Stock Code:2614

EASTERN MEDIA INTERNATIONAL CORPORATION

Parent Company Only Financial Statements

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

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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	
	Assets		**Amount**	**%**	**Amount**	**%**
	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
			1,813,349	16	2,229,749	21
	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	-
			9,148,408	84	8,416,470	79
	Total assets	$	**10,961,757**	**100**	**10,646,219**	**100**

(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	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	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	-
		554,574	6	343,995	3
	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
		4,130,567	37	3,941,084	37
	Total liabilities	4,685,141	43	4,285,079	40
	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	6,276,616	57	6,361,140	60
	Total liabilities and equity	**$ 10,961,757**	**100**	**10,646,219**	**100**

See accompanying notes to parent company only financial statements.

(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)

		2020 Amount	%	2019 Amount	%
		For the years ended December 31			
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)**	609,271	46	616,390	48
	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))**	-	-	(1,325)	-
	Net operating income	428,709	32	430,177	34
	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))	(71,018)	(5)	(504,820)	(40)
7900	**Profit before income tax**	320,852	24	193,678	15
7950	Less: Income tax benefits (Note 6(o))	(200,007)	(15)	(196,853)	(15)
	Profit	520,859	39	390,531	30
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	18,570	1	(753)	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	19,567	1	(5,336)	-
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	-	-	-	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(68,160)	(5)	(55,542)	(4)
8300	**Other comprehensive income, net of tax**	(48,593)	(4)	(60,878)	(4)
	Total comprehensive income	**$ 472,266**	**35**	**329,653**	**26**
	Earnings per share (Note 6(q))				
9750	**Basic earnings per share**	**$**	**0.94**		**0.70**
9850	**Diluted earnings per share**	**$**	**0.93**		**0.70**

See accompanying notes to parent company only financial statements.

(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)

	Share capital		Retained earnings			Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
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**

See accompanying notes to parent company only financial statements.

(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, plan 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 accunted 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**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

EASTERN MEDIA INTERNATIONAL CORPORATION

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2020 and 2019

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

(1) Company history

Eastern Media International Corporation (the "Company") was established on May 14, 1975 to promote the private port silo business, and its warehouse officially opened in 1980 with the completion of its silo. In order to enhance the operating performance and expand the business scope, the Company merged with Grain Union Transport Ltd. on May 15, 1989. The Company' s shares listed on the Taiwan Stock Exchange, classified in the shipping category, on September 25, 1995. In recent years, as the proportion of revenue from shipping has declined and the proportion of revenue from trade has increased to more than 50% of overall revenue, the Company's shares have changed classification to the retail sales category, as approved by the Taiwan Stock Exchange on July 1, 2014.

The Company's business development is mainly based on diversification. In addition to land development, grain trading and consumer product development and sales, the Company has diversified into new businesses such as cross-strait trade platform and multimedia shopping through its investment in subsidiaries since 2009.

The main businesses of the Company include forwarding, loading and unloading cargo onto/from ships, the handling and operation of wharf and transit shed facilities.

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

The financial statements were authorized for issue by the Board of Directors on March 25, 2021.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IFRS 3 "Definition of a Business"
- Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"
- Amendments to IAS 1 and IAS 8 "Definition of Material"
- Amendments to IFRS 16 "COVID-19-Related Rent Concessions"

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

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

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

(Continued)

EASTERN MEDIA INTERNATIONAL CORPORATION
Notes to the Parent Company Only Financial Statements

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to not have a significant impact on parent company only financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 16 “Property, Plant and Equipment－Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts－Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(4) Summary of significant accounting policies:

The significant accounting policies presented in the parent company only financial statements are summarized below. Except for Note 3 specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

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

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

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

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

(ii) Functional and presentation currency

The functional currency of each Company entities is determined based on the primary economic environment in which the entities operate. The parent company only financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(Continued)

EASTERN MEDIA INTERNATIONAL CORPORATION
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(c) Foreign currencies

(i) Foreign currency transactions

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

Exchange differences arising on retranslation are recognized in profit or loss, except for those differences relating to fair value through other comprehensive income equity investment, which are recognized in other comprehensive income.

(ii) Foreign operations

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

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

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

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

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

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

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

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

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

(Continued)

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

An entity shall classify a liability as current when:

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

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

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

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

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

On initial recognition, financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

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

Dividend income is recognized in profit or loss on the date on which the Company’s right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

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

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

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4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes：

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management' s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company' s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

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

- contingent events that would change the amount or timing of cash flows；
- terms that may adjust the contractual coupon rate, including variable rate features；
- prepayment and extension features；and

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

6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivable, other receivable, refundable deposits and other financial assets).

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

- debt securities that are determined to have low credit risk at the reporting date；and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ' investment grade which is considered to be BBB or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

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

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

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

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

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

- significant financial difficulty of the borrower or issuer；
- a breach of contract such as a default or being more than 90 days past due；
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；
- it is probable that the borrower will enter bankruptcy or other financial reorganization；or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Company recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

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

7) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Financial liabilities

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

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

2) Derecognition of financial liabilities

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

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

3) Offsetting of financial assets and liabilities

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

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories and capitalized borrowing costs incurred in bringing them to their existing location and condition.

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

(h) Investment in associates

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

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

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

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

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

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings)when the equity method is discontinued.

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

(i) Subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries are recognized as equity transaction.

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(j) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

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

Buildings	1～55 years
Machinery and equipment	2～ 7 years
Transportation equipment	5～20 years
Leasehold improvements	2～20 years
Miscellaneous equipment	2～20 years

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

(k) Leased assets

(i) Identifying a lease

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

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

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

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

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

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

(ii) As a leasee

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

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

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

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

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

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

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

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

— there is any lease modifications

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

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For sale-and-leaseback transactions, the Company applies the requirements for determining when a performance obligation is satisfied in IFRS15 to determine whether the transfer of an asset is accounted for as a sale of the asset. If the transfer of an asset satisfies the requirement of IFRS15 to be accounted for as a sale of the asset, the Company derecognizes the transferred asset, then measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. For leaseback transaction, the Company applies the lessee accounting policy. If the transfer of an asset does not satisfy the requirement of IFRS15 to be accounted for as a sale of the asset, the Company will be treated as financing.

