

Eastern Media International Corporation
2021 Annual Shareholders' Meeting

Meeting Agenda
(Translation)

Time: June 18, 2021

Place: No.160, Section 3, Ren-Ai Road, Taipei City

(The Howard Plaza Hotel – Level B2 Fu-Hua Hall)

Notice to readers

If there is any discrepancy between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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Report Items

1. 2020 Business Report

1. Operation Overview of Warehousing Business Unit for the year ended December 31, 2020:

Warehousing Business Unit		2020	Compared with the last period		
			2019	Increase (Decrease)	Growth Rate
Amount (in thousand)	Operating Revenue	1,338,004	1,280,228	57,776	4.5%
	Operating costs	609,271	616,849	(7,578)	(1.2)%
	Operating income	728,733	663,379	65,354	9.9%

2. Operation Overview of Trading Business Unit for the year ended December 31, 2020:

Trading Business Unit		2020	Compared with the last period		
			2019	Increase (Decrease)	Growth Rate
Amount (in thousand)	Operating Revenue	1,839,727	584,418	1,255,309	214.8%
	Operating costs	1,144,781	358,704	786,077	219.1%
	Operating income	694,946	225,714	469,232	207.9%

Note: 1. The trading business unit primarily handles the operational aspects of pet-related trade.

2. ET Pets was established in January 2019 and gradually expanded the scale of operations through sale of businesses and mergers and acquisitions.

3. Operational Overview of Media Business Unit for the year ended December 31, 2020:

Media Business Unit		2020	Compared with the last period		
			2019	Increase (Decrease)	Growth Rate
Amount (in thousand)	Operating Revenue	1,434,819	1,143,584	291,235	25.5%
	Operating costs	1,452,825	1,146,000	306,825	26.8%
	Operating income	(18,006)	(2,416)	(15,590)	(645.3)%

Note: Compared to the last period, operating profit has decreased due to an increase in offline advertising costs.

4. Operation Overview of Other Business Unit for the year ended December 31, 2020:

Other Business Unit		2020	Compared with the last period		
			2019	Increase (Decrease)	Growth Rate
Amount (in thousand)	Operating Revenue	115,464	121,130	(5,666)	(4.7)%
	Operating costs	76,204	65,150	11,054	17.0%
	Operating income	39,260	55,980	(16,720)	(29.9)%

5. Consolidated income statement for the years ended December 31, 2020

In thousand (NT\$)

Item	2020	Compared with the last period		
		2019	Increase (Decrease)	Growth Rate
Operating Revenue	4,728,014	3,129,360	1,598,654	51.1%
Operating costs	3,283,081	2,186,703	1,096,378	50.1%
Operating income	1,444,933	942,657	502,276	53.3%
Operating Expenses	1,455,088	965,884	489,204	50.6%
Net operating loss	(10,155)	(23,227)	13,072	56.3%
Non-operating income and expenses	319,874	383,947	(64,073)	(16.7)%
Profit from continuing operations before tax	309,719	360,720	(51,001)	(14.1)%
Less: Tax expenses	(183,387)	(184,005)	618	0.3 %
Profit from continuing operations after tax	493,106	544,725	(51,619)	(9.5)%
Loss from discontinued operations, net of tax	0	(168,130)	168,130	100.0%
Profit	493,106	376,595	116,511	30.9%
Profit attributed to:				
Owners of parent	520,859	390,531	130,328	33.4%
Non-controlling interests	(27,753)	(13,936)	(13,817)	(99.1)%
Earnings per share (NT\$)	0.94	0.70	0.24	34.3%

Explanatory Note: 1. Operating expense has increased by NT\$489,204 thousand compared with the same period last year.

- (1) Expenses of the Warehousing Business Unit increased by NT\$74,283 thousand, mainly due to an increase in the apportionment of management expenses as a result of the adjustment of the organizational structure.
- (2) Expenses of the Trading Business Unit increased by NT\$428,027 thousand. The total number of pet shops for 2020 was 107, an increase of 16 compared to the year ended of December 31, 2019 (an average yearly increase of 63 shops). In light of this, operating expenses have also proportionally increased.

- (3) Expenses of the Media Business Unit decreased by NT\$25,812thousand, mainly due to a cost deduction in the IM operation management of Brilliant Mark Holdings Limited in Taiwan
 - (4) Expenses of the Other Business Unit increased by NT\$12,706thousand.
2. Non-operating income and expenses decreased by NT\$64,073thousand compared with the same period last year.
- (1) Interest income of the period decreased by NT\$7,503thousand.
 - (2) Interest expenses and financial expenses increased due to an increase in Right-of-use assets and liabilities. As a result, interest expenses increased by NT\$79,667thousand.
 - (3) Sale of shares and valuation gain on shares of the period decreased by NT\$109,294thousand.
 - (4) Share of profit of Associates & Joint Ventures accounted for by using equity method of the period increased by NT\$231,987thousand.
 - (5) New Media has increased COVID-19 rent reductions, which was recognized under other income with an amount of NT\$174,520thousand and received operating subsidies from Ministry of Economic Affairs amounting to NT\$6,450thousand during the same period.
 - (6) The impairment of Right-of-use assets of the period increased by NT\$150,403thousand.
 - (7) Gain on disposal of intangible assets amounting to NT\$12,510thousand was recognized in the same period in 2019. (none for this period)
 - (8) Tax payable amounted NT\$36,589thousand from the sale of Eastern Broadcasting Company was reversed and recognized under other income in the same period in 2019. (none for this period)
 - (9) Media Business Unit recognized an amount of NT\$95,238thousand, which received from Brilliant Mark Holdings, under income from counterparty default in the same period last year. (none for this period)
 - (10) Net other non-operating income increased NT\$14,174thousand.
3. Loss from discontinued operations: The Shipping Business Unit made a loss of NT\$168,130thousand.

2.The 2020 Audit Committee Report

Audit Committee Report

March 25, 2021

The Board of Directors has prepared EMI's 2020 Business Report, Financial Statements, and proposal for allocation of earnings. The CPAs Shih-Chin Chih and Chung-Che Chen from KPMG were retained to audit EMI's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Eastern Media International Corporation. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Sincerely yours,

Eastern Media International Co., Ltd.

2021 Annual General Meeting

Chairman of the Audit Committee:

3. Report on allocation of remuneration to the employees of year 2020

1. The allocation of remuneration to the employees of year 2020 was approved in the 9th meeting of the 17th Board of Directors on March 25, 2021, all the remuneration will be distributed in cash.
2. Remuneration to the employees of year 2020 was NT\$11,637,113.

4. Report on earnings distribution in year 2020

1. The earnings distribution of cash dividends of year 2020 was approved in the 9th meeting of the 17th Board of Directors on March 25, 2021.
2. The surplus earnings distribution of cash dividends of year 2020 was NT\$445,431,911 (\$0.8 per share). The book closure date is on April 24, 2021, and all cash dividends were distributed on May 7, 2021.

Proposed Resolutions

Proposed Resolutions

Proposal 1

proposed by Board of Directors

Proposal: To approve the 2020 business report and financial statements.

Explanatory Note:

1. The final accounts of the Company for the year 2020 were approved by the 9th meeting of the 17th Board of Directors on March 25, 2021, and submitted to the Shareholders' Meeting for recognition.
2. Except for the Company's business report (which can be referred to in the Matters to be Reported Section), to approve the 2020 individual financial statements and consolidated financial statements attached (please refer to pages 11-31 of the Meeting Agenda).

Resolution:



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 Eastern Media International Corporation:

Opinion

We have audited the parent Company only financial statements of Eastern Media International Corporation ("the Company"), which comprise parent Company only the 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, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), 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 audit of the parent Company only financial statements as of and for the year ended December 31, 2020 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. Furthermore, we conducted our audit of the parent Company only financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, 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 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. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the parent Company only financial statements of partial companies associates of the Company, which represented investment in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for partial companies, is based solely on the report of other auditors. The investment in partial companies accounted for using the equity method constituting 17.81% and 0.24% of total assets at December 31, 2020 and 2019, respectively, and the related share of profit of subsidiaries and associates for using the equity method constituting (7.01)% and (8.47)% of total profit before tax for the years then ended, respectively.



