred Tax Liabilities:

	Reserve for land value increment tax	Share of gain or loss of subsidiaries accounted for using equity method	Total
Balance at January 1, 2020	$ (107,318)	(12,307)	(119,625)
Recognized in profit or loss	-	3,408	3,408
Balance at December 31, 2020	**(107,318)**	**(8,899)**	**(116,217)**
Balance at January 1, 2019	(107,318)	-	(107,318)
Recognized in profit or loss	$ -	(12,307)	(12,307)
Balance at December 31, 2019	**$ (107,318)**	**(12,307)**	**(119,625)**

(Continued)

(iii) The Company's tax returns for all years through 2018 were assessed by tax authorities.

(l) Capital and other equity

(i) Ordinary shares

As of December 31, 2020 and 2019, the amounts of authorized ordinary shares were both $4,900,000 with par value of NT$10 per share. The total issued shares amounted to 209,111 thousand. All issued shares were paid up upon issuance.

(ii) Capital surplus

The details of capital surplus as of December 31, 2020 and 2019 were as follows

		December 31, 2020	**December 31, 2019**
Transaction of treasury share	$	31,084	31,084
Dividends paid to subsidiaries		42,608	42,608
Changes in ownership interests in subsidiaries		24,456	10,057
Total	**$**	**98,148**	**83,749**

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 ordinary shares 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, 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 article of incorporation stipulate that Company's net earnings should first be used to offset the prior year's deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve (except when legal reserve equals to the company's paid-in capital), settling aside a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

The earnings distribution can be either in cash or by stock dividends, wherein the cash dividends shall not be less than 10% of total dividends.

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.

(Continued)

2) Special reserve

Under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS", on the initial adoption of IFRSs, the Company should appropriate to a special reserve with amounts the same as those of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Company's use of exemptions under IFRS 1. At the transition date, the aforementioned unrealized revaluation increment and the cumulative translation differences amounted to $219,750, and the increase in retained earnings due to the initial adoption of IFRSs was $287,553. The Company accordingly appropriated its special reserve of $219,750 accordingly, of which may be reversed in proportion to the usage, disposal or reclassification of the related assets, and thereafter distributed.

As of December 31, 2020 and 2019, the balances of special reserve were $220,615 and $225,245, respectively.

According to the above-mentioned regulation, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special 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 reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. 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 18, 2020 and June 14, 2019, respectively. The relevant dividend distributions to shareholders were as follows:

	2019		2018	
	Amount per share (NT$)	**Total amount**	**Amount per share (NT$)**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 0.30	**62,733**	0.40	**83,645**

(Continued)

On March 22, 2021, the Company's Board of Directors resolved to appropriate the earnings of 2020. These earnings were appropriated as follows:

	2020	
	Amount per share (NT$)	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 0.25	**52,278**

(i) Other equity interest, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2020	$ (86,323)	(70,963)	(157,286)
Exchange differences on translating the financial statements of foreign operations	(17,865)	-	(17,865)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	35,856	35,856
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income - share of profit (loss) of subsidiaries accounted for using the equity method	-	(13,472)	(13,472)
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	(28,576)	(28,576)
Balance at December 31, 2020	**$ (104,188)**	**(77,155)**	**(181,343)**
Balance at January 1, 2019	$ (80,209)	(143,420)	(223,629)
Exchange differences on translating the financial statements of foreign operations	(6,114)	-	(6,114)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	54,098	54,098
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income - share of profit (loss) of subsidiaries accounted for using the equity method	-	10,283	10,283
Cumulative unrealized gains (losses) of equity instruments transferred to retained earnings due to disposal - share of profit (loss) of subsidiaries accounted for using the equity method	-	18,766	18,766
Disposal of investments in equity instruments at fair value through other comprehensive income	-	(10,690)	(10,690)
Balance at December 31, 2019	**$ (86,323)**	**(70,963)**	**(157,286)**

(Continued)

(m) Earnings per share

The details on the calculation of basic and diluted earnings per share are as follow:

(i) Basic earnings per share

Basic earnings per share	2020	2019
Profit attributable to ordinary shareholders of the Company	$ 30,461	62,894
Weighted average number of ordinary shares (thousand)	209,111	209,111
Basic earnings per share (NT dollars)	$ 0.15	0.30

(ii) Diluted earnings per share

Diluted earnings per share	2020	2019
Profit attributable to ordinary shareholders of the Company (diluted)	$ 30,461	62,894
Weighted average number of ordinary shares (basic) (thousand)	209,111	209,111
Effect of dilutive potential ordinary shares		
- Employee compensation (thousand)	134	270
Weighted average number of ordinary shares (diluted) (thousand)	209,245	209,381
Diluted earnings per share (NT dollars)	$ 0.15	0.30

(n) Revenue from contracts with customers

(i) Details of revenue

	2020		
	Department of trading	Department of fashion	Total
Primary geographical markets:			
Taiwan	$ -	483,526	483,526
America	212,062	-	212,062
Other America countries	343,349	-	343,349
	$ 555,411	483,526	1,038,937

	2019		
	Department of trading	Department of fashion	Total
Primary geographical markets:			
Taiwan	$ -	615,625	615,625
America	365,270	-	365,270
Other America countries	526,551	-	526,551
	$ 891,821	615,625	1,507,446

(Continued)

(ii) Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Contract liabilities- sale of goods	$ 3,420	8,850	5,459

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(c).

The amounts 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 $6,448 and $5,459, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(o) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute 3% of the profit as employee compensation and less than 3% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2020 and 2019, the Company estimated its employee compensation amounting to $1,162 and $2,602, and directors' remuneration amounting to $1,162 and $2,602, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses during 2020 and 2019. Related information would be available at the Market Observation Post System website. The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2020 and 2019. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(p) Non-operating income and expenses

(i) Interest income

	2020	2019
Interest income	$ 137	375

(Continued)

(ii) Other income

	2020	2019
Dividend income	$ 25,349	21,512
Rent income	19,321	18,222
Service income from related parties	17,516	16,142
Government grants	6,676	3,603
Others	1,883	-
	$ 70,745	**59,479**

(iii) Other gains and losses

	2020	2019
Foreign exchange gains or losses, net	$ (5,292)	(6,061)
Other income	338	-
Gains or losses on disposals of property, plant and equipment	4	176
Other expenses	-	(1,826)
	$ (4,950)	**(7,711)**

(iv) Finance costs

	2020	2019
Interest expense - bank loan	$ (6,521)	(8,603)
Interest expense - lease liabilities	(2,270)	(2,651)
	$ (8,791)	**(11,254)**

(q) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The concentration of credit risk occurs when the transactions of financial commodity are mainly dealt with individual counterparty, or such transactions are not concentrated in individual counterparty whereas the counterparty engages in similar business activities and has similar credit characteristics. The Company's accounts were concentrated in an individual counterparty as follows:

	Amount	% of the Company's accounts receivable
December 31, 2020		
Company T	**$ 127,173**	**65**

(Continued)

	Amount	% of the Company's accounts receivable
December 31, 2019		
Company T	$ 228,634	59

3) Receivables and debt securities

For credit risk exposure of notes and accounts receivable, please refer to note 6(c).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, excluding estimated interest payments.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2020							
Non-derivative financial liabilities							
Short-term loans	$ 640,533	640,533	570,533	70,000	-	-	-
Lease liabilities	145,463	145,463	31,533	28,976	52,438	32,516	-
Notes payable	59	59	59	-	-	-	-
Accounts payables	26,497	26,497	26,497	-	-	-	-
Other payables	68,017	68,017	68,017	-	-	-	-
Guarantee deposits received (classified under other current liabilities and guarantee deposits received)	3,424	3,424	1,196	1,416	812	-	-
	$ **883,993**	**883,993**	**697,835**	**100,392**	**53,250**	**32,516**	**-**
December 31, 2019							
Non-derivative financial liabilities							
Short-term loans	$ 786,958	786,958	716,958	70,000	-	-	-
Lease liabilities	189,289	189,289	34,031	28,857	52,135	74,266	-
Notes payable	64	64	64	-	-	-	-
Accounts payable	61,643	61,643	61,643	-	-	-	-
Other payables	76,235	76,235	76,235	-	-	-	-
Guarantee deposits received	3,429	3,629	-	-	3,410	219	-
	$ **1,117,618**	**1,117,818**	**888,931**	**98,857**	**55,545**	**74,485**	**-**

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

(Continued)

(iii) Currency risk

1) Exposure to foreign currency risk

The Company is significantly exposed to foreign currency risk as follows:

	December 31, 2020			December 31, 2019		
	Foreign currency (thousand dollars)	Exchange rate	NTD	Foreign currency (thousand dollars)	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 7,721	28.43	219,519	11,805	29.93	353,324
Financial liabilities						
Monetary items						
USD	3,919	28.43	111,411	7,162	29.93	214,359
HKD	2,359	3.70	8,735	11,732	3.82	44,804

2) Sensitivity analysis

The Company'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 and accounts payable that are denominated in foreign currency.

A weakening (strengthening) of 1% of the NTD against foreign currency for the years ended December 31, 2020 and 2019 would have increased (decreased) the profit before tax by $994 and $942, respectively. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis is performed on the same basis for both years.

The amount, expressed in functional currency, of foreign exchange gain and loss (including realized and unrealized portions) of the Company's monetary items was as below,

	2020		2019	
	Foreign exchange gain (loss)	Average rate	Foreign exchange gain (loss)	Average rate
NTD	$ (5,292)	-	(6,061)	-

(iv) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

(Continued)

If the interest rate had increased / decreased by 1%, the Company's profit before tax would have decreased / increased by $6,405 and $7,870 for the years ended December 31, 2020 and 2019, respectively, with all other variable factors remaining constant. This is mainly due to the Company's loan at variable rates.