As a practical expedient, the Company elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

— the rent concessions occurring as a direct consequence of the COVID-19 pandemic;

— the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

— any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2021; and

— there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(iii) As a leasor

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

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

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

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

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(l) Intangible assets

(i) Recognition and measurement

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

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

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(iii) Amortization

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

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

Computer software	3 years

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

(m) Impairment of non-financial assets

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

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

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

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

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

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

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

The Company signed an irrevocable ship leasing contract in accordance with the provisions of Accounting Research and Development Foundation Interpretation (102) No. 051. As a consequence, if the benefit becomes less than the unavoidable costs, the difference shall be accrued as loss contingency. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it. According to the regulations on impairment of assets, if the irrevocable ship leasing contract is under a finance lease, the Company first assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased, and if that is the case, the Company shall recognize the contingent liabilities of onerous contracts. When the expected revenue from an irrevocable contract is less than the unavoidable cost, the difference is recognized in profit or loss based on the quoted market price in an active market. The Company cannot claim the difference if the profit or loss cannot be estimated due to the wide fluctuation in future leasing rates. In addition, the Company should recognize the entire contingent loss in five years even if the future cash flow cannot be estimated due to the longer leasing period. However, if the lease cannot be based on observable market data, the Company shall recognize the difference as loss in the current year (e.g., within two years) using the most recent leasing rates in the market.

(o) Revenue recognition

Revenue is recognition measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

(Continued)

The Company is involved in loading and unloading and warehousing, and recognizes relevant revenue during the financial reporting period of providing labor services.

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

(p) Government subsidies

The Company recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

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

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

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

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

(Continued)

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(r) Income taxes

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

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

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

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

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

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

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized, such reductions are reversed when the probability of future taxable profits improves.

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

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

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

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

(Continued)

1) the same taxable entity; or

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

(s) Business combination

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

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

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

(t) Earnings per share

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

(u) Operating segments

Please refer to the consolidated financial report of Eastern Media International Corporation for the years ended December 31, 2020 and 2019 for operating segments information.

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

The preparation of the financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

(Continued)

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Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

(a) Prefer to the consolidated financial statement for the years ended December 31,2020 and 2019 for judgment regarding control of subsidiaries.

(b) Lease term

The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably not to exercise that option. In assessing whether a lessee is reasonably to exercise the options, the Company considers all relevant facts and circumstances that create an economic incentive for the lessee. The Company reassesses whether it is reasonably certain to exercise an extension option or not to exercise the option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. If there is a change in the lease term, the Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Please refer to Note 6(j) and 6(m).

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

(a) Measurement of defined benefit obligations

Accrued pension liabilities and resulting pension expenses under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, future salary increase rate, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability. Refer to Note 6(n) for further description of the actuarial assumptions and sensitivity analysis.

(b) Recognition of deferred tax assets

As of December 31, 2020 and 2019, the carrying amounts of deferred tax assets in relation to unused tax losses were $399,839 and $199,919, respectively. As of December 31, 2020 and 2019, no deferred tax assets have been recognized on tax losses of $1,123,969 and $1,394,679, respectively, due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

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(c) Impairment of goodwill from investments in subsidiaries

Determining whether the goodwill included in the investments in subsidiaries is impaired requires an estimation of the value in use of the cash-generating units which are expected to benefit from the synergies of the related combination and to which the goodwill has been allocated since the acquisition date. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The Company's accounting policies include measuring financial and nonfinancial assets and liabilities at fair value through profit or loss.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to the following notes for assumptions used in measuring fair value:

Note 6(u), Financial instruments.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand	$ 1,725	1,512
Cash in banks	527,481	314,290
Cash and cash equivalents	360,038	520,171
	$ 889,244	**835,973**

The deposit accounts of $0 and $59,666, which did not meet the definition of cash and cash equivalents, were classified as other financial assets-current for the years ended December 31, 2020 and 2019, respectively.

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

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

	December 31, 2020	December 31, 2019
Financial assets designated as at fair value through profit or loss		
Non-derivative financial assets		
Stocks listed on domestic markets	$ 231,123	242,539

(i) Please refer to Note 6(u) for the remeasurement of fair value.

(ii) The Company recognized the dividends of $1,287 and $0, related to equity investments at fair value through profit or loss held on December 31, 2020 and 2019, respectively.

(iii) No Financial assets were pledged as collateral on December 31, 2020 and 2019, respectively.

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

	December 31, 2020	December 31, 2019
Equity investments at fair value through other comprehensive income		
Unlisted common shares domestic Company	$ 7,500	7,500

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

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

The Company recognized the dividends of $587 and $1,046, related to equity investments at fair value through other comprehensive income held on December 31, 2020 and 2019, respectively.

In 2019, the Company received the cash return of $24,799 from Want Want Broadband Co., Ltd., which has rendered the capital reduction through a cash return to its shareholders. The above transaction had been approved during the interim shareholders' meeting on January 21, 2019. The Company has also sold its shares held in Want Want Broadband Co., Ltd. at fair value of $181. The Company realized a loss of $10,738, which was recognized as other comprehensive income, and thereafter, was reclassified to retained earnings.

(ii) For credit risk and market risk; please refer to Note 6(u) and (v).

(iii) No Financial assets were pledged as collateral on December 31, 2020 and 2019, respectively.

(d) Note and accounts receivable (including related parties)

	December 31, 2020	December 31, 2019
Accounts receivable	$ 11,148	13,712

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EASTERN MEDIA INTERNATIONAL CORPORATION
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The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance provision in warehousing segment was determined as follows:

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 11,148	-	-

	December 31, 2019		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 13,712	-	-

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

	For the years ended December 31	
	2020	**2019**
Balance on January 1	$ -	8,870
Gain on reversal of impairment loss	-	(1,325)
Amounts written off	-	(7,545)
Balance on December 31	$ -	-

(i) The Company due to loss of allowance for notes receivable and accounts receivable recognized gain on reversal of impairment loss of $0 and $1,325 December 31, 2020 and 2019, respectively.

(ii) Please refer to Note 6 (u) and (v) for the Company's accounts receivable exposure to credit risk and currency risk.

(e) Other receivables (including related parties)

	December 31, 2020	**December 31, 2019**
Other accounts receivable—loans to associates	$ 616,500	984,500
Other accounts receivable—others	14,048	44,896
Less: Loss allowance	-	(27,285)
	$ 630,548	1,002,111

(i) As of December 31, 2020 and 2019, there were no past due but not impared of other receivables.

(Continued)

(ii) For credit risk and market risk; please refer to Note 6(u) and Note 6(v).

(f) Inventories

	December 31, 2020	December 31, 2019
Raw materials and others (including fuel)	$ 28,046	26,070

(i) As of December 31, 2020 and 2019, raw material and others, recognized as cost of sales amounted $7,365 and $7,533, respectively.