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.

1. Revenue recognition

Please refer to Note 4(o) "Revenue recognition" for accounting policy related to revenue recognition, and Note 6(r) "Revenue from contracts with customers" to the parent Company only financial statements.

Description of key audit matter:

Major of the operating revenue sources of the Company is the services of warehousing amounted to \$1,338,004 thousand, constituting 100.00% of its Company revenue. The impact of revenue recognition on financial report is significant. Therefore, revenue recognition is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: understanding the sales and collection cycle, and sampling to test the effectiveness of manual control and internal control. Additionally, we would perform test of detail on revenue of warehousing; as well as perform sales cut off test on the periods before and after the balance sheet date by inspecting relevant documents of sales transactions to determine whether sales had been appropriately recognized.

2. The investments accounted of using equity method impairment

Please refer to Note 4(m) "Impairment of non-financial assets" for accounting policy related to the investments accounted of using equity method impairment, and Note 6(g) "Investments accounted for using equity method" to the parent Company only financial statements.

Description of key audit matter:

The investments accounted of using equity method of the Company constituted 40% of its parent Company only assets. The evaluation of the impairment on December 31 is significant to the parent Company only financial statements. There are risks that the assumption of the financial performance and cash flows related to the Company's subsidiaries and associates which Management uses remains a highly uncertainty. This risk may affect the recoverability of the asset mentioned above. Therefore, the evaluation of the investments accounted of using equity method impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: obtaining the information on which the management relied to make assumptions and evaluations for the report made by external expert; engaging evaluation experts to assess the appropriateness of the evaluation methods and assumptions used by them, including the discount rate and the forecast of future cash flows; comparing the forecasted and historical data, past forecasts and actual conditions; evaluating the reasonableness of past management's estimates.



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 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 parent Company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent Company only financial statements, management is 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) 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 parent Company only 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 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 parent Company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the 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 Shih-Chin Chih and Chung-Che Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 25, 2021

Notes to Readers

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

The independent 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 independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019		
	Amount	%	Amount	%	
Assets					
Current assets:					
1100	Cash and cash equivalents (Note 6(a))	\$ 889,244	8	835,973	8
1110	Current financial assets at fair value through profit or loss(Note 6(b))	231,123	2	242,539	2
1170	Accounts receivable, net (Notes 6(d) and 6(r))	11,148	-	13,712	-
1200	Other receivables, net (Note 6(e))	3,009	-	1,139	-
1210	Other receivables due from related parties, net (Note 6(e) and 7)	627,539	6	1,000,972	10
130X	Inventories (Note 6(f))	28,046	-	26,070	-
1410	Prepayments	8,648	-	19,625	-
1476	Other current financial assets (Notes 6(a) and 8)	14,592	-	89,719	1
		<u>1,813,349</u>	<u>16</u>	<u>2,229,749</u>	<u>21</u>
Non-current assets:					
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c))	7,500	-	7,500	-
1550	Investments accounted for using equity method, net (Notes 6(g), (h) and 8)	4,397,379	40	3,852,218	36
1600	Property, plant and equipment (Note 6(i) and 8)	387,257	4	285,395	3
1755	Right-of-use assets (Note 6(j))	3,709,212	34	3,925,459	37
1780	Intangible assets	817	-	538	-
1840	Deferred tax assets (Note 6(o))	399,839	4	199,919	2
1920	Refundable deposits (Note 8 and 9)	117,450	1	117,383	1
1990	Other non-current assets, others (Note 9)	128,954	1	28,058	-
		<u>9,148,408</u>	<u>84</u>	<u>8,416,470</u>	<u>79</u>
Total assets		\$ <u>10,961,757</u>	<u>100</u>	<u>10,646,219</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION

Balance Sheets (CONT'D)

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019		
	Amount	%	Amount	%	
Liabilities and Equity					
Current liabilities:					
2150	Notes payable	\$ -	-	616	-
2200	Other payables (Note 6(x))	167,000	2	155,185	1
2220	Other payables to related parties (Note 7)	202,172	2	625	-
2230	Current tax liabilities	4,745	-	11,086	-
2280	Current lease liabilities (Note 6(m))	169,657	2	164,977	2
2310	Advance receipts	-	-	1	-
2399	Other current liabilities, others	11,000	-	11,505	-
		<u>554,574</u>	<u>6</u>	<u>343,995</u>	<u>3</u>
Non-Current liabilities:					
2570	Deferred tax liabilities (Note 6(o))	22	-	-	-
2580	Non-current lease liabilities (Note 6(m))	3,630,042	33	3,801,676	36
2640	Net defined benefit liability, non-current (Note 6(n))	21,525	-	27,349	-
2645	Guarantee deposits received	360	-	-	-
2670	Other non-current liabilities, others (Note 6(g))	478,618	4	112,059	1
		<u>4,130,567</u>	<u>37</u>	<u>3,941,084</u>	<u>37</u>
	Total liabilities	<u>4,685,141</u>	<u>43</u>	<u>4,285,079</u>	<u>40</u>
Equity (Note 6(p)):					
3100	Capital stock	5,567,899	51	5,567,899	52
3200	Capital surplus	20,769	-	20,769	-
3300	Retained earnings	983,904	9	1,000,273	10
3400	Other equity interest	(295,956)	(3)	(227,801)	(2)
	Total equity	<u>6,276,616</u>	<u>57</u>	<u>6,361,140</u>	<u>60</u>
	Total liabilities and equity	<u>\$ 10,961,757</u>	<u>100</u>	<u>10,646,219</u>	<u>100</u>

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION

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)

		For the years ended December 31			
		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(r) and 7)	\$ 1,338,004	100	1,282,112	100
5000	Operating costs (Note 6(f), (n) and 7)	<u>609,271</u>	<u>46</u>	<u>616,390</u>	<u>48</u>
	Gross profit from operations	728,733	54	665,722	52
6000	Operating expenses (Note 6(n) and 7)	300,024	22	236,870	18
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9 (Note 6(d))	<u>-</u>	<u>-</u>	<u>(1,325)</u>	<u>-</u>
	Net operating income	<u>428,709</u>	<u>32</u>	<u>430,177</u>	<u>34</u>
	Non-operating income and expenses (Note 6(t)):				
7100	Interest income (Note 7)	28,690	2	34,681	3
7010	Other income (Note 6(c) and 7)	10,727	1	5,182	-
7020	Other gains and losses, net (Note 6(g), (h), (j), (l) and 7)	41,915	3	321,784	25
7050	Finance costs, net (Note 6(m) and 7)	(118,171)	(9)	(93,326)	(7)
7370	Share of loss of subsidiaries and associates accounted for using equity method (Note 6(g))	<u>(71,018)</u>	<u>(5)</u>	<u>(504,820)</u>	<u>(40)</u>
7900	Profit before income tax	320,852	24	193,678	15
7950	Less: Income tax benefits (Note 6(o))	<u>(200,007)</u>	<u>(15)</u>	<u>(196,853)</u>	<u>(15)</u>
	Profit	<u>520,859</u>	<u>39</u>	<u>390,531</u>	<u>30</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	997	-	(4,764)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	-	-	181	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	<u>18,570</u>	<u>1</u>	<u>(753)</u>	<u>-</u>
	Total components of other comprehensive income that will not be reclassified to profit or loss	<u>19,567</u>	<u>1</u>	<u>(5,336)</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(59,795)	(4)	(52,465)	(4)
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(8,365)	(1)	(3,077)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income that will be reclassified to profit or loss	<u>(68,160)</u>	<u>(5)</u>	<u>(55,542)</u>	<u>(4)</u>
8300	Other comprehensive income, net of tax	<u>(48,593)</u>	<u>(4)</u>	<u>(60,878)</u>	<u>(4)</u>
	Total comprehensive income	<u>\$ 472,266</u>	<u>35</u>	<u>329,653</u>	<u>26</u>
	Earnings per share (Note 6(q))				
9750	Basic earnings per share	<u>\$ 0.94</u>		<u>0.70</u>	
9850	Diluted earnings per share	<u>\$ 0.93</u>		<u>0.70</u>	