(v) Other market price risk

For the years ended December 31, 2020 and 2019, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	2020		2019	
Prices of securities at the reporting date	**Other comprehensive income before tax**	**Net profit before taxi**	**Other comprehensive income before tax**	**Net profit before taxi**
Increasing 1%	$ 6,032	-	5,279	-
Decreasing 1%	$ (6,032)	-	(5,279)	-

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2020				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income-current					
Domestic listed shares	$ 207,519	207,519	-	-	207,519
Financial assets at fair value through other comprehensive income-non-current					
Domestic listed shares	219,812	219,812	-	-	219,812
Domestic and foreign unlisted shares	175,853	-	-	175,853	175,853
Subtotal	395,665	219,812	-	175,853	395,665

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost					
Cash and cash equivalents	20,618	-	-	-	-
Accounts receivable	206,341	-	-	-	-
Other current financial assets	63,243	-	-	-	-
Guarantee deposits paid	20,678	-	-	-	-
Subtotal	310,880	-	-	-	-
Total	$ **914,064**	**427,331**	**-**	**175,853**	**603,184**
Financial liabilities at measured amortized cost					
Short-term loans	$ 640,533	-	-	-	-
Lease liabilities	145,463	-	-	-	-
Accounts payable	94,573	-	-	-	-
Guarantee deposits received	3,424	-	-	-	-
Total	$ **883,993**	-	-	-	-

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income-current					
Domestic listed shares	$ 100,085	100,085	-	-	100,085
Financial assets at fair value through other comprehensive income-non-current					
Domestic listed shares	273,267	273,267	-	-	273,267
Domestic and foreign unlisted shares	154,510	-	-	154,510	154,510
Subtotal	427,777	273,267	-	154,510	427,777
Financial assets measured at amortized cost					
Cash and cash equivalents	26,854	-	-	-	-
Accounts receivable	400,577	-	-	-	-
Other current financial assets	12,396	-	-	-	-
Guarantee deposits paid	21,589	-	-	-	-
Subtotal	461,416	-	-	-	-
Total	$ **989,278**	**373,352**	**-**	**154,510**	**527,862**
Financial liabilities measured at amortized cost					
Short-term loans	$ 786,958	-	-	-	-
Lease liabilities	189,289	-	-	-	-
Accounts payable	137,942	-	-	-	-
Guarantee deposits received	3,429	-	-	-	-
Total	$ **1,117,618**	**-**	**-**	**-**	**-**

(Continued)

2) Valuation techniques for financial instruments not measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments with an active market are listed below according to types and attributes:

The listed stocks are traded in the active market and their fair value is based on the quoted price.

Except for the above-mentioned financial instruments traded in an active market, the fair value is based on the valuation techniques or the quotation from the counterparty. The fair value refers to the current fair value of the other financial instruments with similar conditions and characteristics, using a discounted cash flow analysis or other valuation techniques, such as calculations of using models (for example, applicable yield curve from Taipei Exchange, or average quoted price on interest rate of commercial paper from Reuters), based on the information acquired from the market at the balance sheet date.

When the financial instrument of the Company is not traded in an active market, its fair value is determined as follows:

- The fair value is determined based on the ratio of the quoted market price of the comparative listed company and its book value per share. Also, the fair value is discounted for its lack of liquidity in the market.

3) Transfers between Level 1 and Level 2

For years ended December 31, 2020 and 2019, there was no transfer between level 2 and level 1 financial assets of the fair value hierarchy.

(Continued)

4) Reconciliation of Level 3 fair values

		Fair value through other comprehensive income
		Unquoted equity instruments
Opening balance, January 1, 2020	$	154,510
Total gains and losses recognized:		
In other comprehensive income		(4,905)
Purchased		34,997
Derecognized		(8,749)
Ending Balance, December 31, 2020	**$**	**175,853**

		Fair value through other comprehensive income
		Unquoted equity instruments
Opening balance, January 1, 2019	$	135,757
Total gains and losses recognized:		
In other comprehensive income		17,880
Purchased		6,678
Derecognized		(5,805)
Ending Balance, December 31, 2019	**$**	**154,510**

For the years ended December 31, 2020 and 2019, total gains and losses that were included in "unrealized gains and losses from financial assets at fair value through other comprehensive income" were as follows:

	2020	**2019**
Recognized in other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income"	**$ (4,905)**	**17,880**

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include "fair value through other comprehensive income – equity investments".

Most of the fair value measurements categorized within Level 3 use the single and significant unobservable input. Equity investments without an active market contains multiple significant unobservable inputs. The significant unobservable input of the equity investments are independent from each other, as a result, there is no relevance between them.

(Continued)

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income-equity investments without an active market	Comparable listed companies approach	·Price-book ratio (as of December 31, 2020 and 2019 were 1.11~3.02 and 1.12~2.46) ·Market liquidity discount ratio (as of December 31, 2020 and 2019 were both 10%~20%)	·The higher the multiplier, the higher the fair value ·The higher the discount, the lower the fair value

6) Fair value measurement in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	Inputs	Increase of decrease	Other comprehensive income Favorable	Other comprehensive income Unfavorable
December 31, 2020				
Financial assets at fair value through other comprehensive income	Price-book ratio	10%	17,585	(17,585)
December 31, 2019				
Financial assets at fair value through other comprehensive income	Price-book ratio	10%	15,451	(15,451)

(r) Financial risk management

(i) Structure of risk management

Each department monitors, controls, tracks and supervises the risks of strategy, finance, and operation. The Company reports the progress of risk management and control to the chairman of the Board of directors regularly. Apart from regular monitoring and supervision, during emergency, the Company must immediately set up an incident response team for further consideration and carry out necessary approaches to reduce risks.

(Continued)

(ii) Credit risk

For credit risk analysis of cash and cash equivalents and accounts receivable, please refer to note 6(q).

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries, please refer to note 7(b).

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash and insufficient banking facilities to be used.

The liquidity risk is monitored by the financial department of the Company. In order to ensure that the Company has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of December 31, 2020 and 2019, the unused credit lines for short-term loans please refer note 6(h). The Company's operational capital is sufficient to meet contractual obligations, therefore there is no liquidity risk of raising funds to fulfill contractual obligations. For information on the maturity date of financial liabilities, please refer to note 6(q).

(iv) 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 Company'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.

All such transactions are carried out within the guidelines "procedures for dealing in derivatives transactions", approved by the Company's board of directors and/or shareholders. The related financial operations are also supervised by the internal audit department. The management of various market risks of the Company is explained as follows:

1) Currency risk

The Company is exposed to currency risk on sales, procurements and loans that are primarily denominated in NTD, US Dollar (USD) or Hong Kong Dollar (HKD). The Company's functional currency is NTD. At any point in time, the Company hedges its foreign currency exposure with respect to its net position of receivables, payables or assets/liabilities over the following six months.

The Company buys or sells foreign currencies at the spot rate when the short-term imbalance of monetary assets or liabilities, denominated in foreign currencies, occurs. The Company do not hedge the currency risk of investments in its subsidiaries.

(Continued)

2) Interest rate risk

The Company's interest rate risk mainly comes from bank deposits and short-term loans at variable interest rate. The impact of interest rate changes on fair value of related financial commodity is not significant.

3) Security price risk: please refer to note 6(q).

(s) Capital management

The Board of Directors' policy is to maintain a strong capital base to maintain the confidence of investors, creditors, and the market, and to sustain future development of the business. Capital includes ordinary shares, capital surplus and retained earnings. The Board of directors monitors the level of dividends to shareholders as well as return on capital.

The Company's debt to equity ratio at the end of the reporting period is as follows:

	December 31, 2020	December 31, 2019
Total liabilities	$ 1,062,080	1,313,187
Less: cash and cash equivalents	(20,618)	(26,854)
Net debt	**$ 1,041,462**	**1,286,333**
Total equity	**$ 2,915,507**	**2,933,550**
Debt-to-equity ratio	**35.72 %**	**43.85 %**

As of December 31, 2020, the Company's capital management strategy is consistent with the prior years.

(t) Investing and financing activities not affecting current cash flow

(i) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2020	Cash flows	Non-cash changes		December 31, 2020
			New leases	Other	
Short-term loans	$ 786,958	(146,425)	-	-	640,533
Lease liabilities	189,289	(68,142)	265,513	(241,197)	145,463
Total liabilities from financing activities	**$ 976,247**	**(214,567)**	**265,513**	**(241,197)**	**785,996**

	January 1, 2019	Cash flows	Non-cash changes		December 31, 2019
			New leases	Other	
Short-term loans	$ 608,417	178,541	-	-	786,958
Lease liabilities	233,552	(77,237)	60,457	(27,483)	189,289
Total liabilities from financing activities	**$ 841,969**	**101,304**	**60,457**	**(27,483)**	**976,247**

(Continued)

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the parent company only financial statements and the Company's subsidiaries.

Name of related party	Relationship with the Company
Collins International Co., Ltd	The Subsidiary of the Company
Jesco International Co., Ltd (Jesco)	The Subsidiary of the Company
Quality Craft Ltd. (Q.C.L.)	The Subsidiary of the Company
Prestro International Co., Ltd (Prestro)(Note1)	The Subsidiary of the Company
Collins (BVI) International Co., Ltd (Collins BVI)	The Subsidiary of the Company
Colltex Garment MFY(HK) Co., Ltd.	The Subsidiary of the Company
Commend Holdings Limited	The Subsidiary of the Company
Commend (HK) Limited	The Subsidiary of the Company
Gaolingaoke Giftware (Shenzhen) Company	The Subsidiary of the Company
HI-Clearance Inc. (HIC) (Note 2)	The Subsidiary of the Company
Xing Chang Investment Co., Ltd (Xing Chang)	The Subsidiary of the Company
GrowTrend Biomedical Co., Ltd.	The Subsidiary of the Company
Minoshin International Co., Ltd.	The Subsidiary of the Company

Note 1: The board of directors of Presto held on December 20, 2019 resolved to liquidate Prestro. Prestro was liquidated on December 30, 2019.

Note 2: The related-party transactions of HIC, please refer to the note 7 of HIC's parent company only financial statements (stock code : 1788).

(b) Significant transactions with related parties

(i) Management service fee, handling fee and commission income (classified under other income)

The balances of management fee, handling fee and commission income were as follow:

	2020	2019
HIC - management and directors' remuneration income	$ 13,017	12,530
Subsidiaries - management service fee income	4,306	420
Subsidiaries - handling fee income	182	285
Subsidiaries - commission income	11	2,907
	$ 17,516	**16,142**

The Company provides its subsidiaries management service and charges them accordingly. The management service fee offered to related parties are not materially different from that of the normal service fee offered by the market. The payment collection period to related parties is about 1 to 3 months. Receivables from related parties were not secured with collateral; therefore, did not require provisions for impairment losses.

The Company provided its subsidiaries endorsements and guarantees, where it charges them handling fee.

The Company provided its subsidiaries commodity consignment services, where it charges them commission fee.

(ii) Commission expense, service charge and outsourcing expense (classified under operating expenses)

The balances of commission expense, service charge and outsourcing expense were as follow:

	2020	2019
Jesco - outsourcing expense	$ 79,183	87,937
Subsidiaries - service charge	27,145	34,640
Subsidiaries - commission expense	318	892
	$ 106,646	**123,469**

The subsidiaries of the Company refer customers to the Company, wherein the Company pays its subsidiaries commission thereof.