(ii) No inventories were pledged as collateral on December 31, 2020 and 2019, respectively.

(g) Investments accounted for using equity method

The Company’s financial information for investments accounted for using the equity method at the reporting date was as follows:

	December 31, 2020	December 31, 2019
Subsidiaries	$ 3,795,089	3,614,867
Associates		
EHK E&S Co., Ltd.	-	26,081
Eastern Home Shopping&Leisure Co., Ltd.	123,672	99,211
	3,918,761	3,740,159
Add: credit balance of investments accounted for using equity method transferred to non-current liabilities	478,618	112,059
	$ 4,397,379	3,852,218

(i) Subsidiaries

Expect for the following mentioned, please refer to the consolidated financial statement for the years ended December 31, 2020 and 2019.

1) On December 31, 2020 and 2019, wherein the Company invested at an amount proportionate to subsidiaries' previous shareholding, credit balance of investments accounted for using equity method carrying amounts of $478,618 and $112,059, respectively, the credit balance of investments accounted for using equity method has been transferred to non-current liabilities.

2) On June 3, 2019, its board of directors resolved to participate in FESS- Panama ’s capital injection by cash with an investment amount of USD$4,700 (approximately NTD$146,688), and the transaction was approved by the Investment Commission, MOEA on October 15, 2019.

3) On July 5,2019, the Company did not participate in the ET New Media’s capital injection in proportion to the shareholding ratio, with an investment amount of $253,528, thereby reducing its shareholding from 93.90% to 89.20%.

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4) On January 2, 2020, the Company's Board of Directors resolved to invest $100,000 in Eastern Asset Co., Ltd. with a 100% shareholding, which was registered on February 24, 2020. It participated in the cash capital increase on March 10 and June 23 of the same year. The former did not increase the capital in proportion to the shareholding ratio, with an investment amount of $230,000, thereby reducing its shareholding to 55%. All registration procedures had been completed on April 6, 2020. The latter transaction increased its capital by $165,000, and all registration procedures had been completed on July 27, 2020.

5) On December 16, 2020, a resolution was passed in the Far Eastern Silo & Shipping International (Bermuda) Ltd. board meeting for the capital reduction with the amount of USD$400 (approximately NTD$11,230), and the transaction was approved by the Investment Commission, MOEA on January 27, 2021.

(ii) Associates

1) Affiliates which are material to the Company consisted of the followings:

Name of Affiliates	Nature of Relationship with the Company	Main operating location/ Registered Country of the Company	Proportion of shareholding and voting rights December 31, 2020	December 31, 2019
Eastern Home Shopping & Leisure Co., Ltd.	Sale plenty of merchandise, material and equipment wholesale and retail	Taiwan, Hong Kong and China	6.51 %	6.51 %

On December 27, 2018, EHS reelected the Board of Supervisors. The Company did not hold more than half of the seats. The contract agreement with the original voting rights holder also terminated due to the election. As the loss of control over the subsidiary, EHS would become an associate instead of the subsidiary of the Company since the new direct came in on January 1, 2019. The detail information please refer to Note 6(h).

The following consolidated financial information of significant affiliates had been adjusted according to individually prepared IFRS financial statements of these affiliates:

	December 31, 2020	December 31, 2019
Current assets	$ 5,459,802	3,941,679
Non-current assets	6,614,712	6,014,078
Liabilities	(9,882,194)	(8,163,537)
Net assets	**$ 2,192,320**	**1,792,220**
Non-controlling interests, attributable to investee	**$ 293,369**	**268,867**
Net assets attributable to investee	**$ 1,898,951**	**1,523,353**

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	For the years ended December 31	
	2020	2019
Operating revenue	$ 23,709,345	20,460,741
Net income	$ 1,454,098	594,820
Other comprehensive income	(46,847)	(19,039)
Total comprehensive income	$ 1,407,251	575,781
Comprehensive income (loss) attributable to non-controlling interests	$ 5,356	(31,247)
Comprehensive income attributable to investee	$ 1,401,895	607,028

	For the years ended December 31	
	2020	2019
Share of net assets attributable to the Company on January 1	$ 99,211	116,083
Comprehensive income attributable to the Company	91,301	39,536
Dividends received from associates	(66,840)	(56,419)
Transfer from treasury stock	-	11
Share of net assets attributable to the Company on December 31	$ 123,672	99,211

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

	December 31, 2020	December 31, 2019
Carrying amount of individually insignificant associates' equity	$ -	26,081

	For the years ended December 31	
	2020	2019
Attributable to the Company:		
Profit (loss) from continuing operations	$ 182	(16,395)
Other comprehensive loss	(1,790)	(2,040)
Comprehensive loss	$ (1,608)	(18,435)

(iv) The liquidation of Company affiliate EHK E&S Co., Ltd. was completed on June 18, 2020, and all remaining invested funds of $24,473 were recovered as of June 30, 2020, incurring an investment loss of $3,806. The investment loss of this disposal includes the amount previously recognized in other comprehensive income that may be reclassified to profit or loss.

(v) The Company has processed an impairment test for investment using the equity method, please refer to Note 6(h) of the consolidated financial statements for the year ended December 31, 2020 and 2019.

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(vi) Please refer to Note 8 for investments accounted for using equity method were pledged as collateral on December 31, 2020 and 2019, respectively.

(h) Loss of control of subsidiaries

(i) On December 27, 2018, EHS reelected the Board of Supervisors. The Company did not hold more than half of the seats. The contract agreement with the original voting rights holder also terminated due to the election. As the loss of control over the subsidiary, EHS would become an associate instead of the subsidiary of the Company since the new direct came in on January 1, 2019. However, the merger was accounted as joint control, using carrying amount method in accordance with the International Financial Reporting Standard No.3. While losing control of EHS, it was derecognized in accordance with the standard as well.

The carrying amount of assets and liabilities of EHS on January 1, 2019, was as follow:

Cash and cash equivalents	$	1,271,295
Inventories		1,427,075
Accounts receivable and other accounts receivable		408,221
Other current assets		291,952
Property, plant and equipment		1,319,847
Intangible assets		3,869,576
Other non-current assets		227,038
Long-term and short-term loans		(2,497,521)
Accounts payable and other accounts payable		(3,621,404)
Other current liabilities		(520,954)
Other non-current liabilities		(92,684)
Carrying amount of net assets	$	**2,082,441**

(ii) On March 29, 2019, the Company sold all of its shares in ET New Retail Department to EHS, with a consideration of $997, resulting in gain on disposal amounting to $4,666. In addition, the unrealized gain from the consolidated entities' transactions was realized due to the disposal of the Company's subsidiary. For related information, please refer to consolidated financial statements Note 6(n).