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	<u>Share capital</u>		<u>Retained earnings</u>			<u>Total other equity interest</u>			<u>Total equity</u>
	<u>Ordinary shares</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated retained earnings</u>	<u>Exchange differences on translation of foreign financial statements</u>	<u>Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income</u>	<u>Treasury shares</u>	
Balance at January 1, 2019	\$ 5,567,899	5,165	40,203	39,310	1,103,318	(168,588)	(14,634)	(11)	6,572,662
Profit for the year ended December 31, 2019	-	-	-	-	390,531	-	-	-	390,531
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(5,561)	(55,542)	225	-	(60,878)
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	384,970	(55,542)	225	-	329,653
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	107,100	-	(107,100)	-	-	-	-
Special reserve appropriated	-	-	-	143,912	(143,912)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(556,790)	-	-	-	(556,790)
Changes in ownership interests in subsidiaries	-	15,604	-	-	-	-	-	-	15,604
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(10,738)	-	10,738	-	-
Loss of control of subsidiary	-	-	-	-	-	-	-	11	11
Balance at December 31, 2019	5,567,899	20,769	147,303	183,222	669,748	(224,130)	(3,671)	-	6,361,140
Profit for the year ended December 31, 2020	-	-	-	-	520,859	-	-	-	520,859
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	70	(68,160)	19,497	-	(48,593)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	520,929	(68,160)	19,497	-	472,266
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	37,423	-	(37,423)	-	-	-	-
Special reserve appropriated	-	-	-	44,579	(44,579)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(556,790)	-	-	-	(556,790)
Disposal of investments in equity instruments designated at fair value through other comprehensive income by subsidiaries	-	-	-	-	19,492	-	(19,492)	-	-
Balance at December 31, 2020	\$ 5,567,899	20,769	184,726	227,801	571,377	(292,290)	(3,666)	-	6,276,616

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the year ended December 31	
	2020	2019
Cash flows from operating activities:		
Profit before tax	\$ 320,852	193,678
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	242,734	248,727
Amortization expense	419	831
Net gain on financial assets at fair value through profit or loss	(49,151)	(168,231)
Interest expense	118,171	93,326
Interest income	(28,690)	(34,681)
Dividend income	(1,874)	(1,046)
Share of profit of subsidiaries associates and joint ventures accounted for using equity method	71,018	504,820
Gain on disposal of property, plant and equipment	(53)	(16)
Loss (gain) on disposal of investments	3,806	(4,666)
Reversal of provision for onerous contract	-	(102,741)
Gain from lease modification	-	(59)
Expected credit loss	-	15,985
Total adjustments to reconcile profit	356,380	552,249
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Decrease in current financial assets at fair value through profit or loss	60,567	587,981
Decrease in notes receivable	-	91
Decrease in accounts receivable	2,564	2,114
Decrease (increase) in other receivable	6,364	(15,103)
(Increase) decrease in inventories	(1,976)	1,192
Decrease (increase) in prepayments	10,977	(9,233)
Decrease (increase) in other current assets	15,461	(28,382)
Total changes in operating assets, net	93,957	538,660
Changes in operating liabilities, net:		
Decrease in contract liabilities	-	(387)
(Decrease) increase in notes payable	(616)	236
Decrease in accounts payable	-	(1,600)
Increase (decrease) in other payable	8,380	(66,635)
Decrease in receipts in advance	(1)	(88)
Decrease in other current liabilities	(505)	(4,305)
Decrease in non-current net defined benefit liability	(4,827)	(27,464)
Total changes in operating liabilities, net	2,431	(100,243)
Net changes in operating assets and liabilities	96,388	438,417
Total adjustments	452,768	990,666
Cash inflow generated from operations	773,620	1,184,344
Income taxes paid	(9,166)	(458)
Net cash flows from operating activities	764,454	1,183,886

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION

Statements of Cash Flows (CONT'D)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2020	2019
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(495,000)	(400,216)
Proceeds from capital reduction of investments accounted for using equity method	11,230	-
Proceeds from disposal of investments accounted for using equity method	24,473	997
Proceeds from capital reduction of non-current financial assets at fair value through other comprehensive income	-	24,799
Proceeds from disposal of financial assets in fair value through other comprehensive income	-	181
Acquisition of property, plant and equipment	(127,332)	(62,190)
Proceeds from disposal of property, plant and equipment	53	16
(Increase) decrease in refundable deposits	(67)	879
Decrease (increase) in other receivables due from related parties	368,000	(657,500)
Acquisition of intangible assets	(698)	-
Decrease in other financial assets	59,666	144,533
Increase in non-current assets	(100,896)	(27,514)
Interest received	28,823	33,758
Dividends received	158,155	248,742
Net cash flows used in from investing activities	(73,593)	(693,515)
Cash flows from (used in) financing activities:		
Increase in short-term loans	63,000	320,000
Decrease in short-term loans	(63,000)	(320,000)
Increase in other payables to related parties	201,708	-
Payment of lease liabilities	(164,736)	(186,585)
Increase (decrease) in guarantee deposits received	360	(221)
Cash dividends paid	(556,790)	(556,790)
Interest paid	(118,132)	(93,326)
Net cash flows used in financing activities	(637,590)	(836,922)
Net increase (decrease) in cash and cash equivalents	53,271	(346,551)
Cash and cash equivalents at beginning of period	835,973	1,182,524
Cash and cash equivalents at end of period	\$ 889,244	835,973



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 Eastern Media International Corporation:

Opinion

We have audited the consolidated financial statements of Eastern Media International Corporation 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, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 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. Furthermore, we conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, 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. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of partial companies, associates of the Group, which represented investments in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for partial companies, is based solely on the reports of other auditors. The investments in partial companies accounted for using the equity method constituting 12.03% and 0.17% of consolidated total assets at December 31, 2020 and 2019, respectively, and the related share of profit of associates accounted for using the equity method constituting (7.26)% and (4.55)% of consolidated total profit before tax for the years then ended, respectively.



Eastern Media International Corporation 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 unqualified opinion with other matters paragraph and unqualified opinion with emphasis paragraph and other matter paragraph respectively.

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. Revenue recognition

Please refer to Note 4(s) "Revenue recognition" for accounting policy related to revenue recognition, and Note 6(z) "Revenue from contracts with customers from continuing operation" to the consolidated financial statements.

Description of key audit matter:

Major of the operating revenue sources of the Group are the services of warehousing, media advertising, and pet merchandise sales. The impact of revenue recognition on financial report is significant. Therefore, revenue recognition is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: understanding the sales and collection cycle, and sampling to test the effectiveness of manual control and internal control. Additionally, we would perform test of detail on revenue; as well as perform sales cut off test on the periods before and after the balance sheet date by inspecting relevant documents of sales transactions to determine whether sales had been appropriately recognized.

2. Right-of-use assets impairment

Please refer to Note 4(o) "Leases " and Note 4(q) "Impairment of non-financial assets" for accounting policy related to right-of-use assets impairment, and Note 6(m) " Right-of-use assets" to the consolidated financial statements.

Description of key audit matter:

The right-of-use assets of the Group constituted 44.45% of its consolidated assets. The assets mentioned above is likely to be influenced by the government policies and economic environments, which may result in the recoverability of the assets valued with discounted cash flow to be highly uncertain. Therefore, right-of-use assets impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we have performed the following audit procedures: evaluating the consistency of discounted cash flow and the future operating plans; verifying the assumptions made by the management according to (i) external information, (ii) understanding of the Group, and (iii) relative business information; evaluating the ratios such as the growth rate, discount rate, gross profit rate, etc. to determine whether they were adopted properly.



3. The investments accounted of using equity method impairment

Please refer to Note 4(m) " Investment in associates " and Note 4(q) "Impairment of non-financial assets" for accounting policy related to the investments accounted of using equity method impairment, and Note 6(h) " investments accounted for using equity method " to the consolidated financial statements.