The Company assigns its subsidiaries to process triangular trading in certain areas, wherein the Company pays service charge to its subsidiaries thereof

The Company outsources manpower to retail stores of its subsidiary, wherein the Company calculates the outsourcing expense according to the mark-up rate of the employee remuneration of each retail store.

The prices from related parties are not materially different from those of third-party vendors. The payment period to related parties is 1 to 2 months and not materially different from those of third-party vendors.

(iii) Payable to related parties

The balances of payables were as follow:

Account	Categories	December 31, 2020	December 31, 2019
Other current liabilities	Subsidiaries	**$ 11,833**	**12,464**

(Continued)

(iv) Receivables from related parties

The balances of accounts receivable were as follow:

Account	Categories	December 31, 2020	December 31, 2019
Other receivables due from related parties	Subsidiaries	$ 10,500	10,000

(v) Loans to related parties

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's borrowings. The loans to related parties are unsecured, wherein no expected credit loss is required to recognize after the management's assessment. The interest rates were 2.00% and 1.40%～2.00% for the years end December 31, 2020 and 2019, respectively. The interest income were $4 and $64, respectively.

(vi) Guarantee

For the years ended December 31, 2020 and 2019 , the Company had provided guaranteed notes for loans taken out by the subsidiaries, wherein amounting to $255,870 and $269,370, respectively.

(vii) Leases

The Company leased the office or retail stores to the subsidiaries. The amounts of rent income were $1,189 and $240 for the years ended December 31, 2020 and 2019, respectively. The preceding rent payments have been received.

(viii) In 2020, the Company purchased foreign unlisted shares from Collins BVI amounting to $34,997, classified under non-current financial assets at fair value through other comprehensive income.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2020	2019
Short-term employee benefits	$ 23,631	25,088

(8) Pledged assets: None.

(Continued)

(9) Commitments and contingencies:

(a) The Company's outstanding standby letter of credit are as follows:

	December 31, 2020	December 31, 2019
Outstanding standby letter of credit	$ 113,635	119,426

(b) The Company issued guaranteed notes as follows:

	December 31, 2020	December 31, 2019
Bank loan	$ 255,870	269,370
Setup of retail stores and purchasing goods	5,384	5,555
	$ 261,254	274,925

(c) Unrecognized contractual commitments:

	December 31, 2020	December 31, 2019
Acquisition of property, plant and equipment	$ 2,280	-

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2020			2019		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	-	83,230	83,230	-	95,867	95,867
Labor and health insurance	-	7,004	7,004	-	9,145	9,145
Pension	-	3,469	3,469	-	4,525	4,525
Remuneration of directors	-	4,413	4,413	-	6,137	6,137
Others	-	4,917	4,917	-	5,582	5,582
Depreciation	-	86,110	86,110	-	88,626	88,626
Amortization	-	192	192	-	540	540

(Continued)

As of December 31, 2020 and 2019, the additional information for employee numbers and employee benefits were as follows:

	2020	2019
Number of employees	127	137
Number of directors who were concurrently not employees	10	11
Average employee benefits	$ 843	914
Average employee salaries	$ 711	761
Average adjustment rate of employee salaries	(6.57)%	
Supervisors' remuneration	$ -	344

The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

Directors' remuneration: The remuneration of the directors of the Company is in accordance with the Company's articles of incorporation, wherein it is approved by the board of directors. According to the Company's articles of incorporation, the remuneration of the Company's directors is based on the directors' participation and contribution to the Company's operations, and also with reference to the level of the comparable companies. In addition, if the profit incurs, the remuneration of the directors is distributed in accordance with the Company's articles of incorporation.

Managers and employees' remuneration: The remuneration of the managers and employees includes salaries, bonus and employee remuneration, wherein it is determined based on the average salary with reference to level of the comparable companies, as well as the contribution to the Company's operations. The aforementioned remuneration policy was stipulated in accordance in accordance with the Company's articles of incorporation and by the level of authority. The determination of the remuneration payment is leveraged by the correlation between operational risks and operation performance, wherein the Company seeks a balance between sustainable operation and risk management.

(Continued)

(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 Company:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balanceof financing to other parties during the period (Note 5)	Ending balance (Note 5)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	COLLTEX HK	Advance payment	Yes	94,480	42,645	-	2.00%	(Note 1)	-	(Note 2)	-	-	-	291,551 (Note 3)	1,166,203 (Note 4)
1	The Company	HI-Health Co., Ltd.	Advance payment	Yes	150,000	150,000	40,000	0.90%	(Note 1)	-	(Note 2)	-	Notes	150,000	201,313 (Note 3)	805,252 (Note 4)

Note 1: Short-term financing.

Note 2: Operational capital.

Note 3: Where funds are loaned for reasons of business dealings, the ceiling of the loan is commensurate to the total amount of trading between the two companies. If short-term financing is needed, individual financing shall not exceed 10% of the lender's shareholders' equity.

Note 4: The total financing facility shall not exceed 40% of the amount of leader's equity.

Note 5: The amounts of highest balance and ending balance during the period were approved by the board of directors.

Note 6: The total amount of these financing shall not exceed 40% of the amount of the lender's shareholders' equity.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance of guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Commend Holdings Limited	2	583,101	120,800	113,720	4,265	-	3.90 %	1,457,754	Y	N	N
0	"	Commend (HK) Limited	2	583,101	151,000	142,150	-	-	4.88 %	1,457,754	Y	N	N
1	HIC	SIN HWA BIOTECH CO., LTD.	2	1,006,565	50,000	50,000	-	50,000	2.48 %	1,006,565	Y	N	N
1	"	HCH	2	1,006,565	120,000	120,000	-	120,000	5.96 %	1,006,565	Y	N	N

Note 1: Relationship with the Company:

1. Ordinary business relationship.

2. A guarantor, directly and indirectly, owned more than 50% voting shares of an entity.

Note 2: The total amount for guarantees and endorsements provided by the Company to other entities shall not exceed 50% of the Company's equity;The amount for guarantees and endorsements provided by the Company to any individual entity shall not exceed 20% of the Company's equity.

The total amount for guarantees and endorsements provided by HIC to other entities shall not exceed 50% of HIC equity; The amount for guarantees and endorsements provided by HIC to any individual entity shall not exceed 50% of HIC's equity.

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

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

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance: Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Note
Sin Hwa Investment Co., Ltd.	Fuh Hwa Emerg Mkt RMB Short-Term Inc.	-	Current financial assets at fair value through profit or loss	942,000	10,254	- %	10,254	
Sin Hwa Investment Co., Ltd.	SinoPac Global Multi Income Fund	-	Current financial assets at fair value through profit or loss	1,000,000	11,173	- %	11,173	
Hsin Fu Healthcare Co., Ltd.	Fuh Hwa You Li Money Market Fund	-	Current financial assets at fair value through profit or loss	2,264,000	30,745	- %	30,745	
							-	
					52,172		52,172	
The Company	Center Laboratories Co.,Ltd / Stock	-	Current financial assets at fair value through other comprehensive income	1,747,411	88,323	- %	121,096	
"	DV Biomed Co., Ltd.	-	Current financial assets at fair value through other comprehensive income	1,234,792	48,000	- %	86,423	
	Subtotal			-	136,323			
	Valuation adjustment				71,196		-	
	Total				207,519		207,519	
The Company	Capital Securities Corporation / Stock	-	Non-current financial assets at fair value through other comprehensive income	1,373,225	15,678	- %	18,607	
"	Shine More Technology Materials Co., Ltd / Stock	-	Non-current financial assets at fair value through other comprehensive income	318,375	2,693	- %	1,242	
"	Ever Supreme Bio Technology Co.,Ltd / Stock	-	Non-current financial assets at fair value through other comprehensive income	85,000	11,349	- %	14,873	
"	Shin Kong Financial Holding Co., Ltd / Stock	-	Non-current financial assets at fair value through other comprehensive income	21,009,050	249,457	- %	185,090	
	Subtotal				279,177		219,812	
	Valuation adjustment				(59,365)			
	Total				219,812			
The Company	EUROC V.C.GROUP	-	Non-current financial assets at fair value through other comprehensive income	229,680	2,297	3.75 %	2,432	
"	San Quanconstruction Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,200,000	12,000	- %	-	
"	Teletronics International Inc.	-	Non-current financial assets at fair value through other comprehensive income	740,600	27,855	- %	-	

(Continued)

COLLINS CO., LTD.
Notes to the Parent Company Only Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Powr World Fund,Inc.	-	Non-current financial assets at fair value through other comprehensive income	677,245	6,772	5.68 %	6,965	
"	Aerovision Avionics Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,656,000	14,400	4.36 %	16,151	
"	Acradia Design Systems Inc.	-	Non-current financial assets at fair value through other comprehensive income	150,000	23,034	- %	-	
"	China Yes Infor Media (Cayman) Inc.	-	Non-current financial assets at fair value through other comprehensive income	1,000,000	6,361	- %	-	
"	Universal EC Inc.	-	Non-current financial assets at fair value through other comprehensive income	598,062	17,299	1.20 %	5,876	
"	Top Taiwan VI Venture Capital Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	331,434	3,314	1.30 %	3,439	
"	Tungya Collins Ltd.	-	Non-current financial assets at fair value through other comprehensive income	2,000	83,057	25.00 %	54,936	
"	Bioengine Capital Inc.	-	Non-current financial assets at fair value through other comprehensive income	3,600,000	15,000	1.05 %	56,425	
"	CNC Distressed Opportunities Ltd.	-	Non-current financial assets at fair value through other comprehensive income	1,481	5,343	1.41 %	4,325	
"	Leadsun New star Corp.	-	Non-current financial assets at fair value through other comprehensive income	88	25,743	12.50 %	19,499	
"	Leadsun Investment	-	Non-current financial assets at fair value through other comprehensive income	787,500	5,577	8.00 %	5,805	
	Subtotal				248,052		175,853	
	Valuation adjustment				(72,199)		-	
	Total				175,853			
Xing Chang Investment Co., Ltd.	NEOVICTORY TECHNOLOGY CO., LTD.	-	Non-current financial assets at fair value through other comprehensive income	78,396	-	2.00 %	-	

(Continued)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Taicha	Shanghai Shenshang Technologies Co., Ltd	-	Non-current financial assets at fair value through other comprehensive income	250,000	1,094	6.20 %	1,094	
	Subtotal				1,094		1,094	
	Total				396,759		396,759	

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

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:None

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:None

(ix) Trading in derivative instruments: None.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2020 (excluding information on investees in Mainland China):