(i) Property, plant and equipment

(i) The cost, depreciation, and impairment loss of the property, plant and equipment of the Company as of December 31, 2020 and 2019, were as follows:

		Land	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Total
Cost or deemed cost:								
Balance on January 1, 2020	$	63,196	51,544	3,674	25,010	203,076	32,631	379,131
Additions		87,951	9,472	-	1,055	27,687	4,402	130,567
Disposals		-	-	-	(310)	(6,273)	(721)	(7,304)
Balance on December 31, 2020	$	**151,147**	**61,016**	**3,674**	**25,755**	**224,490**	**36,312**	**502,394**

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	Land	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Total
Balance on January 1, 2019	$ 63,196	51,544	3,674	23,745	57,159	31,005	230,323
Additions	-	-	-	1,265	62,791	2,821	66,877
Transfers	-	-	-	-	91,965	-	91,965
Disposals	-	-	-	-	(8,839)	(1,195)	(10,034)
Balance on December 31, 2019	**$ 63,196**	**51,544**	**3,674**	**25,010**	**203,076**	**32,631**	**379,131**
Depreciation and impairment loss:							
Balance on January 1, 2020	$ -	23,912	3,674	20,977	19,924	25,249	93,736
Depreciation	-	1,649	-	1,676	22,863	2,517	28,705
Disposals	-	-	-	(310)	(6,273)	(721)	(7,304)
Balance on December 31, 2020	**$ -**	**25,561**	**3,674**	**22,343**	**36,514**	**27,045**	**115,137**
Balance on January 1, 2019	$ -	22,567	3,674	19,578	12,503	24,559	82,881
Depreciation	-	1,345	-	1,399	16,260	1,885	20,889
Disposals	-	-	-	-	(8,839)	(1,195)	(10,034)
Balance on December 31, 2019	**$ -**	**23,912**	**3,674**	**20,977**	**19,924**	**25,249**	**93,736**
Carrying amounts:							
Balance on December 31, 2020	**$ 151,147**	**35,455**	**-**	**3,412**	**187,976**	**9,267**	**387,257**
Balance on December 31, 2019	**$ 63,196**	**27,632**	**-**	**4,033**	**183,152**	**7,382**	**285,395**
Balance on January 1, 2019	**$ 63,196**	**28,977**	**-**	**4,167**	**44,656**	**6,446**	**147,442**

Please refer to Note 8 for the details of the property, plant and equipment pledged as collateral.

(j) Right-of-use assets

(i) The cost and depreciation and impairment loss of the land and equipments and buildings of the Company were as follows:

	Land and equipment	Buildings	Total
Right of use asset cost:			
Balance on January 1, 2020	$ 4,107,295	44,685	4,151,980
Write off-lease modification	(2,218)	-	(2,218)
Balance on December 31, 2020	**$ 4,105,077**	**44,685**	**4,149,762**
Balance on January 1, 2019	$ 3,154,258	13,236	3,167,494
Additions	953,067	38,326	991,393
Write off-lease modification	(30)	(6,877)	(6,907)
Balance on December 31, 2019	**$ 4,107,295**	**44,685**	**4,151,980**
Depreciation and impairment loss:			
Balance on January 1, 2020	$ 220,103	6,418	226,521
Depreciation	204,490	9,539	214,029
Balance on December 31, 2020	**$ 424,593**	**15,957**	**440,550**

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	Land and equipment	Buildings	Total
Balance on January 1, 2019	$ -	-	-
Depreciation	220,103	7,735	227,838
Write off-lease modification	-	(1,317)	(1,317)
Balance on December 31, 2019	$ 220,103	6,418	226,521
Carrying amounts:			
December 31, 2020	$ 3,680,484	28,728	3,709,212
December 31, 2019	$ 3,887,192	38,267	3,925,459
January 1, 2019	$ 3,154,258	13,236	3,167,494

(i) In October 2019, some lease contracts were not renerved in consideration of its operating conditions by the Company, and the right-of-use assets of $5,590 and lease liabilities of $5,649 were wrote-off. The Company recognized $59 in lease modification benefits.

(ii) In February 2020, due to modifications of warehousing lease contract, some lease contracts were terminated by the Company, and the right-of-use assets and the lease liabilities amounted to $2,218 and $2,218 were wrote-off.

(k) Short-term loans

	December 31, 2020	December 31, 2019
Secured bank loans	$ -	-
Unused credit lines	$ 958,491	617,215
Interest rate	-	-

Please refer to Note 8 for the details of the related assets pledged as collateral.

(l) Provisions

	Onerous contract
Balance on January 1, 2019	$ 102,741
Provisions reversed during the year	(102,759)
Foreign exchange gain/loss	18
Balance on December 31, 2019	$ -

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract in 2019. However, ships contracts had expired on April 28 and May 2, 2019, all provisions reversal.

(m) Lease liabilities

The Company amounts recognized in lease liabilities was as follows:

	December 31, 2020	December 31, 2019
Current	$ 169,657	164,977
Non-current	$ 3,630,042	3,801,676

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

For the years ended December 31, 2020 and 2019, newly added lease liabilities amounted $0 and $991,393, respectively, and the interest rate was 3%. Lease period ending dates extend from April 2022 to December 2038. However, for the years ended December 31, 2020 and 2019, the Company negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing lease liabilities by $2,218 and $5,649, respectively. The information on modifications of the Company's lease contracts, please refer to Notes 6(j) and (t).

The amounts recognized as profit or loss were as follows:

	For the years ended December 31	
	2020	2019
Interest on lease liabilities	$ 116,666	93,095
Variable lease payments not included in the measurement of lease liabilities	$ 29,995	30,012
Expenses relating to short-term leases	$ 1,892	8,566
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 214	316

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

	For the years ended December 31	
	2020	2019
Total cash outflow for leases	$ 313,503	318,574

As of December 31, 2020 the Company leased land and equipment and buildings for its warehousing operations and office space. The leases of land typically run for a period of 20 years, and of office space for 3 to 5 years. The leases included an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of equipments contained extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

The Company also leases IT equipment and machinery with contract terms of one to three years. These leases are short-term or leases of low-value items. The Company had elected not to recognize right-of-use assets and lease liabilities for these leases.