Description of key audit matter:

The investments accounted of using equity method of the Group amounted to \$2,443,035 thousand, constituting 15.06% of its consolidated assets. The evaluation of the impairment on December 31 is significant to the consolidated financial statements. There are risks that the assumption of the financial performance and cash flows related to the Group's associates which Management uses remains a highly uncertainty. This risk may affect the recoverability of the asset mentioned above. Therefore, the evaluation of the investments accounted of using equity method impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: obtaining the information on which the management relied to make assumptions and evaluations for the report made by external expert; engaging evaluation experts to assess the appropriateness of the evaluation methods and assumptions used by them, including the discount rate and the forecast of future cash flows; comparing the forecasted and historical data, past forecasts and actual conditions; evaluating the reasonableness of past management's estimates.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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) are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 auditor's 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 group 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 Shih-Chin Chih and Chung-Che Chen.

KPMG

Taipei, Taiwan (Republic of China)

March 25, 2021

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		<u>December 31, 2020</u>		<u>December 31, 2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Assets					
Current assets:					
1100	Cash and cash equivalents (Note 6(a))	\$ 1,855,653	11	1,829,578	13
1110	Current financial assets at fair value through profit or loss (Note 6(b))	381,611	2	242,539	2
1151	Notes receivable (Notes 6(d), (z))	63,006	-	63,781	-
1160	Notes receivable due from related parties, net (Notes 6(d), (z) and 7)	54,568	-	-	-
1170	Accounts receivable, net (Notes 6(d) and (z))	333,369	2	329,927	2
1180	Accounts receivable due from related parties, net (Notes 6(d), (z) and 7)	22,573	-	21,799	-
1200	Other receivables, net (Notes 6(b) and (e))	93,616	1	164,114	1
1210	Other receivables due from related parties, net (Notes 6(e) and 7)	7,392	-	2,807	-
130X	Inventories (Note 6(f))	346,909	2	274,144	2
1400	Current biological assets, net	12,405	-	8,381	-
1410	Prepayments (Note 7)	65,036	1	75,618	-
1476	Other current financial assets (Notes 6(a) and 8)	43,934	1	194,919	2
1479	Other current assets, others	915	-	354	-
1460	Non-current assets classified as held for sale, net (Note 6(g) and (k))	-	-	615	-
		<u>3,280,987</u>	<u>20</u>	<u>3,208,576</u>	<u>22</u>
Non-current assets:					
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	8,104	-	13,123	-
1550	Investments accounted for using equity method, net (Note 6(h))	2,443,035	15	2,459,062	16
1600	Property, plant and equipment (Notes 6(l), 7 and 8)	1,669,684	10	1,439,296	10
1755	Right-of-use assets (Notes 6(m))	7,210,677	45	6,762,163	45
1780	Intangible assets (Note 6(n) and 7)	467,334	3	490,834	3
1840	Deferred tax assets (Note 6(w))	414,169	3	214,855	2
1920	Refundable deposits (Notes 6(m) and 8)	562,689	3	281,990	2
1980	Other non-current financial assets (Note 8)	33,760	-	750	-
1990	Other non-current assets, others (Note 9)	133,035	1	35,138	-
		<u>12,942,487</u>	<u>80</u>	<u>11,697,211</u>	<u>78</u>
Total assets		<u>\$ 16,223,474</u>	<u>100</u>	<u>14,905,787</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (CONT'D)

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (Notes 6(o), (af) and 8)	\$ 62,295	1	58,000	1
2110	Short-term notes and bills payable (Notes 6(p) and 8)	-	-	20,000	-
2130	Current contract liabilities (Notes 6(z) and 7)	37,439	-	24,913	-
2150	Notes payable (Notes 6(q) and (af))	94,604	1	44,806	-
2170	Accounts payable (Note 7)	204,805	1	198,868	1
2180	Accounts payable due from related parties (Note 7)	11,483	-	8,467	-
2200	Other payables (Note 6(af))	623,289	4	577,052	5
2220	Other payables due from related parties (Notes 6(af) and 7)	16,660	-	184,529	1
2230	Current tax liabilities	14,111	-	22,061	-
2280	Current lease liabilities (Note 6(t))	1,174,478	7	954,147	7
2310	Advance receipts (Note 7)	23,125	-	14,534	-
2320	Long-term liabilities, current portion (Notes 6(r), (s), (af) and 8)	290,529	2	67,789	-
2399	Other current liabilities, others (Note 7)	28,433	-	28,997	-
		<u>2,581,251</u>	<u>16</u>	<u>2,204,163</u>	<u>15</u>
Non-Current liabilities:					
2540	Long-term borrowings (Notes 6(r), (af) and 8)	637,986	4	338,000	2
2570	Deferred tax liabilities (Note 6(w))	48	-	-	-
2580	Non-current lease liabilities (Note 6(t))	6,167,307	38	5,874,708	40
2610	Long-term notes and accounts payable (Note 6(s))	60,886	-	-	-
2640	Net defined benefit liability, non-current (Note 6(v))	25,717	-	31,549	-
2645	Guarantee deposits received	4,756	-	7,188	-
		<u>6,896,700</u>	<u>42</u>	<u>6,251,445</u>	<u>42</u>
	Total liabilities	<u>9,477,951</u>	<u>58</u>	<u>8,455,608</u>	<u>57</u>
Equity attributable to owners of parent (Note 6(x)):					
3100	Capital stock	5,567,899	35	5,567,899	37
3200	Capital surplus	20,769	-	20,769	-
3300	Retained earnings	983,904	6	1,000,273	7
3400	Other equity interest	(295,956)	(2)	(227,801)	(2)
	Total equity attributable to owners of parent:	<u>6,276,616</u>	<u>39</u>	<u>6,361,140</u>	<u>42</u>
36XX	Non-controlling interests (Note 6(j))	468,907	3	89,039	1
	Total equity	<u>6,745,523</u>	<u>42</u>	<u>6,450,179</u>	<u>43</u>
	Total liabilities and equity	<u>\$ 16,223,474</u>	<u>100</u>	<u>14,905,787</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION 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)

		For the years ended December 31			
		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(z) and 7)	\$ 4,728,014	100	3,129,360	100
5000	Operating costs (Notes 6(f), (u), (v), (aa) and 7)	<u>3,283,081</u>	<u>69</u>	<u>2,186,703</u>	<u>70</u>
	Gross profit from operations	1,444,933	31	942,657	30
6000	Operating expenses (Notes 6(v), (aa) and 7)	1,444,426	31	952,470	31
6450	Impairment loss determined in accordance with IFRS 9 (Notes 6(d))	<u>10,662</u>	-	<u>13,414</u>	-
	Net operating loss	<u>(10,155)</u>	-	<u>(23,227)</u>	(1)
	Non-operating income and expenses:				
7100	Interest income (Notes 6(ab) and 7)	14,953	-	22,456	1
7010	Other income (Notes 6(t), (ab) and 7)	224,352	5	29,557	1
7020	Other gains and losses, net (Notes 6(h), (k), (m), (n), (ab) and 7)	(43,461)	(1)	360,224	12
7050	Finance costs, net (Notes 6(ab) and 7)	(225,745)	(5)	(146,078)	(5)
7060	Share of profit of associates accounted for using equity method (Note (h))	<u>349,775</u>	<u>7</u>	<u>117,788</u>	<u>4</u>
7900	Profit from continuing operations before tax	309,719	6	360,720	12
7950	Less: Income tax benefits (Note 6(w))	<u>(183,387)</u>	<u>(4)</u>	<u>(184,005)</u>	<u>(6)</u>
8100	Loss from discontinued operations, net of tax (Note 12(b))	<u>-</u>	<u>-</u>	<u>(168,130)</u>	<u>(6)</u>
	Net Profit	<u>493,106</u>	<u>10</u>	<u>376,595</u>	<u>12</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans	997	-	(4,764)	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	19,488	-	263	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(935)	-	(809)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income that will not to be reclassified to profit or loss	<u>19,550</u>	<u>-</u>	<u>(5,310)</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	680	-	(48,900)	(2)
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	(68,973)	(1)	(6,689)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income that will be reclassified to profit or loss	<u>(68,293)</u>	<u>(1)</u>	<u>(55,589)</u>	<u>(2)</u>
8300	Other comprehensive income, net of tax	<u>(48,743)</u>	<u>(1)</u>	<u>(60,899)</u>	<u>(2)</u>
	Total comprehensive income	<u>\$ 444,363</u>	<u>9</u>	<u>315,696</u>	<u>10</u>
	Profit attributable to:				
8610	Owners of parent	\$ 520,859	11	390,531	12
8620	Non-controlling interests	<u>(27,753)</u>	<u>(1)</u>	<u>(13,936)</u>	<u>-</u>
		<u>\$ 493,106</u>	<u>10</u>	<u>376,595</u>	<u>12</u>
	Comprehensive income attributable to:				
	Owners of parent	\$ 472,266	10	329,653	11
	Non-controlling interests	<u>(27,903)</u>	<u>(1)</u>	<u>(13,957)</u>	<u>(1)</u>
		<u>\$ 444,363</u>	<u>9</u>	<u>315,696</u>	<u>10</u>
	Earnings per share (Note 6 (y))				
9750	Basic earnings per share				
	Basic earnings per share from continuing operations	\$	0.94	1.00	
	Basic loss per share from discontinued operations	<u>-</u>	<u>-</u>	<u>(0.30)</u>	
	Total basic earnings per share	<u>\$ 0.94</u>	<u>0.94</u>	<u>0.70</u>	
9850	Diluted earnings per share				
	Diluted earnings per share from continuing operations	\$	0.93	1.00	
	Diluted loss per share from discontinued operations	<u>-</u>	<u>-</u>	<u>(0.30)</u>	
	Total diluted earnings per share	<u>\$ 0.93</u>	<u>0.93</u>	<u>0.70</u>	