(In thousands of USD / HKD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	CICL	USA	Trade	21,082	21,082	5	100.00 %	2,430	343	343	Subsidiary
"	Collins BVI	BVI	Investment activities	36,024	36,024	1	100.00 %	56,273	(1,658)	(1,658)	"
"	Q.C.L	Canada	Trade	5,607	5,607	-	79.00 %	258,847	42,164	32,997	"
	HIC	Taipei	Trade Marketing Medical equipment,biochemical reagents and western medicine sales	208,495	208,495	2,100	6.00 %	203,897	317,294	13,197	"
	Xing Chang Investment Co., Ltd	Taipei	Investment activities	775,440	775,440	4,698	100.00 %	779,536	38,438	38,438	"
	GrowTrend	Taipei	Medical equipment wholesale and retail	62,163	42,935	6,216	62.00 %	31,496	(13,934)	(8,525)	"
"	Q.S.CONTROL CORP.	Taipei	Medical equipment and auto parts	16,830	16,830	1,100	4.00 %	18,578	20,053	735	"
	COLLTEX HK	Hong Kong	Trade	59,971	59,971	2,000	100.00 %	44,895	11,499	11,499	"
"	JESCO	Taipei	Manpower dispatch	30,030	30,030	2,000	100.00 %	19,265	1,148	1,418	"
	Easting Biotechnology Co., Ltd.	New Taipei	Medical product manufacturing	70,000	70,000	2,000	21.00 %	37,539	(19,812)	(16,087)	Associate
"	Minoshin International Co., Ltd.	Taipei	Trade	121,000	121,000	3,863	68.00 %	86,196	(11,281)	(11,445)	Subsidiary
"				1,406,642	1,387,414	-	- %	1,538,952	-	60,912	
Collins BVI	Commend Holdings	Hong Kong	Trade	10	10	10	100.00 %	56,273	(2,265)	(2,265)	Subsidiary
Commend Holdings	Commend (HK)	Hong Kong	Trade	500	500	500	100.00 %	1,821	(4,249)	(4,249)	Subsidiary
Xing Chang Investment Co., Ltd.	HIC (Note3)	Taipei	Trade Marketing Medical equipment, biochemical reagents and western medicine sales	115,633	115,633	6,071	17.00 %	302,545	317,294	52,555	Subsidiary

Note 1: The profit and loss on investments recognized by the company in the current period already includes the profit and loss on investments of subsidiary.

Note 2: For information on investees (excluding investees in Mainland china) of HIC, please refer to HIC's financial statements (Stock Code：1788) note 13(b).

(Continued)

(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 USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
					Outflow	Inflow					
GAOLINGAOKE GIFTWARE COMPANY LIMITED (GLGK)	Design, scientific research, and economic information consultation of trade business products	25,587 (USD900)	(Note 3)	25,587 (US D900)	-	-	25,587 (USD900)	100.00%	3,771 (USD127) (Note 1)	16,162 (USD568) (Note 1)	-

Note 1: It is recognized by the equity method based on the financial report of the investee company signed by an accountant during the same period.

Note 2: For the mainland investment information of HIC please refer to Note 13(3) of the financial report of HIC (stock code: 1788).

Note 3: Reinvest in GLGK through Commend holdings Limited .

(ii) Limitation on investment in Mainland China:

(In thousands of USD)

Accumulated Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
25,587 (USD 900)	25,587 (USD 900)	1,749,304

Note 1: December 31, 2020 USD: TWD= 1: 28.430.

(iii) Significant transactions:

The Company is engaged in triangle trading through Commend Holdings Limited and its subsidiary in Mainland China, and pays the service fee $21,563 to Commend Holdings thereof.

(d) Major shareholders:

Shareholding / Shareholder's Name	Thousand shares	Percentage
LCL CAPITAL INC.	35,154	16.81 %
Witty Mate Corporation	14,410	6.89 %
Chih Pin Industrial Co.,Ltd.	13,166	6.29 %
Jing Shing Investment corp.	10,568	5.05 %

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2020.

COLLINS CO., LTD.

Statement of cash and cash equivalents

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 169
Petty cash		1,268
	Subtotal	1,437
Cash in Bank		
Checking deposits		8,753
Foreign currency deposits	(USD172,377，Ending rate 1: 28.43)	4,901
	(EUR998，Ending rate 1: 34.82)	35
	(RMB1,781，Ending rate 1:4.35)	8
Demand deposits		3,443
Postal deposits		2,041
	Subtotal	19,181
Total		**$ 20,618**

COLLINS CO., LTD.

Statement of financial assets measured at fair value through other comprehensive income - current

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares (In thousands)	Par value	Total amount	Acquisition cost	Fair value: Unit price (NT$)	Fair value: Total amount	Note
Stock:								
Center Laboratories Co., Ltd.		1,747	$ 10	$ 17,470	88,323	69	121,096	None
DV Biomed Co., Ltd.		1,235	10	12,350	48,000	69.99	86,423	〃
Add: Valuation adjustment		-	-	-	71,196	-	-	
				$ 29,820	**207,519**		**207,519**	

COLLINS CO., LTD.

Statement of financial assets measured at fair value through other comprehensive income - non-current

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Ending balance			
Name of financial instrument	Shares or units (in thousands)	Fair value	Shares or units (in thousands)	Amount	Shares or units (in thousands)	Amount	Shares or units (in thousands)	Fair value	Collateral	Note
Capital Securities Corporation	1,373	$ 15,678	-	-	-	-	1,373	15,678	None	
Sea & Land Integrated Corp.	390	7,351	-	-	390	7,351	-	-	〃	
Shine More Technology Materials Co., Ltd.	318	2,693	-	-	-	-	318	2,693	〃	
Ever Supreme Bio Technology Co., Ltd.	214	7,704	95	15,461	224	11,816	85	11,349	〃	
Shin Kong Financial Holding Co., Ltd.	21,035	251,957	524	4,088	550	6,588	21,009	249,457	〃	
Add: Valuation adjustment		(12,116)		(47,249)		-		(59,365)		
		273,267		(27,700)		25,755		219,812		
Euroc V.C. Group	459	4,594	-	-	229	2,297	230	2,297	None	
San Quan construction Ltd.	1,200	12,000	-	-	-	-	1,200	12,000	〃	
Teletronics International Inc.	741	27,855	-	-	-	-	741	27,855	〃	
Acradia Design Systems Inc.	150	23,034	-	-	-	-	150	23,034	〃	
Powr World Fund Inc.	677	6,772	-	-	-	-	677	6,772	〃	
Aerovision Avionics Inc.	1,656	14,400	-	-	-	-	1,656	14,400	〃	
Leadsun New Star Corp	-	-	-	29,420	-	3,677	-	25,743	〃	
Leadsun Investment	-	-	788	5,577	-	-	788	5,577	〃	
China Yes Infor Media (Cayman) Inc.	1,000	6,361	-	-	-	-	1,000	6,361	〃	
The CID Group	45	450	-	-	45	450	-	-	〃	
Universal EC Inc.	598	17,299	-	-	-	-	598	17,299	〃	
Top Taiwan VI Venture Capital Co., Ltd.	430	4,304	-	-	99	990	331	3,314	〃	
Tungya Transportation & Terminal Co., Ltd.	2	83,057	-	-	-	-	2	83,057	〃	
Bioengine Capital Inc.	3,600	15,000	-	-	-	-	3,600	15,000	〃	
CNC Distressed Opportunities Limited	2	6,678	-	-	1	1,335	1	5,343	〃	
Add: Valuation adjustment		(67,294)	-	(4,905)	-	-	-	(72,199)		
		154,510		30,092		8,749		175,853		
Total		$ 427,777		2,392		34,504		395,665		

COLLINS CO., LTD.

Statement of accounts receivables

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
Accounts receivable-non related parties			
T Company		$ 127,173	
Others (the individual account does not exceed 5% of accounts receivable)		71,486	
Subtotal		198,659	
Less: Loss allowance		(4,040)	
		$ 194,619	

Statement of notes receivable

Client name	Description	Amount	Note
V Company		$ 784	
T Store		450	
Subtotal		1,234	
Less：Loss allowance		(12)	
		$ 1,222	

COLLINS CO., LTD.

Statement of inventories

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

		Amount		
Item	**Description**	**Cost**	**Net realizable value**	**Note**
Merchandise and Boutique		$ 243,942	**184,108**	Market value is measured by net realizable value
Less: Loss allowance		(59,834)		
		$ 184,108		

COLLINS CO., LTD.

Statement of other current assets

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments for purchase		$ 11,548	
Prepayments		4,966	
Prepaid rents		894	
Others (the individual account does not exceed 5% of the account balance)		188	
		$ 17,596	

Other current financial assets

Item	Description	Amount	Note
Dividends receivable		$ 10,111	
Restricted deposits		52,624	
Others (The individual account does not exceed 5% of the account balance)		508	
		$ 63,243	

COLLINS CO., LTD.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Ending balance			Market Value or Net Assets Value			
Name of financial instrument	Shares or units (in thousands)	Fair value	Shares or units (in thousands)	Amount	Shares or units (in thousands)	Amount	Shares or units (in thousands)	Percentage of ownership	Amount	Unit price (NT$)	Amount	Collateral	Note
Valuation by using the equity method:													
CICL	5	$ 2,211	-	343	-	(124)	5	100.00 %	2,430	486.06	2,430	Note	
Collins BVI	1	124,913	-	-	-	(68,640)	1	100.00 %	56,273	485,553.28	56,273	″	
Q.C.L.	-	262,740	-	32,997	-	(36,890)	-	78.26 %	258,847	3,148,223.16	258,847	″	
HIC (directly owned 5.58%)	2,100	200,577	-	16,994	-	(13,674)	2,100	5.58 %	203,897	121.50	255,157	″	
HIC (indirectly owned 16.14%)	5,943	755,807	127	49,205	-	(39,528)	6,070	16.14 %	765,484	121.50	737,572	″	
Xing Chang	4,698	14,480	-	36,686	-	(37,114)	4,698	100.00 %	14,052	2.99	14,052	″	
QS Control Corp.	1,100	17,843	-	735	-	-	1,100	3.67 %	18,578	16.89	18,578	″	
GrowTrend Biomedical Co., Ltd.	4,294	21,226	1,923	19,228	-	(8,958)	6,217	62.16 %	31,496	5.07	31,496	″	
COLLTEX GARMENT MFY (HK) CO., LTD.	2,000	80,981	-	11,499	-	(47,585)	2,000	100.00 %	44,895	22.45	44,895	″	
Minoshin International Co., Ltd.	3,863	97,641	-	-	-	(11,445)	3,863	67.71 %	86,196	22.31	86,196	″	
Jesco	2,000	17,847	-	1,418	-	-	2,000	100.00 %	19,265	9.63	19,265	″	
Easting Biotechnology Co., Ltd.	2,000	53,637	-	-	-	(16,098)	2,000	20.91 %	37,539	18.77	37,539	″	
		$ 1,649,903		169,105		(280,056)			1,538,952		1,562,300		

COLLINS CO., LTD.