(n) Employee benefits

(i) Defined benefit plans

The Company's defined benefit obligations and fair value of plan assets were as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	$ 143,876	143,510
Fair value of plan asset	(122,351)	(116,161)
Net defined benefit liabilities	**$ 21,525**	**27,349**

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

1) Composition of plan assets

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

The Company' s Bank of Taiwan labor pension reserve account balance amounted $122,351 as of December 31, 2020. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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2) Movements in present value of the defined benefit obligations

The movement in the present value of the defined benefit obligations for the years December 31, 2020 and 2019 were as follows:

	For the years ended December 31	
	2020	**2019**
Defined benefit obligation at January 1	$ 143,510	146,266
Current service cost and interest	2,349	2,918
Remeasurements of the net defined benefit liability (asset):		
—Actuarial (losses) gains arising from to experience adjustments	2,986	8,162
Benefits paid by the plan	(4,969)	(13,836)
Defined benefit obligations at December 31	**$ 143,876**	**143,510**

3) Movements in the fair value of plan assets

The movements in the present value of the defined benefit plan assets for the years December 31, 2020 and 2019 were as follows:

	For the years ended December 31	
	2020	**2019**
Fair value of plan assets at January 1	$ 116,161	96,216
Interest revenue	720	751
Remeasurements of the net defined liability (asset):		
—Return on plan assets (excluding interest for the period)	3,983	3,398
Contributions made from employer	6,456	29,632
Benefits paid by the plan	(4,969)	(13,836)
Fair value of plan assets at December 31	**$ 122,351**	**116,161**

4) Expenses recognized in profit and loss

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

	For the years ended December 31	
	2020	**2019**
Current service cost	$ 1,460	1,777
Net interest on net defined benefit liability	889	1,141
Curtailment or settlement losses	(720)	(751)
	$ 1,629	**2,167**

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	For the years ended December 31	
Operating cost	$ 1,086	1,437
Administration expense	543	730
	$ 1,629	**2,167**

5) Actuarial valuations

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

	December 31, 2020	December 31, 2019
Discount rate	0.19%	0.62%
Future salary increase	0.50%	1.00%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $6,456.

The weighted-average lifetime of the defined benefits plans is 4 years.

6) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Company uses judgments and estimations to determine the actuarial assumptions, including employee turnover rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

As of December 31, 2020 and 2019, the changes in the principal actuarial assumptions will impact on the present value of defined benefit obligation as follows:

	Impact on present value of defined benefit obligations	
	Increase	Decrease
December 31, 2020		
Discount rate of 0.50%	$ (1,670)	4,574
Future salary increase rate of 0.50%	4,512	(1,349)
December 31, 2019		
Discount rate of 0.50%	(2,039)	5,771
Future salary increase rate of 0.50%	5,700	(2,042)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in defined benefit obligation as some of the variable may be correlated in the actual situation. The model used in the sensitivity analysis is the same as the defined benefit obligation liability.

(Continued)

The analysis is performed on the same basis for prior year.

(ii) Defined contribution plans

The Company allocates 6% of each employees' monthly wages to the Labor Pension personal accounts at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined constribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The cost of the pension contributions to the Labor Insurance Burean for the years ended December 31, 2020 and 2019 amounted to $10,339 and $9,727, respectively.

(o) Income taxes

(i) The components of income tax benefits for the years ended December 31, 2020 and 2019 were as follows:

	For the years ended December 31	
	2020	**2019**
Current income tax expense		
Current period	$ -	-
Undistributed earnings additional tax	-	9,517
Adjustment for prior periods	(109)	(6,451)
	(109)	3,066
Deferred tax expense		
Origination and reversal of temporary differences	(199,898)	(199,919)
Adjustment in tax rate	-	-
	(199,898)	(199,919)
Income tax benefit from continuing operations	**$ (200,007)**	**(196,853)**

The reconciliation of income tax and profit before tax was as follows:

	For the years ended December 31	
	2020	**2019**
Profit before income tax	$ 320,852	193,678
Income tax on pre-tax financial income calculated at the domestic rates applicable to profits in the country concerned	$ 64,170	38,736
Investment gain or loss from domestic investment accounted for using equity method	14,204	100,964
Undistributed earnings additional tax	-	9,517
Prior years' adjustment	(109)	(6,451)
Other adjustments in accordance with tax laws	(78,374)	(139,700)
Deferred income taxes	(199,898)	(199,919)
Total	**$ (200,007)**	**(196,853)**

(Continued)

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(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

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

	December 31, 2020	December 31, 2019
Tax effect of deductible temporary differences	$ 2,849	5,470
The carryforward of unused tax losses	1,123,969	1,394,679
	$ 1,126,818	**1,400,149**

2) Recognized deferred tax assets and liabilities

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

	For the years ended December 31	
	2020	2019
Deferred Tax Assets:		
Balance, January 1	$ 199,919	-
Recognized in profit or loss	199,920	199,919
Balance, December 31	**$ 399,839**	**199,919**

For the years ended December 31, 2020 and 2019, previously unrecognized tax losses of $199,920 and $199,919, respectively, were recognized as deferred tax assets, as management determined that it is probable that there will be sufficient taxable gains in the future.

	For the years ended December 31
	2020
Deferred Tax Liabilities:	
Balance, January 1	$ -
Recognized in profit or loss	22
Balance, December 31	**$ 22**

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3) As of December 31, 2020, the information of the Company's unutilized business unused tax losses for which no deferred tax assets were recognized are as follows:

Year of Occurrence	Remaining Creditable Amount	Year of Expiration
2011	$ 1,692,762	2021
2012	1,390,058	2022
2013	1,466,903	2023
2014	1,432,422	2024
2015	1,206,357	2025
2017	142,615	2027
2018	287,921	2028
	$ 7,619,038	

(iii) The Company's tax returns for the years through 2018 were examined and approved by the tax authority.

(p) Capital and other equity

(i) Ordinary shares

As of December 31, 2020 and 2019, the total value of nominal ordinary shares amounted $15,000,000 with a par value of $10 (dollars) per share. The total number of shares was 556,790.

For increasing the return on equity, on March 25, 2021, a resolution was passed in the board meeting for the capital reduction with $0.5(NT$) per share, amounting to $278,395, cancelling 27,840 ordinary shares, and will be passed in the shareholders' meeting on June 18, 2021.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2020 and 2019, were as follows:

	December 31, 2020	December 31, 2019
Changes in equity of associates and subsidiaries accounted for using equity method	$ 5,165	5,165
Changes in equity of subsidiaries	15,604	15,604
	$ 20,769	**20,769**

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

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For the year ended December 31, 2019, the Company invested its subsidiary without in accordance with the shareholding ratio, leading the movement of shareholding ratio and increasing the capital surplus-changes in ownership interests in subsidiaries by $15,604. Please refer to Note 6(g) for more information.