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EASTERN MEDIA INTERNATIONAL CORPORATION 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											
	Share capital	Retained earnings				Total other equity interest			Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income				
Balance at January 1, 2019	\$ 5,567,899	5,165	40,203	39,310	1,103,318	(168,588)	(14,634)	(11)	6,572,662	1,640,574	8,213,236	
Profit (loss) for the year ended December 31, 2019	-	-	-	-	390,531	-	-	-	390,531	(13,936)	376,595	
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	(5,561)	(55,542)	225	-	(60,878)	(21)	(60,899)	
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	384,970	(55,542)	225	-	329,653	(13,957)	315,696	
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	107,100	-	(107,100)	-	-	-	-	-	-	
Special reserve appropriated	-	-	-	143,912	(143,912)	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(556,790)	-	-	-	(556,790)	-	(556,790)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(10,738)	-	10,738	-	-	-	-	
Loss of control to subsidiary	-	-	-	-	-	-	-	11	11	33	44	
Changes in equity interests in subsidiaries	-	15,604	-	-	-	-	-	-	15,604	26,849	42,453	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,562,865)	(1,562,865)	
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	-	(1,595)	(1,595)	
Balance at December 31, 2019	<u>5,567,899</u>	<u>20,769</u>	<u>147,303</u>	<u>183,222</u>	<u>669,748</u>	<u>(224,130)</u>	<u>(3,671)</u>	<u>-</u>	<u>6,361,140</u>	<u>89,039</u>	<u>6,450,179</u>	
Profit (loss) for the year ended December 31, 2020	-	-	-	-	520,859	-	-	-	520,859	(27,753)	493,106	
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	70	(68,160)	19,497	-	(48,593)	(150)	(48,743)	
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	520,929	(68,160)	19,497	-	472,266	(27,903)	444,363	
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	37,423	-	(37,423)	-	-	-	-	-	-	
Special reserve appropriated	-	-	-	44,579	(44,579)	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(556,790)	-	-	-	(556,790)	-	(556,790)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	19,492	-	(19,492)	-	-	418	418	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	413,265	413,265	
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	-	(5,912)	(5,912)	
Balance at December 31, 2020	<u>\$ 5,567,899</u>	<u>20,769</u>	<u>184,726</u>	<u>227,801</u>	<u>571,377</u>	<u>(292,290)</u>	<u>(3,666)</u>	<u>-</u>	<u>6,276,616</u>	<u>468,907</u>	<u>6,745,523</u>	

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EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2020	2019
Cash flows from operating activities:		
Profit from continuing operations before tax	\$ 309,719	360,720
Loss from discontinued operations before tax	-	(168,130)
Profit before tax	<u>309,719</u>	<u>192,590</u>
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,237,463	832,343
Amortization expense	34,016	15,560
Net gain on financial assets at fair value through profit or loss	(68,993)	(178,287)
Interest expense	225,745	148,608
Interest income	(14,953)	(24,021)
Dividend income	(4,765)	(4,186)
Share of profit of associates and joint ventures accounted for using equity method	(349,775)	(117,788)
Loss on disposal of property, plan and equipment	3,669	1,398
Gain on disposal of intangible assets	-	(12,510)
Loss on disposal of investments	4,809	18,264
Reversal of provision for onerous contract	-	(5,010)
Expected credit loss	10,662	32,421
Impairment loss on non-financial assets	156,336	17,163
Rent reductions listed as other income	(174,520)	-
Gain from lease modification	(732)	(91,502)
Total adjustments to reconcile profit	<u>1,058,962</u>	<u>632,453</u>
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
(Increase) decrease in current financial assets at fair value through profit or loss	(76,707)	665,855
(Increase) decrease in notes receivable	(54,326)	27,834
Increase in accounts receivable	(13,970)	(75,444)
Increase in accounts receivable due from related parties	(774)	(10,463)
(Increase) decrease in other receivable	(33,969)	18,218
Increase in inventories	(73,092)	(7,515)
Increase in biological assets	(4,024)	-
Decrease in prepayments	11,735	4,468
(Increase) decrease in other current assets	(561)	5,698
Decrease (increase) in other operating assets	10,588	(62,481)
Total changes in operating assets, net	<u>(235,100)</u>	<u>566,170</u>
Changes in operating liabilities, net:		
Increase (decrease) in contract liabilities	12,526	(14,681)
(Decrease) increase in notes payable	(16,847)	5,684
Increase in accounts payable	8,954	76,759
Increase (decrease) in other payable	52,996	(160,881)
Increase in receipts in advance	8,416	32,056
Decrease in other current liabilities	(564)	(3,276)
Decrease in non-current net defined benefit liability	(4,835)	(27,464)
Decrease in other operating liabilities	-	(894)
Total changes in operating liabilities, net	<u>60,646</u>	<u>(92,697)</u>
Net changes in operating assets and liabilities	<u>(174,454)</u>	<u>473,473</u>
Total adjustments	<u>884,508</u>	<u>1,105,926</u>
Cash inflow generated from operations	1,194,227	1,298,516
Income taxes paid	(24,810)	(1,738)
Net cash flows from operating activities	<u>1,169,417</u>	<u>1,296,778</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2020	2019
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	24,925	181
Proceeds from disposal of investments accounted for using equity method	24,473	-
Net cash flow from acquisition of subsidiaries	16,235	(325,860)
Proceeds from disposal of subsidiaries	734	(7,633)
Acquisition of property, plant and equipment	(371,047)	(205,308)
Proceeds from disposal of property, plant and equipment	1,310	2,716
Increase in refundable deposits	(281,016)	(80,878)
Decrease in other receivables	100,000	-
Acquisition of intangible assets	(18,294)	(24,568)
Capital reduction of non-current financial assets at fair value through other comprehensive income	-	24,799
Loss of control of subsidiary	-	(1,271,295)
Decrease in other financial assets	107,387	155,583
Increase in non-current assets	(97,897)	(8,246)
Interest received	15,103	24,067
Dividends received	270,252	228,281
Net cash flows used in investing activities	<u>(207,835)</u>	<u>(1,488,161)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	645,295	-
Decrease in short-term loans	(641,000)	(2,633)
(Decrease) increase in short-term notes and bills payable	(20,000)	20,000
Increase in long-term debt	826,500	320,395
Decrease in long-term debt	(421,978)	(631,886)
Increase in notes payable	63,715	-
(Decrease) increase in guarantee deposits received	(2,432)	2,843
Increase in other payables due from related parties	130,000	-
Decrease in other payables due from related parties	(310,000)	-
Payment of lease liabilities	(979,074)	(654,294)
Increase in long-term notes payable	176,890	-
Issuance of cash dividends by subsidiaries	(562,702)	(558,385)
Interest paid	(241,151)	(148,468)
Change in non-controlling interests	405,000	58,500
Net cash flows used in financing activities	<u>(930,937)</u>	<u>(1,593,928)</u>
Effect of exchange rate changes on cash and cash equivalents	(4,570)	(1,897)
Net increase (decrease) in cash and cash equivalents	26,075	(1,787,208)
Cash and cash equivalents at beginning of period	<u>1,829,578</u>	<u>3,617,401</u>
Cash and cash equivalents at end of period	<u>\$ 1,855,653</u>	<u>\$ 1,830,193</u>
Cash and cash equivalents reported in the statement of financial position	\$ 1,855,653	1,829,578
Assets classified as held for sale, net	-	615
Cash and cash equivalents at end of period	<u>\$ 1,855,653</u>	<u>\$ 1,830,193</u>