Statement of other non-current assets

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments for acquisition of assets		$ 10,435	
Others (the individual account does not exceed 5% of the account balance)		336	
Overdue receivables		105,807	
Subtotal		116,578	
Less: Loss allowance		(105,807)	
		$ 10,771	

Statement of short-term loans

Type	Description	Ending balance	Contract period	Range of interest rate	Credit lines (Note1)	Collateral	Note
Credit loan	Citi Bank	$ 80,000	2020/6/05 ~2021/2/22	0.82%	341,160	Note	
〃	Mizuho Bank	128,000	2020/12/30 ~2021/3/30	0.84%	200,000	〃	
〃	Taipei Fubon Commercial Bank	209,901	2020/10/21 ~2021/3/19	0.74%~0.82 %	227,440	〃	
〃	The Export-Import Bank of the Republic of China	50,000	2020/11/25 ~2021/11/25	0.72%	100,000	〃	
〃	Bank SinoPac	10,000	2020/12/22 ~2021/2/22	1.15%	300,000	〃	
〃	Hua Nan Commercial Bank	8,565	2020/11/10 ~2021/1/08	0.79%	150,000	〃	
〃	DBS Bank	90,000	2020/12/15 ~2021/3/15	0.85%	170,580	〃	
〃	CTBC Bank	64,067	2020/10/22 ~2021/12/24	0.73%~1.2%	300,000	〃	
		$ 640,533			1,789,180		

Note1: The unused credit lines of the Company was $572,139.

COLLINS CO., LTD.

Statement of notes payable

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
G Company		**$ 59**	

Statement of accounts payable

Vendor name	Description	Amount	Note
K Company		$ 1,573	
N Company		1,329	
Others (the individual vendor does not exceed 5% of the account balance)		23,595	
		$ 26,497	

Statement of other current liabilities

Item	Description	Amount	Note
Commissions payable		$ 17,997	
Bonus payable		14,958	
Other payables-related parties		11,833	
Temporary receipts		5,286	
Others (the individual account does not exceed 5% of the account balance)		29,873	
		$ 79,947	

COLLINS CO., LTD.

Statement of lease liabilities

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Lease term	Discount rate	Ending balance	Note
Buildings and structures	Warehouses	2019.04.01~2023.03.01	1.4	$ 11,423	
	Retail stores	2020.01.01~2025.07.01	1.3~1.45	134,040	
Subtotal				145,463	
Less: current portion				(60,509)	
Total				**$ 84,954**	

Statement of other non-current liabilities

Item	Description	Amount	Note
Net defined benefit liabilities		**$ 47,055**	

COLLINS CO., LTD.

Statement of operating revenue

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Trading		$ 570,939	
Apparel		484,671	
Subtotal		1,055,610	
Less: Sales returns and discount		(16,673)	
		$ 1,038,937	

COLLINS CO., LTD.

Statement of operating costs

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Beginning balance of inventories (excluding the provision on valuation of inventories)	$	286,100
Add: Purchases		628,421
Losses on inventory count		195
Losses on valuation of inventories		1,458
Less: Purchase returns and allowances		163
Ending balance of inventories (excluding the provision on valuation of inventories)		234,333
Gains on inventory count		195
Operating costs	**$**	**681,483**

COLLINS CO., LTD.

Statement of selling expenses

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary and wage expenses		$ 29,012	
Depreciation expenses		77,162	
Export expenses		38,534	
Professional service fees		80,344	
Others (Each amounts is less than 5% of selling expenses)		84,403	
		$ 309,455	

Statement of administrative expenses

Item	Description	Amount	Note
Salary and wage expenses		$ 53,892	
Depreciation expenses		8,948	
Insurance expenses		6,041	
Others (Each amounts is less than 5% of administrative expenses)		46,815	
		$ 115,696	

Statement of changes in property, plant and equipment was disclosed in note 6(f)

Statement of changes in right-of-use assets was disclosed in note 6(g)

Statement of deferred tax assets and liabilities was disclosed in note 6(k)

Statement of other income was disclosed in note 6(p)

Statement of other gains and losses was disclosed in note 6(p)

Statement of finance costs was disclosed in note 6(p)

VI. In case of any financial difficulty experienced by the Company and its affiliates in the most recent fiscal year and up to the date of publication of this Annual Report, please specify its effect: None.

Chapter VII. Financial Position Review and Analysis and Risk Assessment

I. Financial Position (Consolidated):

Unit: NT$1,000

Year / Item	2020	2019	Difference	
			Amount	%
Current assets	3,855,915	4,103,460	(247,545)	-6%
Financial assets at fair value through other comprehensive income - non-current	396,759	476,479	(79,720)	-17%
Available-for-sale financial assets - non-current	-	-	-	-
Financial assets carried at cost - non-current	-	-	-	-
Investments accounted for using equity method	159,179	109,187	49,992	46%
Intangible assets	1,405,220	1,337,488	67,732	5%
Property, plant, and equipment	2,177,746	1,956,506	221,240	11%
Other assets	320,607	299,711	20,896	7%
Total assets	9,153,615	9,114,713	38,902	0%
Current liabilities	2,598,817	2,534,907	63,910	3%
Long-term liabilities	-	-	-	-
Other liabilities	1,163,705	1,300,168	(136,463)	-10%
Total liabilities	3,762,522	3,835,075	(72,553)	-2%
Share capital	2,091,111	2,091,111	0	0%
Capital surplus	98,148	83,749	14,399	17%
Retained earnings	907,591	915,976	(8,385)	-1%
Other adjustments of shareholders' equity	(181,343)	(157,286)	(24,057)	15%
Total stockholder equity	5,391,093	5,279,638	111,455	2%

Notes to increase/decrease:
1. The increase investments accounted for using equity method in 2020 compared to 2019 was mainly due to the subsidiary Hi-Clearance Inc.'s investment in HC-Healthcare Co., Ltd.
2. The increase in property, plant, and equipment in 2020 compared to 2019 was mainly due to the increase of machinery and equipment leased by the subsidiary Hi-Clearance Inc. and payment for the construction project of the Shulin warehouse.
3. The increase in other adjustments of shareholders' equity in 2020 compared to 2019 was mainly due to the increase in the exchange differences on translation of financial statements of foreign operations.

II. Financial Performance (Consolidated):

Unit: NT$1,000

Item \ Year	2020	2019	Difference	
			Amount	%
Net operating revenue	6,607,185	7,224,546	(617,361)	-9%
Operating costs	4,899,127	5,448,969	(549,842)	-10%
Gross operating profit	1,708,058	1,775,577	(67,519)	-4%
Operating expenses	1,450,527	1,514,390	(63,863)	-4%
Net operating profit	257,531	261,187	(3,656)	-1%
Non-operating income and expenses	44,905	29,345	15,560	53%
Pre-tax gain (loss)	302,436	290,532	11,904	4%
Net profit from continuing operations in this period	209,254	183,518	25,736	14%
Income tax expenses	93,182	107,014	(13,832)	-13%
Net profit for this period	209,254	183,518	25,736	14%
Earnings per share, EPS (NT$)	0.15	0.30	0	-50%
1. The decrease in consolidated operating revenue in 2020 compared to 2019 was mainly due to the decrease in trade and decrease in domestic demand in Europe and the United States caused by the epidemic, and the delay in the shipping services due to the shortage of containers on the international market. 2. The increase in net profit in 2020 compared to 2019 was mainly due to the increase in total non-operating revenues and expenses compared to 2019.				

III. Cash Flow Analysis:

(I) Analysis and explanation on the change in cash flow in the most recent year and improvement plans for insufficient liquidity

1. Analysis of changes in cash flow

Unit: NT$1,000

Item \ Year	2020	2019	Difference	
			Amount	%
Operating activities	601,164	351,705	249,459	71%
Investing activities	(381,445)	(105,642)	(275,803)	261%
Financing activities	(431,022)	104,265	(535,287)	-513%
Net cash inflow	(229,010)	342,544	(571,554)	-167%

Notes to increase/decrease: 1. The increase in cash inflow from operating activities in 2020 compared to 2019 was mainly due to changes in accounts receivable and payable and the increase in inventories. 2. The increase in net cash outflow from investment activities in 2020 compared to 2019 was mainly due to the consolidated company's investments accounted for using equity method and acquisition of property, plant and equipment. 3. The increase in net cash outflow from financing activities in 2020 compared to 2019 was mainly due to the issuance of corporate bonds by a subsidiary in 2019.

2. Improvement plans for insufficient liquidity: None.

(II) Cash liquidity analysis for the upcoming year:

Unit: NT$1,000

Initial cash balance	Estimated annual net cash flow from operating activities	Estimated annual cash outflow	Estimated cash surplus (shortage) amount	Remedial measures for cash inadequacy	
				Investment plan	Financial plan
645,991	300,000	400,000	545,991	-	-

1. Estimated cash inflow from operating activities:
   The estimated pre-tax net profit for 2021 is NT$83,425 thousand. After the adjustment items and net changes in operating assets and liabilities are added, the estimated net cash inflow from operating activities will be NT$300,000 thousand.
2. Estimated cash outflow from investing activities:
   The cash outflow from investing activities in 2021 include expenditures for store decoration, payment for the construction of the Shulin plant and office building, and other reinvestment activities.
3. Estimated cash outflow from financing activities:
   The expected cash outflow for 2021 include the issuance of NT$62,733 thousand in cash dividends to common shares and short-term borrowings.

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year: The short-term borrowings are expected to increase provisionally after the completion of the design of the Company's Shulin warehouse and the appointment of a contractor.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Reinvestment Profitability, and Investment Plans for the Coming Year

(I) Reinvestment policy

The Company's reinvestments in 2020 remained focused on biotechnology and fashion brand agency. Our goals for reinvestments are to strengthen the competitiveness of existing businesses and expand the existing customers and product lines.

(II) Main reason for profits or losses

The Company recognized profits of NT$60,912 thousand from reinvestment businesses in 2020. The main source of profits was the investment profits of NT$38,438 thousand recognized by HC-Investment, investment profits of NT$32,997 thousand recognized by Quality Craft Limited (Canada), and investment profits of NT$11,499 thousand recognized by Colltex Garment MFY Co., Ltd. The losses from reinvestments consist mainly of new businesses or existing brands' businesses that are currently being adjusted. They include losses from investments of NT$11,445 thousand recognized by Minoshin International Co., Ltd., losses from investments of NT$8,525 thousand recognized by GrowTrend Biomedical Co., Ltd., and losses from investments of NT$16,087 thousand recognized by Easting Biotechnology Company Limited.