(iii) Retained earnings

1) Legal reserve

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

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 First-time Adoption of International Financial Reporting Standards during the Company's first-time adoption of the International Financial Reporting Standards (IFRSs) endorsed by the Financial Supervisory Commission, unrealized revaluation gains recognized under shareholders' equity and cumulative translation adjustments (gains) shall be reclassified as investment property at the adoption date. In accordance with Ruling No. 1010012865 issued by the Financial Supervisory Commission on April 6 2012, an increase in retained earnings due to the first-time adoption of IFRSs shall be reclassified as a special earnings reserve during earnings distribution, and when the relevant asset is used, disposed of, or reclassified, this special earnings reserve shall be reversed as distributable earnings proportionately.

A portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of special earnings reserve resulting from the first-time adoption of IFRSs and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes in other shareholders' equity pertaining to prior periods due to the first-time adoption of IFRSs. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The Company held a shareholders meeting on June 29, 2020 to pass a resolution to amend the Company's Articles of Incorporation to state that if profit distribution is to be paid in cash, it may be approved by the Board of Directors and reported to the Shareholders in its meeting.

The dividend policy of the Company takes into consideration the expenditures for its business expansion, investment, and improvement of its financial structure. Dividend distributions should not be less than 15% of distributable earnings. The Company distributes dividends of at least 10% of the aggregated dividends, if the distributions include cash dividends. 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

(Continued)

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 surplus, and the undistributed surplus at the beginning of the same period (including adjustment of the amount of undistributed surplus), its distribution shall be the approved by the board of directors.

The Company's earnings distribution proposals for 2019 and 2018 were resolved by the shareholder's meeting on June 29, 2020 and May 29, 2019, respectively, as follows:

	Earnings distributions		Dividend per share	
	2019	**2018**	**2019**	**2018**
Legal reserve	$ 37,423	107,100	-	-
Special reserve	44,579	143,912	-	-
Cash dividends	556,790	556,790	1	1

On March 25, 2021, the Company's Board of Directors resolved to appropriate the 2020 earnings, as follows:

	Earnings distributions	Dividend per share
Legal reserve	$ 54,042	-
Special reserve	68,155	-
Cash dividends	445,432	0.8

The earnings for 2020 is to be presented for approval in the Company' s Board of Shareholders to be held on June 18, 2021 (expected). For further information, please refer to the Market Observation Post System.

4) In 2019, as disposing financial assets at fair value through other comprehensive income, the loss on disposal amounted $10,738, was transferred from other equity to retained earnings.

5) In 2020, as disposing financial assets at fair value through other comprehensive income by subsidiaries, the loss on disposal amounted $19,492, was transferred from other equity to retained earnings.

(iv) Treasury shares

Eastern Home Shopping & Leisure (EHS) became a subsidiary of the Company on April 1, 2017. It acquired a total of 5 thousand shares, with a price of $9.53 per share, of the Company. As of December 31, 2018, the shares held by EHS were reduced to 4 thousand shares, with a price of $13.30 per share, after the capital reduction. On January 1, 2019, the Company loss control over EHS, resulting in the Company to recognize the amount of $11 as treasury shares.

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(v) Other equity(net of tax)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2020	$ (224,130)	(3,671)	(227,801)
Exchange differences on foreign operation	(59,795)	-	(59,795)
Change in other comprehensive income (loss) of associates and subsidiaries accounted for using equity method	(8,365)	19,497	11,132
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	**$ (292,290)**	**(3,666)**	**(295,956)**
Balance on January 1, 2019	$ (168,588)	(14,634)	(183,222)
Exchange differences on foreign operation	(52,465)	-	(52,465)
Change in other comprehensive income (loss) of associates and subsidiaries accounted for using equity method	(3,077)	44	(3,033)
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	181	181
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	10,738	10,738
Balance at December 31, 2019	**$ (224,130)**	**(3,671)**	**(227,801)**

(q) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2020 and 2019 are as follows:

	For the years ended December 31	
	2020	**2019**
Basic earnings per share		
Profit attributable to ordinary shareholders	**$ 520,859**	**390,531**
Weighted average number of ordinary shares	**556,790**	**556,790**
	$ 0.94	**0.70**
Diluted earnings per share		
Profit attributable to ordinary shareholders	**$ 520,859**	**390,531**
Weighted average number of ordinary shares	556,790	556,790
Effect of potentially dilutive ordinary shares		
Employee stock bonus	843	1,370
Weighted average number of ordinary shares (diluted)	557,633	558,160
	$ 0.93	**0.70**

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(r) Revenue from contracts with customers

(i) Details of revenue

		For the years ended December 31	
		2020	2019
Main services:			
Loading and storage revenue	$	1,338,004	1,280,228
Other revenue		-	1,884
	$	**1,338,004**	**1,282,112**

(ii) Contract balances

		December 31, 2020	December 31, 2019	January 1, 2019
Notes receivables	$	-	-	91
Account receivable		11,148	13,712	23,371
Less: allowance for impairment		-	-	(8,870)
Total	$	**11,148**	**13,712**	**14,592**
Contract liabilities	$	**-**	**-**	**387**

Please refer to Note 6(d) for the details of accounts receivable and its impairment.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no significant changes.

(s) Employee compensation

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' compensation is based on stocks or cash, subject to a special resolution of the board of directors and reporting to the regular shareholders meeting.

For the year ended December 31, 2020 and 2019, the Company estimated its employee compensation amounting to $11,637 and $7,025, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the compensation to employees, multiplied by the percentage of compensation to employees. These compensations were expensed under operating costs or expenses during the period. The differences between the actual distributed amounts, as determined by the board of directors, and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

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For the year ended December 31, 2019 and 2018, the amounts of employees' compensation and directors' remuneration, as stated in the parent company only financial statements, were identical to the actual distributions amounts for the year 2019 and 2018. For further information, please refer to Market Observation Post System.