Proposed Resolutions

Proposal 2 proposed by Board of Directors
 Proposal: To approve the proposal for the distribution of the 2020 retained earnings

Explanatory Note: 1. The retained earnings distribution of cash dividends of year 2020 was NT\$ 445,431,911 (\$0.8 per share) and it was approved in the ninth meeting of the 17th Board of Directors on March 25, 2021.

2. 2020 Retained Earnings Distribution Table, as follows:

Eastern Media International Corporation
 2020 Retained Earnings Distribution Table

Unit: New Taiwan Dollars

Item	Amount
Undistributed retained earnings at the beginning of the period	\$ 30,957,792
Changed items:	
(1) Disposal of fair value through other comprehensive income equity investment by Associates recognizes under retained earnings by adopting the equity method	19,491,500
(2) Changes in actuarial gains and losses of defined benefit plans of this period	997,318
(3) Changes in actuarial gains and losses of Associates & Joint Ventures accounted for using equity method	(926,822)
(4) Net income	<u>520,858,515</u>
Retained Earnings Available for distribution as of December 31, 2020	571,378,303
Distribution items:	(54,042,051)
(5) Legal reserves (note)	(<u>68,155,290</u>)
(6) Special reserves — appropriated according to the amount decided to shareholder's equipment lawfully	449,180,962 (<u>445,431,911</u>)
Surplus earnings to be distributed of this year	<u>\$ 3,749,051</u>
Cash Dividends (NT\$0.8 per share)	
Undistributed retained earnings at the end of the period	
Note: The statutory reserve is accrued based on “the amount of undistributed surplus earnings of the year with an inclusion of net profit after tax of the period plus other items other than net profit after tax of the period”.	

Resolution:

Proposed Resolutions

Proposal 3

proposed by Board of Directors

Proposal: To vote on the proposal of cash capital reduction

- Explanatory Note:
1. The motive behind cash capital reduction: To increase the returns on shareholders' equity and earnings per share, the Company plans to apply cash capital reduction and return partial shares back to the shareholders.
 2. Cash capital reduction amount: It is proposed to make a cash capital reduction with an amount of NT\$ 278,394,940. Based on the shareholding percentage of each shareholder, the cash refund will be NT\$ 0.5 per share. Number of outstanding shares 556,789,889 is counted up to the book closure date April 20, 2021 and the capital reduction rate is 5% (expected reduction of 27,839,494 shares).
 3. Share deduction: It is calculated based on the number of shares held by each shareholder recorded in the shareholder register on the record date for capital reduction and share swap. Each thousand shares will be exchanged for approximately 950 shares (50 shares per thousand shares will be reduced), the number of shares reduced will be refunded in cash at a par value of 10 per share to the shareholders. After the capital reduction, shareholder could apply for consolidation of odd lots into round lots through the stock affairs agency between five days to one day before the book closure date for capital reduction and share swap. The unconsolidated odd lots or the ones couldn't make a round lot after consolidation will be calculated and refunded in cash (pay off depository transfer fee and non-physical registration fee) at a par value and round it to the dollar (NT\$), and the Chairman will be authorised to contact specific people to purchase those odd lots at a par value. The issuance of shares after capital reduction will be in non-physical format.
 4. The expected paid-in share capital after the capital reduction was NT\$5,289,503,950.
 5. After the aforementioned proposal of capital reduction is approved by the competent authorities, it is proposed to authorize Board of Directors to set the record date for capital reduction and record date for capital reduction and share swap. In case the subsequent changes in the share capital impacts the number of outstanding shares, and required to amend the aforementioned capital reduction rate, it is proposed to authorize Board of Directors at the shareholders' meeting to handle the matter.
 6. In case the proposal is required to be revised or adjusted due to amendments to laws or regulations or requested by competent authorities, it is proposed to authorise Chairman of the Company at the shareholders' meeting to fully handle the matter.
 7. The matter was approved in the 9th meeting of the 17th Board of Directors on March 25, 2021.

Resolution:

Special Motions

Special Motions

Appendix

Eastern Media International Corporation Articles of Incorporation

Chapter I General Provisions

Article 1 The Company is organized in accordance with the Company Act under the name 東森國際股份有限公司. Its English name is Eastern Media International Corporation.

Article 2 Businesses operated by the Company are as follows:

1. G406061 Harbor Cargoes Forwarding Services
2. A102060 Food Dealers
3. A102020 Agricultural Products Preparations
4. H701010 Housing and Building Development and Rental
5. H701040 Specific Area Development
6. H701050 Investment, Development and Construction in Public Construction
7. G801010 Warehousing
8. G403011 Vessel Rental
9. G101061 Automobile Cargo Transportation Business
10. G902011 Type II Telecommunications Business
11. J503010 Broadcast Program Production
12. J503020 Television Program Production
13. J503030 Broadcasting and Television Program Distribution
14. J503040 Broadcasting and Television Commercial
15. J503050 Video Tape Program
16. J506021 Satellite Channel Program Supply
17. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
18. CC01101 Restrained Telecom Radio Frequency Equipments and Materials Manufacturing
19. F101061 Wholesale of Agricultural Products
20. F101081 Wholesale of Plant Seeds
21. F101111 Wholesale of Pets
22. F107041 Wholesale of Agro-pesticides
23. F108011 Wholesale of Traditional Chinese Medicine
24. F108021 Wholesale of Western Pharmaceutical
25. F108031 Wholesale of Medical Devices
26. F108051 Wholesale of Cosmetics Ingredients
27. F113060 Wholesale of Measuring Instruments
28. F201061 Retail Sale of Seedling
29. F201081 Retail Sale of Pets
30. F207041 Retail Sale of Agro-pesticides
31. F208011 Retail Sale of Traditional Chinese Medicine
32. F208021 Retail Sale of Western Pharmaceutical
33. F208031 Retail Sale of Medical Apparatus
34. F212011 Gas Stations
35. F212021 Fishing Vessels Gas Stations
36. F213050 Retail Sale of Measuring Instruments
37. F401071 Plant Seed Export and Import

- 38. A401031 Specific Pet Service
- 39. A101011 Seedling
- 40. ID01010 Measuring Instruments Certification
- 41. JA02051 Weights and Measuring Instruments Repair
- 42. D501010 Hot Spring Water Obtains and Provides
- 43. J901020 Regular Hotel
- 44. JZ99120 General Bathhouse
- 45. JZ99990 Unclassified Other Services
- 46. F102170 Wholesale of Foods and Groceries
- 47. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- 48. F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
- 49. F106010 Wholesale of Hardware
- 50. F106020 Wholesale of Daily Commodities
- 51. F203010 Retail Sale of Food, Grocery and Beverage
- 52. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- 53. F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
- 54. F206010 Retail Sale of Hardware
- 55. F206020 Retail Sale of Daily Commodities
- 56. F501030 Beverage Shops
- 57. F501060 Restaurants
- 58. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company has its head office in Taipei City, and sets up operations and management at various ports and terminals of Taiwan Province. When necessary, branches or business premises may be established domestically or abroad, and their establishment, modification and revocation shall be handled by the resolution of the Board of Directors.