(III) Plan for improving reinvestment profitability and investment plans for the coming year

The Company remains focused on expanding or enhancing core businesses in trade, fashion, and biotechnology as its main reinvestment strategy in 2021. The Company will continue to monitor its reinvestment businesses that have sustained losses to expedite product launches or adjust existing operations as quickly as possible. Due to the impact of the COVID-19 epidemic on the global economy since January 2020, the Company will focus on operational risk management for its current reinvestment businesses, and will carefully evaluate new reinvestment opportunities in order to respond to the changes in the post-epidemic era and to ensure its future competitiveness.

VI. Risk Analysis and Assessment for the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report:

(I) Effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Interest rate risks: The Company's interest rate risks consist mainly of the cost of short-term borrowing for supporting operating activities. Due to the impact of the COVID-19 pandemic, the Central Bank cut interest rates in March 2020 to stimulate the economy, and the reduced financing cost was favorable to the Company's financing and operation development. The Central Bank is not expected to raise interest rates in 2021 and interest rates are expected to be maintained at low levels with low risks.
2. Exchange rate risks: The Company's export sales orders are mainly denominated in USD, and we use natural hedging for both imports and sales. In addition to adjusting quotations based on

the exchange rate at the time of the transaction, the Company also uses pre-orders, foreign exchange sales, and options to reduce the risks of exchange rate fluctuations.

3. Inflation risks: In 2020, the global economy experienced an unprecedented downturn due to the impact of the lockdowns imposed in response to the COVID-19 epidemic. It has reduced demand and increased deflation risks, prompting countries to cut interest rates. The economy recovered in 2021 as prices of certain commodities rose. However, the appreciation of the NTD remains unchanged and offset import prices. There has been no clear signs of inflation and the Company remains unaffected.

(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The Company's high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions are conducted in accordance with the Company's regulations, systems, and internal control procedures. The main recipients of loans, endorsements, and guarantees are subsidiaries and the derivatives transactions consist mostly hedging transactions for real risks.

(III) Future R&D plans and estimated R&D costs: The main business of the Company is services and there is no requirement for R&D plans.

(IV) The impacts of changes of important domestic and foreign policies and laws on the Company's finances and business, and the measures to be taken in response: The Company has assigned dedicated personnel to quickly receive and analyze regulatory requirements of the competent authority and changes in accounting standards. We also reference templates provided by the competent authority or the opinions of attorneys and accountants, and prepare internal resources for advanced response.

(V) Effect on the company's financial operations of developments in science and technology and measures to be taken in response:

The rapid development of low-cost apparel and online sales channels in recent years has affected the performance of physical retail channels. The Company uses social media marketing or e-commerce operations to target young and urban consumers. In response to the impact of the COVID-19 pandemic, the Company has adopted video conference software to communicate with customers or branch institutions remotely.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response: None.

(VII) Expected benefits and possible risks of merger and acquisition, and countermeasures: None.

(VIII) Expected benefits and possible risks of facilities expansion, and countermeasures: The Company has constructed a warehouse and logistics center in response to the increased demand for brand agency business and biotechnology reinvestment business. We plan to reduce the rent and operating costs previously incurred by separate warehousing operations of different business units.

(IX) Risks associated with over-concentration in purchase or sale and response measures:

The Company's purchase of products is concentrated in the main apparel chain retail brand G2000 which is supplied by the same supplier in Hong Kong and thus incurs risks in over-concentration in purchasing. The Company has accumulated many years of retail management experience and we have actively developed multiple brands. We have also expanded international retail business through the subsidiary Minoshin International to minimize the brand concentration risks. The scale of the Company's operations in Taiwan cannot be replaced by the original manufacturer in Hong Kong and we have created advantageous positions in major channels. If we change the brand agency, the Company would face little difficulty in expansion of other existing brands or entry of new brands into the market.

(X) Impact and risk associated with large share transfers or changes in shareholdings of directors or shareholders who hold more than 10% of the Company's shares, and response measures: None.

(XI) Impact and risk associated with changes in management rights, and response measures:

The Company is not a family business and all business operations are assigned to authorized managerial officers for implementation. The Company's current key managerial officers responsible for management do not have business transactions with the Company, and changes in management rights will not create material impact or risks.

(XII) Disclosure of issues in dispute, monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and as of the date of the annual report where the Company and/or any of its directors, president, person in charge, shareholders with 10% or more share ownership, or affiliates are involved in a pending litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities: None.

(XIII) Other significant risks and response measures:

The Company has established a complete computer security management system and conducts regular information security assessments and inspections every year. The main scope of the inspections includes file and data security management, computer room security management, and network information security management. The Company often conducts assessments and inspections on new systems, changes in the systems, or changes in the operating environment. The auditors conduct information security risk assessments and inspections at least once a year to verify the implementation of the Company's information security system. The Company has not had any material information security risks. In response to the COVID-19 epidemic, the Company has completed plans for remote work and separated work schedules in 2020 as response measures in the event of a rapid increase in community infection risks or possible infections in the building.

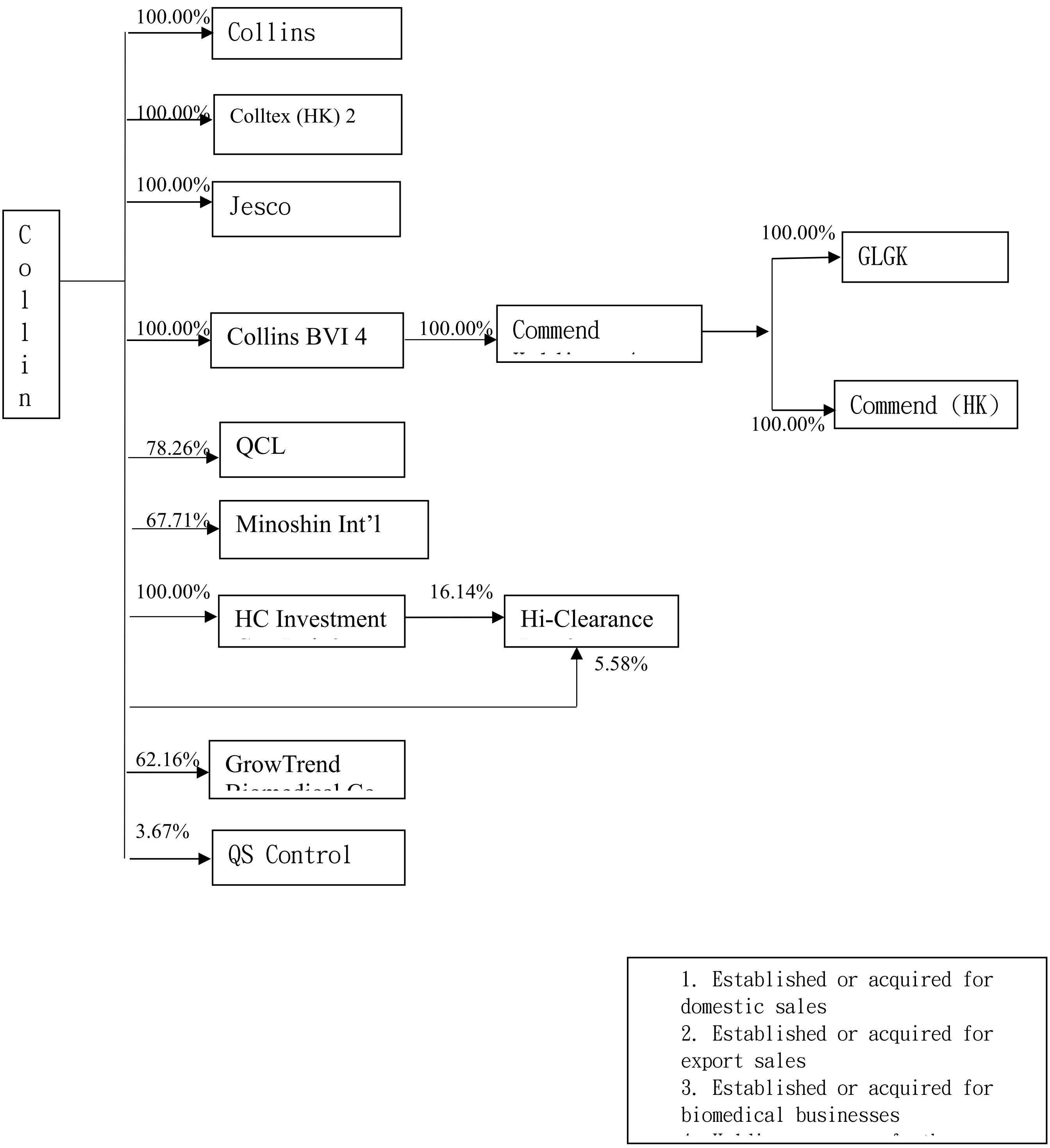
VII. Other Important Matters: None.

Chapter VIII. Special Disclosure

I. Information Related to the Company's Affiliates

(I) 2020 Consolidated Business Report of Affiliates December 31, 2020

1. Organizational chart of affiliates



2. Basic information of affiliates

December 31, 2020 Unit: NT$1,000

Name of Affiliate	Date of Incorporation	Address	Paid-in Capital	Main Business or Products
Collins International Co., Ltd.	79.03	21-00 Route 208, Fair Lawn, NJ 07410, USA	USD 5	Trading
Jesco International Co., Ltd.	76.07	6F, No. 201-1, Dunhua North Road, Taipei City	NTD 20,000	Dispatched labor
Collins (BVI) Int'l Co., Ltd.	82.12	Palm Grove House, P.O. Box 438, Road Town, Tortola, BVI	USD 1,159	Investment
Q.C.L.	73.08	Suite#301,17750-65A Avenue, Surrey, B.C., V3S, Canada	CAD 424	Trading
Minoshin International Co., Ltd.	103.10	6F, No. 201-1, Dunhua North Road, Taipei City	NTD 57,050	Trading
Colltex (HK)	95.09	Flat D, 14/F, High Win Factory Building, 47 Hoi Yuen Road, Kwun Tong, Kln., HK.	HKD 2,000	Trading
Commend Holdings	79.09	Room 2006A, 20/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, N.T., Hong Kong	HKD 10	Investment
Commend (HK)	93.07	Room 2006A, 20/F, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, N.T., Hong Kong	HKD 500	Trading
GLGK Giftware (Shenzhen) Co., Ltd.	82.07	9F, Block B, Taojindi E-Business Incubation Base, Tenglong Road, Dalang Residential District Office, Longhua District, Shenzhen, China	HKD 6,989	Giftware processing
HC Investment Co., Ltd.	86.09	6F, No. 201-1, Dunhua North Road, Taipei City	NTD 46,980	Investment
Hi-Clearance Inc.	78.02	8F-2, No. 2, Lane 609, Section 5, Chongxin Road, Sanchong District, New Taipei City	NTD 360,000	Distribution of medical equipment, biochemicals and reagents, and western pharmaceuticals

GrowTrend Biomedical Co., Ltd.	105.11	6F, No. 201-1, Dunhua North Road, Taipei City	NTD 70,000 (including labor services totaling NTD 7,050)	Wholesale and retail of medical equipment
QS Control Corp.	101.12	8F-3, No. 2, Lane 609, Section 5, Chongxin Road, Sanchong District, New Taipei City	NTD 300,000	Medical materials and equipment manufacturing

3. Companies presumed as having control and subordinate relationships in accordance with Article 369-3 of the Company Act: None.