(t) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31 2020	2019
Interest income	$ **28,690**	**34,681**

(ii) Other income

The details of other revenue were as follows:

	For the years ended December 31 2020	2019
Dividend income	$ 1,874	1,046
Rental income	1,323	4,136
Other income	7,530	-
	$ **10,727**	**5,182**

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31 2020	2019
Gain on disposal of property, plant and equipment	$ 53	16
Gain (loss) on disposal of investments	(3,806)	4,666
Net gain on evaluation of financial assets at fair value through profit or loss	49,151	168,231
Foreign exchange loss	(3,406)	(5,055)
Expected credit loss	-	(17,310)
Lease modification benefits	-	59
Other income	-	69,277
Other loss	(77)	(859)
Gain from price recovery of onerous contracts losses	-	102,759
	$ **41,915**	**321,784**

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(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2020	2019
Interest expenses – lease liabilities	$ 116,666	93,095
Interest expenses – bank loans	1,389	198
Finance expense	116	33
	$ 118,171	93,326

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

As at reporting date, the Company's exposure to credit risk and maximum exposure were mainly from:

a) The carrying amount of financial assets recognized in the balance sheet; and

b) The amount of liabilities as a result from the Company providing financial guarantees to its customers was $1,120,682 and $390,000.

2) Concentration of credit risk

For the years ended December 31, 2020 and 2019, the Company's revenue come from sales to a single customer were 11.47% and 12.78%, respectively.

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

Other amortized cost financial assets included other receivables and certificate of deposit.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4(f).

The loss allowance provision were determined as follows:

	For the years ended December 31	
	2020	2019
Other receivables		
Balance at January 1	$ 27,285	11,861
Amounts written off	(27,285)	(1,886)
Impairment losses recognized	-	17,310
Balance at December 31	$ -	27,285

(Continued)

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(ii) Liquidity risk

The following are the contractual maturities of financial liabilities of the Company, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-3 years	3-5 years	More than 5 years
December 31, 2020						
Payables	$ 369,172	369,172	369,172	-	-	-
Guarantee deposits received	3,799,699	4,915,283	281,303	559,359	545,606	3,529,015
Lease liabilities	360	360	360	-	-	-
	$ 4,169,231	**5,284,815**	**650,835**	**559,359**	**545,606**	**3,529,015**
December 31, 2019						
Payables	$ 156,426	156,426	156,426	-	-	-
Lease liabilities	3,966,653	5,199,123	281,695	562,117	554,634	3,800,677
	$ 4,123,079	**5,355,549**	**438,121**	**562,117**	**554,634**	**3,800,677**

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

(iii) Exchange rate risk

1) Exposure to exchange rate risk

The Company's financial assets and liabilities exposed to exchange rate risk were as follows:

	December 31, 2020			December 31, 2019		
	Foreign Currency	**Exchange Rate**	**TWD**	**Foreign Currency**	**Exchange Rate**	**TWD**
Financial assets						
USD:TWD	$ 60	28.480	1,709	2,846	29.980	85,178
EUR:TWD	2,885	35.020	101,033	1,496	33.590	49,965
Financial liabilities						
USD:TWD	7,071	28.480	201,392	-	-	-

2) Sensitivity analysis

The Company's exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, accounts payable, and other payables that are denominated in foreign currency. If the TWD, when compared with USD and EUR, had appreciated or depreciated 1% (with other factors remaining constant on the reporting date), net profit before tax would have increased or decreased by $987 and $1,351 for the years ended December 31, 2020 and 2019, respectively. The analysis is performed on the same basis for both periods.

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As the Company deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the years ended December 31, 2020 and 2019, foreign exchange losses (including realized and unrealized) amounted $3,406 and $5,055, respectively.

(iv) Interest rate analysis

The interest risk exposure of the Company's financial assets and liabilities is described in the note on market risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date.

For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities on the reporting date have been outstanding for the whole year. The Company's internal management reported the increases/decreases in interest rates, and changes in interest rates of one basis point are considered by management to be reasonably possible.

If the interest rate had increased or decreased 1% (with other factors remaining constant on the reporting date), the Company's net profit after tax would remain the same for the years ended December 31, 2020 and 2019, due to the Company's variable rate deposit and borrowing assuming all other variable factors remained constant.

(v) Other market price risk

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

	For the years ended December 31			
	2020		2019	
Price of securities at reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 3%	$ 225	6,934	225	7,276
Decreasing 3%	$ (225)	(6,934)	(225)	(7,276)

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(vi) Fair value of financial instruments

1) Fair value hierarchy

The carrying amount and fair value of the Company' s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

		Fair Value			
December 31, 2020	**Book Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 231,123	231,123	-	-	231,123
Financial assets at fair value through other comprehensive income	7,500	-	-	7,500	7,500
Financial assets measured at amortized cost					
Cash and cash equivalents	889,244				
Accounts receivable	11,148				
Other receivables (including related parties)	630,548				
Other current financial assets	14,592				
Refundable deposits	117,450				
Financial liabilities measured at amortized cost					
Other payables (including related parties)	369,172				
Lease liabilities (current and non-current)	3,799,699				
Guarantee deposits received	360				

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December 31, 2019	Book Value	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 242,539	242,539	-	-	242,539
Financial assets at fair value through other comprehensive income	7,500	-	-	7,500	7,500
Financial assets measured at amortized cost					
Cash and cash equivalents	835,973				
Accounts receivable	13,712				
Other receivables (including related parties)	1,002,111				
Other current financial assets	89,719				
Refundable deposits	117,383				
Financial liabilities measured at amortized cost					
Notes and accounts payable	616				
Other payables (including related parties)	155,810				
Lease liabilities (current and non-current)	3,966,653				

2) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets (current investments in debt instrument without active market) measured at amortized cost and financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used. The estimates and assumptions used in the evaluation method shall be the discounted value of cash flows to estimate the fair value.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

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

(Continued)

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

The Fair values of the stocks listed at stock exchange market, funds and bonds are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor.

b) Derivative financial instruments

Derivative financial instruments are valued based on widely accepted valuation models, such as discounted and option pricing models. Structured interest rate derivative financial instruments are valued using an appropriate option pricing model (e.g., Black-Scholes model) or other valuation techniques, such as Monte Carlo simulation.

4) Transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2020 and 2019.

5) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income	
	Equity investments without an active market	
	For the years ended December 31	
	2020	2019
Opening balance, January 1	$ 7,500	32,299
Total gains and losses recognized:		
In other comprehensive income	-	181
Disposal	-	(181)
Capital reduction and return of shares	-	(24,799)
Ending Balance, December 31	**$ 7,500**	**7,500**

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

The Company's financial instruments that use Level 3 inputs to measure fair value include "Financial assets at fair value through other comprehensive income".