Article 4 The Company may endorse or provide guarantees in accordance with laws and related regulations.

Article 4-1 Due to Company's business needs, its total amount of reinvestment in other companies is not subject to the restrictions stipulated in Article 13 of the Company Act.

Chapter II Shares

Article 5 The total capital of the Company is set at NTD 15 billion divided into 1.5 billion shares or ten New Taiwan Dollars per share, to be issued in installments.

Article 6 The Company's stocks are all registered, signed or stamped by the Director representing the Company, and issued after obtaining certification according to law. The Company's shares are exempted from being in the form of printed stocks and the same shall apply to other priced securities, but the centralized securities custodial institution must be contacted for registration.

Article 7 Renaming and transfer of stocks shall not be done within 60 days

before the General Meeting of Shareholders, within 30 days before an interim shareholders meeting, or within 5 days before the base date when the Company has decided to distribute dividends and bonuses or other benefits.

Article 8 When a shareholder wants to transfer shares, an application form for the transfer of shares shall be filled out, signed and sealed by the transferor and the transferee, and applied to the Company for transfer. Unless it is recorded in the Company's shareholder register, it cannot be transferred in opposition to the Company.

Article 9 In the case of loss or destruction of stocks, this shall be handled in accordance with the Company Act and relevant laws and regulations.

Article 10 If seals retained by the shareholders are lost or destroyed, they shall be reported immediately to the Company to be declared invalid, and a new seal certificate shall be checked and applied to the Company for a new seal.

Chapter III Shareholders' Meetings

Article 11 Shareholders' meetings of the Company are of two types, namely general meetings and interim meetings. The general meeting is to be held once a year by the Board of Directors in accordance with the law within six months after the end of each fiscal year. Interim meetings shall be convened according to law when necessary.

Article 12 Shareholders of the Company shall have one voting right per share except in the case where the shares have no voting rights as stipulated in Article 179 of the Company Act.

Article 13 A shareholder that will be absent of the meeting for a particular reason may appoint a proxy to attend the meeting by providing the proxy form issued by this Company and stating the scope of the proxy's authorization. When one person is entrusted by two or more shareholders at the same time, the voting rights of his or her proxy shall not exceed 3% of the total number of shares issued; if it exceeds this level, the excess voting rights shall not be counted.

Article 14 Unless otherwise stipulated by the Company Act, the resolutions of the shareholders' meeting shall be attended by shareholders representing more than half of the total number of shares, and shall be implemented with more than half of the voting rights of the shareholders present.

Article 15 The shareholders' meeting shall be presided over by the Chairman of the Board of Directors of the Company. When the Chairman is on leave or for any reason unable to exercise the powers of the chair, the Chairman shall appoint one of the directors to act as chair. If the Chairman does not appoint such a representative, the directors shall recommend one person from among themselves to act as chair. If convened by someone other than the Board of Directors, the convening party shall chair the meeting. When there are two or more conveners, one person from among them shall serve as chair.

Article 15-1 The rules of procedure of the Company's shareholders' meeting shall be determined in accordance with the regulations of the

competent authority and approved by the shareholders' meeting. The same shall be true for amendments.

Chapter IV Directors and Audit Committee

- Article 16 The Company shall have between 7 and 11 directors. The Board of Directors shall be elected from the list of director candidates for a term of three years and may be re-elected. The total shareholding ratio of all directors shall not be less than the provisions of the securities regulatory authority.
- In the election of directors of the Company, each share has the same voting rights as the number of directors to be elected. One person may be elected collectively, or a number of people may be distributed. Those with more voting rights represented by the votes obtained are elected as directors.
- The election of directors shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Act. Relevant matters such as the acceptance method and announcement of candidate nomination shall be handled in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act. Independent directors and non-independent directors shall be elected together, and the number of elected positions shall be calculated separately. Among the aforementioned number of directors, the number of independent directors shall not be fewer than three and not less than one-fifth of the number of directors. Shareholders shall choose from the list of candidates for independent directors.
- Regarding independent directors' professional qualifications, shareholdings, restrictions on concurrent positions, determination of independence, methods of nomination and selection, and other matters to be complied with, they shall be handled in accordance with the Company Act and relevant regulations of the securities authority.
- The Company may purchase liability insurance for the directors' legal liability for the execution of the scope of business during their tenure.
- Article 16-1 The Board of Directors of the Company shall convene at least once every quarter. The reason for the convening of the Board of Directors shall be stated and the directors shall be notified seven days in advance. However, when there is an emergency or something that cannot be resolved at a regular meeting, it may be called at any time. The notice of the convening of the Board of Directors can be done by written notification, e-mail, fax, or other methods.
- Article 17 When organizing the Board of Directors, the Board shall elect a chairman from among the directors by a majority vote at a meeting attended by over two-thirds of the directors and approved by more than half of the directors present. The Chairman of the Board shall represent the Company externally.
- When a director cannot attend a meeting of the Board of Directors for some reason, a proxy may be issued beforehand specifying the

scope of authorization and entrusting another director to attend as a representative. The representative mentioned in the preceding paragraph shall be limited to entrustment of one person.

Directors residing abroad may entrust other shareholders residing in the country in writing to attend the Board of Directors regularly as representatives. However, registration shall be applied to the competent authority, and the same applies for changes.

Article 18 In respect to the remuneration of directors, the Board of Directors is authorized to make decisions based on its degree of participation and contribution to the operation of the Company, and to negotiate with reference to industry standards.

Article 19 The functions and powers of the Board of Directors are as follows:

1. Approval of important Company rules.
2. Approval of the Company's business policies.
3. Compilation of the Company's budget and final accounts.
4. Drafting of the Company's profit distribution.
5. Planned capital increases or decreases for the Company.
6. Appointment and removal of important Company personnel.
7. Review of Company business reports.
8. Approval of the Company's important property and real estate purchases, construction, and disposal.
9. Review of the Company's external guarantees.
10. Other functions and powers granted by the shareholders' meeting in accordance with laws and regulations.

Article 20 The Company shall set up an Audit Committee to replace the authority of supervisors in accordance with Article 14-4 of the Securities and Exchange Act. The Audit Committee shall be composed exclusively of independent directors and number not be less than three. Among them, one shall act as convener and at least one shall have accounting or financial expertise. The exercise of its powers and other matters that shall be complied with shall be handled in accordance with the Company Act, Securities and Exchange Act, and relevant laws and regulations.

Chapter V Managers and Staff

Article 21 The Company appoints managers, whose appointment, removal and remuneration shall be made by the Board of Directors with a majority of the directors present and via a resolution approved by the majority of the directors present.

Article 22 The General Manager shall handle the Company's daily affairs in accordance with the orders of the Chairman and the resolutions of the Board of Directors.

Article 23 The Company may employ a number of consultants whose appointment, dismissal and remuneration shall be determined by the Board of Directors or authorized by the Chairman of the Board to be executed by the Board of Directors.

Article 24 The Company may purchase liability insurance for managers' legal liability for the execution of the scope of business during their tenure.

Chapter VI Accounting

- Article 25 The Company sets a fiscal year from January 1st to December 31st. At the end of the fiscal year, the following forms are prepared and submitted to the Audit Committee for audit and review. With the consent of more than half of all members of the Audit Committee and after submitting the resolution of the Board of Directors, they shall be submitted to the General Meeting of Shareholders for approval.
1. Business Report.
 2. Financial Statements.
 3. Proposals concerning profit distributions or covering of losses.
- Article 26 If the Company makes a profit during the year (referring to profit before tax minus the profit before the distribution of employee compensation), then after deducting any accumulated loss, 3.5% of the balance shall be allocated as employee compensation and the amount allocated shall be used as the current year's expense. Employees' remuneration is based on stocks or cash, subject to a special resolution of the Board of Directors and reporting to the regular shareholders meeting.
- In respect to the Company's dividend policy, in order to cope with the Company's diversified operations and the capital expenditure required for future expansion of the scope of operations and long-term financial planning, it can be based on the needs of the business climate and industry changes and take into account the interests of shareholders, making appropriate assignments or reservations. Shareholders' dividends are allocated with distributable earnings. They shall not be less than 15% of the current year's distributable earnings and the cash dividend is not to be less than 10%. The policy requires that all after tax earnings shall first offset any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the amount of issued share capital. Aside from the aforesaid legal reserve, the Company may, under its articles of incorporation or as required by the government, appropriate a special reserve. If there is still a profit, and the undistributed profit at the beginning of the same period (including adjustment of the amount of undistributed profit), the Board of Directors shall prepare a profit distribution proposal and submit it to the General Meeting of Shareholders for resolution.
- If the profit, legal reserve, and capital surplus in the preceding paragraph are issued in cash, they shall be authorized for distribution by resolution of Board of Directors with at least two-thirds of the directors present and more than half of the attending directors in agreement, and this shall be reported to the shareholders meeting. When issuing new shares, this shall be handled by a resolution of the shareholders meeting in accordance with theregulations.