4. Overall businesses covered by affiliates and division of labor in transactions of affiliates:

The business operations of the Company's affiliates include import/export trade of miscellaneous products and garments, retail of apparel, medical equipment, biochemical reagents, medical management consulting services, and investment. The division of labor in transactions between the Company and affiliates is as follows:

(1) Collins International Co., Ltd.: Responsible for the after-sales services for products exported by the Company to the United States.

(2) QCL: Supply of certain products provided by the Company to its customers in the United States and Canada.

(3) Commend Holdings: Inspections and shipment of certain products in Vietnam on behalf of the Company.

(4) Jesco International Co., Ltd.: Assignment of employees of clothing stores to provide labor services for the Company.

(5) Minoshin International Co., Ltd.: The Company supports certain parts of its logistics operations.

5. Information on directors, supervisors, and presidents of affiliates

110.03.31

Name of Affiliate	Title	Name or representative	Total shares held/capital contribution	
			Number of shares	Shareholding ratio
Collins International Co., Ltd.	Director Director	Representative of Collins Co., Ltd.: Lee, Hsi-Lu Representative of Collins Co., Ltd.: Lee, Chung-Liang	5,000	100%
Q.C.L.	Director Director Director Director Director	Lee, Hsi-Lu Lee, Chung-Liang Ko, Huai-Po John Brice Dennis Hale	0 0 0 20 2.22	- - - 19.57% 2.17%
Minoshin International Co., Ltd.	Chairman Director Director Supervisor	Representative of Collins Co., Ltd.: Lee, Chung-Liang Representative of Collins Co., Ltd.: Lee, Hsi-Lu Representative of Collins Co., Ltd.: Chen, Kuan-Yeh Chen, Chun-Hung	3,863,000 1,681,750 0	67.71% 29.48%
Collins BVI	Director Director	Lee, Hsi-Lu Lee, Chung-Liang	0 0	- -

Name of Affiliate	Title	Name or representative	Total shares held/capital contribution	
			Number of shares	Shareholding ratio
Jesco International Co., Ltd.	Chairman	Representative of Collins Co., Ltd.: Lee, Chung-Liang	2,000,000	100%
Colltex	Director Director	Lee, Hsi-Lu Lee, Chung-Liang	0 0	- -
Commend Holdings	Director Director	Lee, Hsi-Lu Lee, Chung-Liang	0 0	- -
Commend (HK)	Director Director	Lee, Hsi-Lu Lee, Chung-Liang	0 0	- -
GLGK Giftware (Shenzhen) Co., Ltd.	Chairman	Lee, Chung-Liang	0	-
HC Investment Co., Ltd.	Chairman	Representative of Collins Co., Ltd.: Lee, Chung-Liang	4,698,000	100%
Hi-Clearance Inc.	Chairman Director Director Director Director Director Director Independent Director Independent Director Supervisor Supervisor Supervisor	Representative of Collins Co., Ltd.: Lee, Chung-Liang Representative of Collins Co., Ltd.: Lee, Hsi-Lu Chiang, Ping-Hsun Chen, Kuo-Shih Representative of HC Investment Co., Ltd.: Wu, Yun-Ming Representative of HC Investment Co., Ltd.: Chen, Ping-Chang Representative of HC Investment Co., Ltd.: Li, Ing-Fen Chien, Chih-Cheng Chuang, Chien-Yu Chung Yu Investment Corp. Chih Pin Co., Ltd. Kao Ho Co., Ltd.	2,100,057 1,251,066 822,881 6,070,554 0 0 40,000 387,399 51,071	5.58% 3.33% 2.19% 16.14% 0.11% 1.03% 0.14%
GrowTrend Biomedical Co., Ltd.	Chairman Director Director Director Director Supervisor	Representative of Collins Co., Ltd.: Lee, Chung-Liang Representative of Collins Co., Ltd.: Lee, Hsi-Lu Representative of Collins Co., Ltd.: Ko, Huai-Po Representative of Collins Co., Ltd.: Wu, Yun-Ming Yu, Ching-Liang Representative of MasterLink Venture Capital Corporation: Chen, Chun-Hung	6,216,357 446,500 1,005,000 921,500	62.16% 4.47% 10.05% 9.22%

Name of Affiliate	Title	Name or representative	Total shares held/capital contribution	
			Number of shares	Shareholding ratio
QS Control Corp.	Chairman Director Director Director Director Supervisor Supervisor	Representative of Hsing Hua Investment Co., Ltd.: Wu, Yun-Ming Qisda Corporation Collins Co., Ltd. Representative of QSC Auto Corp.: Liao, Kun-Tai Representative of Hsing Hua Investment Co., Ltd.: Tsai, Yue-Feng Chen, Kuo-Shih MasterLink Venture Capital Corporation	6,000,000 6,000,000 1,100,000 4,239,000 100,000 2,950,000	20.0% 20.0% 3.67% 14.1% 0.33% 9.83%

6. Overview of the operations of affiliates:

109.12.31
Unit: NT$1,000

Name of Affiliate	Paid-in Capital	Total value of assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings per share (NT$) (after tax)
Collins International Co., Ltd.	130	5,553	3,123	2,430	5,900	74	343	-
Jesco International Co., Ltd.	20,000	33,731	14,466	19,265	79,184	1,702	1,418	0.71
Q.C.L.	10,979	631,209	300,456	330,753	1,589,919	60,800	42,164	-
Minoshin International Co., Ltd.	57,050	235,886	134,590	101,296	234,257	(14,893)	(11,281)	
Collins BVI	36,024	56,273	0	56,273	-	-	(1,658)	-
Colltex Garment (HK)	7,848	83,818	38,923	44,895	188,363	8,830	11,499	-
Commend Holdings	37	75,975	16,061	59,914	-	(40,443)	(2,265)	-
Commend (HK)	1,937	59,358	59,131	227	120,017	3,826	(4,249)	-
GLGK Giftware (Shenzhen) Co., Ltd.	27,075	17,992	1,830	16,162	-	(23,851)	3,771	-
HC Investment Co., Ltd.	46,980	14,247	195	14,052	-	(128)	268	0.06
Hi-Clearance Inc.	376,097	4,203,027	2,189,896	2,013,131	3,431,968	374,026	317,294	8.72
GrowTrend Biomedical Co., Ltd.	100,000	53,329	2,659	50,670	3,724	(17,412)	(13,934)	-
QS Control Corp.	300,000	641,297	432,769	208,528	359,343	17,173	19,958	0.67

(II) Consolidated financial statement of affiliates for the most recent year

Refer to "IV. 2020 Consolidated Financial Statements" in "Chapter 6 Financial Summary" of the Annual Report for the consolidated financial statements of affiliates for 2020.

(III) Related information for the 2020 Affiliation Report

1. Statement of Affiliation Report

Statement

The entities that are required to be included in the combined financial statements of the Company as of and for 2020 (January 1 to 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, the Company and subsidiaries do not prepare a separate set of combined financial statements.

Sincerely,

Company name: Collins Co., Ltd.

Chairman of the Board: Lee, Chung-Liang

Date: March 22, 2021

II. Private Placement of Securities during 2020 up to the Date of Publication of the Annual Report: None.

III. Holding or Disposal of Shares in the Company by the Company's Subsidiaries during 2020 and up to the Date of Publication of the Annual Report: None.

IV. Other Supplementary Information: None.

Chapter IX. Situations Listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring during 2020 and up to the Date of Publication of the Annual Report: None.

Appendix A:
Overseas Branches and Offices

Name of Institution	Address	Telephone
New Jersey Office	21-00 Route 208, Fair Lawn, NJ 07410, USA	1-201-794-9200
Canada Office	Suite #301, 17750-65A Avenue, Surrey, B.C.V3S 5N4, Canada	1-604-575-5550
Hong Kong Office	Unit 15,10/F., ONE Midtown,11 Hoi Shing Road, Tsuen Wen, N.T., Hong Kong	852-2745-9878
Shenzhen Office	9F, Block B, Taojindi E-Business Incubation Base, Tenglong Road, Dalang Residential District Office, Longhua District, Shenzhen, China	86-755-8376-3452
Colltex Garment MFY (HK) Co., Ltd.	Flat D, 14/F, High Win Factory Building, 47 Hoi Yuen Road, Kwun Tong, Kln., HK.	852-2425-5368