- Article 26-1 When the Company distributes dividends in accordance with the profit distribution plan, that portion of legal reserve exceeding 25% of the paid-in capital and all or part of the following capital reserve items may be used, with new shares or cash to be issued in proportion to the shareholders' original shares:
1. Income derived from the issue of new shares at a premium over par value.
 2. Income from endowments received by the Company.

Chapter VII Supplementary Provisions

- Article 27 The organizational rules and working rules of the Company and its subsidiaries shall be separately formulated by the Board of Directors.
- Article 28 Matters not stipulated in these Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.
- Article 29 This charter was established on April 25, 1975. The 1st amendment was on June 6, 1978. The 2nd amendment was on May 21, 1980. The 3rd amendment was on May 25th, 1982. The 4th amendment was on July 30, 1983. The 5th amendment was on May 15, 1984. The 6th amendment was on August 14, 1985. The 7th amendment was on May 6, 1988. The 8th amendment was on October 27, 1988. The 9th amendment was on June 15, 1989. The 10th amendment was on December 7, 1989. The 11th amendment was on April 26, 1990. The 12th amendment was on July 2, 1990. The 13th amendment was on June 6, 1991. The 14th amendment was on May 21, 1992. The 15th amendment was on August 24, 1992. The 16th amendment was on April 7, 1994. The 17th amendment was on May 12, 1995. The 18th amendment was on August 10, 1995. The 19th amendment was on June 24, 1996. The 20th amendment was on April 7, 1997. The 21st amendment was on April 15, 1998. The 22nd amendment was on May 24, 1999. The 23rd amendment was on May 11, 2000. The 24th amendment was on June 21, 2001. The 25th amendment was on June 24, 2002. The 26th amendment was on March 29, 2004. The 27th amendment was on June 29, 2005. The 28th amendment was on June 29, 2006. The 29th amendment was on May 30, 2007. The 30th amendment was on June 19, 2009. The 31st amendment was made on June 21, 2010. The 32nd amendment was on June 18, 2012. The 33rd amendment was on June 13, 2013. The 34th amendment was on June 23rd, 2014. The 35th amendment was on June 20, 2016. The 36th amendment was on May 11, 2017. The 37th amendment was on May 29th, 2019. The 38th amendment was on June 29, 2020.

Eastern Media International Corporation Rules of Procedure for Shareholders' Meetings

Amended and approved at the General Meeting of Shareholders of June 13, 2013

1. The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.
2. The Company shall specify in the meeting notice the time and location of the registration office for shareholders as well as other matters to be noted. The aforementioned time for accepting the registration of the shareholders shall be processed at least 30 minutes before the start of the meeting, and the registration office shall be clearly marked and appropriate. Adequate and qualified personnel shall be provided to handle this matter. A shareholder shall attend the general meeting in person or in proxy (hereinafter referred to as the "Shareholders") with the attendance certificate, sign-in card or other certificate of attendance. The proxy acting on behalf of the shareholder shall provide ID document for verification. The Company shall have a visitors' book for the attending shareholders (or proxies) to sign in, or the attending shareholders (or proxies) shall hand in sign-in cards instead. The number of attending shares is calculated based on the signature book or the handed in sign-in card plus the number of shares exercised in writing or electronically. Sign-in cards and proxy forms for proxy attendance shall be retained for at least one year.
3. Attendance and voting at a shareholders meeting shall be calculated based on the number of shares. The shares held by any shareholder without voting rights shall not be included in the total number of outstanding shares while voting on resolutions at the shareholders' meeting. A shareholder shall abstain from exercise of voting rights for himself/herself or on behalf of another shareholder in respect of any proposed matter for consideration at a general meeting if he/she bears personal interest therein that may conflict with and impair the interest of the Company. The shares represented by the voting rights contained in the preceding paragraph shall not be counted in the number of votes of the shareholders present at the said meeting. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
4. The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
5. If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the presiding chair, the Chairman shall appoint one of the directors to act as presiding chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as presiding chair. For a shareholders' meeting convened by the Board of Directors, is

advisable for more than half of the directors of the board to attend in person.

If the presiding chair in the preceding paragraph is represented by a director, this shall be a director who has served for more than six months and understands the Company's financial and business conditions. The same applies if the presiding chair is the representative of a corporate director.

If the shareholders' meeting is convened by a convening party other than the Board of Directors, the convener shall be the presiding chair. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

6. The Company may appoint the designated counsel, CPAs, or other related persons to attend the meeting.

Staff handling the administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

7. This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

8. When the meeting time has arrived and shareholders (or proxies) representing more than half of the total issued shares are present, the presiding chair shall announce the meeting. If the meeting time has arrived and the number of represented shares is less than the stipulated amount, the presiding chair may announce a postponement of the meeting. The number of postponements is limited to two, and the total postponement time shall not exceed one hour.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act;

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

9. If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions).

After the meeting is adjourned, shareholders may not elect a new presiding chair to continue the meeting at the meeting site or at another venue. However, if the presiding chair announces the adjournment of the meeting in violation of the rules of procedure, then with the approval of more than half of the voting rights

of shareholders present, one person may be elected as presiding chair to continue the meeting.

10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder(or proxy) in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

12. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

14. When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote

15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. The result of the voting shall be reported on the spot and recorded.

16. When a meeting is in progress, the chair may announce a break based on time considerations.

17. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. (or proxies).

At the time of voting, if there is no objection after consultation by the presiding chair, it shall be deemed as passed, and its effect is the same as that of voting.

18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

19. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

20. Matters left unresolved in these Rules of Procedure shall be handled in accordance with relevant government laws and regulations and the Company's Articles of Incorporation.

21. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Eastern Media International Corporation

Shareholdings of all directors

Title	Account name	Representative	Book closure date prior to the 2021 Shareholders' Meeting The number of shares held (2021.04.20)	
			Number of shares	Percentage %
Chairman	Far Rich International Corporation	Shang-Wen Liao	23,978,293	4.307
Director	Far Rich International Corporation	Chao-Hsin Chiu	23,978,293	4.307
Director	Ding-Fong Broadcasting Co., Ltd.	Kao-Ming, Tsai	6,966,179	1.251
Director	Ding-Fong Broadcasting Co., Ltd.	Ching-Chi Chen	6,966,179	1.251
Independent Director	Lee, Kuen-Chang		0	0.000
Independent Director	Chen, Su-Chang		235	0.000
Independent Director	Shyr, Tien-Wei		9,692	0.002
Total shareholding of all directors (including Independent directors)			30,954,399	5.559

Note: 1. The number of issued shares: 556,789,889 shares

2. The minimum shareholding of all directors (4%*0.8): 17,817,276 shares

Description of shareholders proposals :

- I. Pursuant to Article 172-1 of the Company's Act, shareholder(s) holding one percent (1%) or more of the total number of outstanding shares of a company may propose to the company a proposal for discussion at a shareholders' meeting, provided that only one matter shall be allowed in each single proposal and no more than 300 words in such proposal, and in case a proposal contains more than 300 words, such proposal shall not be included in the agenda. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.
- II. The shareholders' meeting in 2021 shall accept shareholder's proposals from April 9, 2021 to April 19, 2021. No shareholder holding one percent (1%) or more of the total number of outstanding shares submitted a proposal to the Company during the proposal period.