G2000 outlets

Store	Telephone	Store Address
3F, Metro Walk Shopping Center	03-4680461	3F, No. 501, Section 2, Zhongyuan Road, Zhongli District, Taoyuan City
Tonghua Store	02-27845355	1F, No. 17-4, Tonghua Street, Da'an District, Taipei City
Yonghe 2nd Store	02-29263857	1F, No. 180, Section 2, Yonghe Road, Yonghe District, New Taipei City
Gongguan Store	02-83691648	1F, No. 325, Section 3, Roosevelt Road, Da'an District, Taipei City
CKU Store	06-2375729	No. 28, Daxue Road, East District, Tainan City
Tainan Shengli	06-2744960	1 and 2F, No. 50-1, Shengli Road, East District, Tainan City
Nanjing Store (outlet)	02-25468157	No. 51, Section 4, Nanjing East Road, Songshan District, Taipei City
Yuanlin Store	04-8314137	No. 341, Guangming Street, Yuanlin City, Changhua County
Banqiao Xinpu Store	02-22568954	No. 315, Section 1, Wenhua Road, Banqiao District, New Taipei City
Nanjing 3rd Store	02-25362709	No. 72, Section 2, Nanjing East Road, Songshan District, Taipei City
Luzhou Store	02-82863213	No. 38, Changrong Road, Luzhou District, New Taipei City
Kaohsiung Arena Store	07-5509298	No. 1, Yucheng Road, Zuoying District, Kaohsiung City
Taichung Wenxin Store	04-22493653	No. 599, Section 4, Wenxin Road, Beitun District, Taichung City
Zhongxiao 2nd Store	02-27529854	No. 64, Section 4, Zhongxiao East Road, Da'an District, Taipei City
Xindian 2nd Store	02-29171603	No. 77, Section 2, Beixin Road, Xindian District, New Taipei City
Banqiao Store	02-29525055	No. 1, Chongqing Road, Banqiao District, New Taipei City
Shipai Store	02-28213125	No. 93, Section 2, Shipai Road, Beitou District, Taipei City
Kaohsiung Wenhua Store	07-7157015	No. 141-6, Guangzhou 1st Street, Lingya Dist., Kaohsiung City
Changhua Partner Store	04-7237135	No. 61, Zhonghua Road, Changhua City
Chiayi Store	05-2166795	No. 371, Zhongshan Road, West District, Chiayi City
Kaohsiung Fengshan Store	07-7809025	No. 385, Section 2, Qingnian Road, Fengshan District, Kaohsiung City
Pingtung Store	08-7327781	No. 315, Minsheng Road, Pingtung City
Keelung Store	02-24277871	1F, No. 43, Rensan Road, Ren’ ai District, Keelung City

Donghu Store	02-26329760	No. 29, Donghu Road, Neihu District, Taipei City
2F, Eslite Ximen Store	02-23883416	2F, No. 52, Emei Street, Wanhua District, Taipei City
4F, Top City Taichung - female	04-22547106	4F, No. 251, Section 3, Taiwan Boulevard, Xitun District, Taichung City
7F, Shin Kong Mitsukoshi Taipei Station Store - male	02-23712693	7F, No. 66, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
7F, Kaohsiung Hanshin - male	07-2160209	7F, No. 266-1, Chenggong 1st Road, Qianzhen District, Kaohsiung City
7F, Far Eastern Department Store Taoyuan - male	03-3321227	7F, No. 20, Zhongzheng Road, Taoyuan District, Taoyuan City
4F, Shin Kong Mitsukoshi Taipei Station Store - female	02-23894411	4F, No. 66, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
3F, Taimall, Taoyuan	03-3529775	3F No. 112, Section 1, Nankan Road, Luzhu District, Taoyuan City
7F, Far Eastern Department Store Hsinchu	03-5278435	7F, No. 323, Xida Road, East District, Hsinchu City
Shalu Partner Store	04-26625269	No. 192, Shatian Road, Shalu District, Taichung City
Zhongli Store	03-4228104	No. 34, Xinsheng Road, Zhongli District, Taoyuan City
Tamshui Store	02-26281874	1F, No. 9, Yingzhuan Road, Tamshui District, New Taipei City
Taoyuan 2nd Franchise Store	03-3328439	No. 134, Zhongzheng Road, Taoyuan District, Taoyuan City
Douliu Store	05-5377943	No. 123, Minsheng Road, Douliu City, Yunlin County
Kaohsiung Dachang Store	07-3983651	No. 328, Dachang 2nd Road, Sanmin District, Kaohsiung City
Taichung Dali Franchise Store	04-24830309	No. 372, Section 2, Zhongxing Road, Dali District, Taichung City
Taichung Gongyi Store	04-23027602	No. 177, Gongyi Road, West District, Taichung City
Taitung Partner Store	08-9346962	No. 386, Section 1, Zhonghua Road, Taitung City
2F, Fenghuan SOGO	04-25255141	2F, No. 2, Fuxing Road, Fengyuan District, Taichung City
Nanjing ATT	02-25471734	No. 285, Section 3, Nanjing East Road, Songshan District, Taipei City
2F, Shang Shun World, Miaoli	03-7593153	2F, No. 105, Zhongyang Road, Toufen City, Miaoli County
4F, Moya Sparkle Shopping Mall, Keelung	02-24284329	4F, No. 177, Xinyi Road, Keelung City
5F, Tianmu SOGO	02-29128825	5F, No. 77, Section 6, Zhongshan North

		Road, Shilin District, Taipei City
Global Mall	02-32348762	No. 122, Section 3, Zhongshan Road, Zhonghe District, New Taipei City
7F, Zhongxiao SOGO - male	02-87715145	7F, No. 45, Section 4, Zhongxiao East Road, Da'an District, Taipei City
B1, Shin Kong Mitsukoshi Taipei Xinyi Place A9	02-23752546	B1, No. 9, Songshou Road, Xinyi District, Taipei City
3F, Dream Mall, Kaohsiung	07-8231224	3F, No. 789, Zhonghua 5th Road, Qianzhen District, Kaohsiung City
7F, Kaohsiung Hanshin Arena - male	07-5532190	7F, No. 777, Bo'ai 2nd Road, Zuoying District, Kaohsiung City
5F, Kaohsiung Hanshin Arena - female	07-5538531	5F, No. 777, Bo'ai 2nd Road, Zuoying District, Kaohsiung City
6F, Shin Kong Mitsukoshi Kaohsiung Zuoying Store - male	07-3501296	6F, No. 123, Gaotie Road, Zuoying District, Kaohsiung City
2F, Miramar	02-85020650	2F, No. 20, Jingye 3rd Road, Zhongshan District, Taipei City, Taiwan
4F, Shin Kong Mitsukoshi Tainan Ximen Store	06-3030053	4F, No. 658, Ximen Road, West Central District, Tainan City
3F, Taiwan Spinning (TS) Mall, Tainan	06-2082915	3F, No. 366, Section 1, Zhonghua East Road, East District, Tainan City
6F, Top City Taichung - male	04-22523574	6F, No. 251, Section 3, Taiwan Boulevard, Xitun District, Taichung City
4F, Chungyo Department Store - female	04-22234958	4F, Building C, No. 161, Section 3, Sanmin Road, North District, Taichung City
5F, Shin Kong Mitsukoshi Taichung Store - male	04-22598870	5F, No. 301, Section 3, Taiwan Boulevard, Xitun District, Taichung City
8F, Kaohsiung Far Eastern Department Store - male	07-3388630	8F, No. 21, Sanduo 4th Road, Qianzhen District, Kaohsiung City
J-Mart Xinzhuang	02-29980967	1F, No. 736, Xingfu Road, Xinzhuang District, New Taipei City
3F, Kaohsiung E Sky Land	07-3951592	3F, Building A, No. 115, Dashun 1st Road, Gushan District, Kaohsiung City
3F, Takashimaya - male	02-28319005	3F, No. 55, Section 2, Zhongcheng Road, Shilin District, Taipei City
Beyond Plaza, Yonghe	02-82316976	2F, No. 238, Section 1, Zhongshan Road, Yonghe District, New Taipei City
5F, Zhongli SOGO - male	03-4257196	5F, No. 357, Yuanhua Road, Zhongli District, Taoyuan City
6F, Chungyo Department Store - male	04-22257324	6F, Building A, No. 161, Section 3, Sanmin Road, North District, Taichung City
A.mart, Taoyuan	03-3783392	1F, No. 939, Zhongshan Road, Taoyuan District, Taoyuan City

Carrefour, Kaohsiung	07-5372981	1F, No. 1111, Zhonghua 5th Road, Qianzhen District, Kaohsiung City
Carrefour, Tainan Rende	06-2706445	2F, No. 711, Zhongshan Road, Rende District, Tainan City
E-Da World, Kaohsiung	07-6569240	B1, Section C, No. 12, Section 1, Xuecheng Road, Dashu District, Kaohsiung City
A.mart, Taichung	04-22654120	No. 359, Section 1, Fuxing Road, South District, Taichung City
RT-Mart, Neihu	02-87928320	No. 188, Juizong Road, Neihu District, Taipei City
Lihpao Resort, Taichung	04-23285213	2F, Building C, Phase 2, No. 201, Furong Road, Houli District, Taichung City
Dollars Mall	07-3924432	B1, No. 463, Minzu 1st Road, Sanmin District, Kaohsiung City
5F, Big City SOGO, Hsinchu	03-5457392	5F, No. 239, Zhongyang Road, East District, Hsinchu City

Korean brand retail outlets (G2000 x KWANI)

Store	Telephone	Store Address
Nanjing Store (outlet)	02-25468157	No. 51, Section 4, Nanjing East Road, Songshan District, Taipei City

G2000 Online Shopping Mall

Momo Shopping	https://www.momoshop.com.tw/category/LgrpCategory.jsp?l_code=2157900000&mdiv=1307000000-bt_2_105_01-bt_2_105_01_P1_7_e1&ctype=B
Yahoo Shopping Center	https://tw.buy.yahoo.com/?sub=883
PChome Shopping Center	https://24h.pchome.com.tw/region/DIDX

Minoshin International Co., Ltd. outlets

Brand	Store	Telephone	Store Address
Delvaux	Bellavita Shopping Center 1F	02-2723-9589	1F, No. 28, Songren Road, Xinyi District, Taipei City
	1F, Shin Kong Mitsukoshi Taichung Zhonggang Store	04-2251-1197	1F, No. 301, Section 3, Taiwan Boulevard, Xitun District, Taichung City
Minoshin Outlet	Gloria Outlets 1F	03-2873-686	708, 1F, No. 189, Chunde Road, Zhongli District, Taoyuan City
Bally	3F, Shin Kong Mitsukoshi Taichung Zhonggang Store	04-22525488	3F, No. 301, Section 3, Taiwan Boulevard, Xitun District, Taichung City
	1F, Far Eastern Xinyi A13	02-2720-0658	1F, No. 58, Songren Road, Xinyi District, Taipei City
	7F, Far Eastern Sogo Zhongxiao Store	02-2731-1277	7F, No. 45, Section 4, Zhongxiao East Road, Da'an District, Taipei City
	2F, Hanshin Arena	07-555-9698	2F, No. 777, Bo'ai 2nd Road, Zuoying District, Kaohsiung City
Rimowa	CCC Customer Service Center	02-2659-1711	1F, No. 105, Zhouzi Street, Neihu District, Taipei City
	Bellavita Shopping Center	02-2722-2108	1F, No. 28, Songren Road, Xinyi District, Taipei City
	Banqiao Mega City	(02)2950-0566	1F, No. 28, Xizhan Road, Banqiao District, New Taipei City
	Top City Taichung	(04)2258-1055	1F, No. 251, Section 3, Taiwan Boulevard, Xitun District, Taichung City (South Building)

Collins Co., Ltd.

Representative: Lee, Chung-Liang