Most of the Company's financial assets in Level 3 have only one significant unobservable input, while its equity investments without an active market have more than one significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

(Continued)

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Market comparable companies	·Price to book ratio multiple (1.58 and 1.07 as of December 31,2020 and 2019, respectively) ·Discount for lack of marketability (20%)	·The higher the multiple, the higher the fair value ·The higher the discount, the lower the fair value

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's fair value measurement of financial instruments is reasonable, but using different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Inputs	Rate increasing or decreasing	Other comprehensive income	
			Favourable	Unfavourable
December 31, 2020				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	$ 133	(133)
Equity investments without an active market	Discount for lack of marketability	1%	133	(133)
December 31, 2019				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	$ 81	(81)
Equity investments without an active market	Discount for lack of marketability	1%	81	(81)

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

(v) Financial risk management

(i) Overview

The Company is exposed to the following risks due to usage of financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note describes the Company's information concerning risk exposure and the Company's targets, policies and procedures to measure and manage the risks. For more quantitative information about the financial instruments, please refer to related notes to the financial statements.

(ii) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has deputized the management of core business departments to develop and monitor the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

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

1) Accounts receivable and other receivables

The exposure of the credit risk is depend on each customer of the sales of loading storage and lease. The Company assesses the customers' credit risk based on their basic information, which comprises of the default risk in their industry and country. The Company continuously monitors the exposure to credit risk and counterparty credit ratings, the Company does not require any collateral for trade and other receivables.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount with requiring approval from the Risk Management Committee; these limits are reviewed periodically. The Company would not trade with clients who cannot meet the basic credit rating requirement through regular review.

The Company monitored customer credit risk, customers are grouped according to their credit characteristics. Trade and other receivables relate mainly to the Company’ s wholesale customers. Customers that are graded as “high risk” are placed on a restricted customer list and monitored by the Risk Management Committee, and future sales are made on a prepayment basis.

The Company has set up an allowance for impairment to reflect the estimate of incurred losses with respect to trade receivables. The collectible status of the allowance for doubtful accounts is divided into five stages: normal, noticeable, recoverable, recoverable with difficulty, and uncollectible. The Company recognizes the balance of the accounts receivable as impairment loss.

2) Investment

The credit risk exposure of the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the General Manager’s office. The Company only deals with financial institutions, corporations and organizations with a credit rating of investment grade or higher; therefore, there are no significant doubts regarding default on the above financial instruments, and as a result, there is no significant credit risk.

3) Guarantee

The Company’ s policy is to provide financial guarantees only to subsidiaries. At December 31, 2020, no other guarantees were outstanding.

(iv) Liquidity risk

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

As of December 31, 2020 and 2019, the Company had unused bank credit lines for short-term borrowings amounting to $958,491 and $617,215, respectively. According to the Company’s evaluation, the working funds of the Company are sufficient to meet its entire contractual obligations and non-hedging forward exchange contracts; therefore, management does not expect any significant issue regarding liquidity risk. The Company revised the plan for real estate and investments, which is expected to improve liquidity risk. The Company intends to strenghten the activation and utilization plan of real estate and investment, which is expected to be sufficient to cope with liquidity risk.

(v) Market risk

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

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1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the New Taiwan Dollar (TWD). The currencies used in these transactions are the TWD, EUR, and USD.

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

2) Interest rate risk

The Company's interest rate risk is managed by maintaining an appropriate combination of fixed and floating interest rates. The Company periodically evaluates the hedging activities and makes the interest rate and risk preference consistent, so that the hedging strategies are most cost effective.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments since the management of the Company monitors and manages the equity investments by holding different investment portfolios. The Company's management will adjust the investment portfolios of stocks and bonds based on the market price. The significant components of the investment portfolios are individually managed.

(w) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

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

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

As at December 31, 2020, the Company's capital management strategy is consistent with the prior year as at December 31, 2019, ensure financing at a reasonable cost. The Company's debt-to-equity ratios at the balance sheet dates were as follows:

(Continued)

	December 31, 2020	December 31, 2019
Total liabilities	$ 4,685,141	4,285,079
Less: cash and cash equivalents	(889,244)	(835,973)
Net debt	3,795,897	3,449,106
Total Equity	6,276,616	6,361,140
Total capital	$ **10,072,513**	**9,810,246**
Net Debt-to-equity ratio	**37.69%**	**35.16%**

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

The Company's investing activities which did not affect the current cash flow for the years ended December 31, 2020 and 2019, were as follows:

	For the years ended December 31	
	2020	**2019**
Acquisition of property, plant and equipment	$ 130,567	66,877
Add: other payables January 1	12,337	7,650
Less: other payables December 31	(15,572)	(12,337)
Cash paid in this period	$ **127,332**	**62,190**

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are entities that have had transactions with related parties and the Company's subsidiaries during the periods covered in the parent company only financial statements.

Name of related party	Relationship with the Company
Far Eastern Silo & Shipping (Panama) S.A (FESS-Panama)	The Company's subsidiary
Far Eastern Silo & Shipping International (Bermuda) Ltd. (FESS-Bermuda)	The Company's subsidiary
Grand Scene Media Corporation (GSMC-Cayman)	The Company's subsidiary
Eastern Media Communication (Hong Kong) Ltd. (Eastern Media Communication Hong Kong)	The Company's subsidiary
RICHNESS TRADING (SHANGHAI) CO., LTD. (RICHNESS TRADING (SHANGHAI))	The Company's subsidiary
Shanghai Rich Industry Ltd.(Shanghai Rich)	The Company's subsidiary
GRAND SCENE TRADING (HOND KONG) LIMITED (GRAND SCENE TRADING (HONG KONG))	The Company's subsidiary
Eastern Enterprise Custom Broker Ltd. (Eastern En)	The Company's subsidiary (Note 1)

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Name of related party	Relationship with the Company
Eastern Biotechnology (Shanghai) (Eastern Food (Shanghai)) Ltd. (Eastern Biotechnology (Shanghai))	The Company's subsidiary (Note 2)
Eastern Enterprise Shanghai Logistics Ltd.	The Company's subsidiary (Note 3)
Nanjing Yun Fu Trading Ltd. (Nanjing Yun Fu)	The Company's subsidiary
Grand Richness Trading (Hong Kong) Co.(Grand Richness (Hong Kong))	The Company's subsidiary
Sheng Hang Trading (Shanghai) Ltd. (Sheng Hang (Shanghai))	The Company's subsidiary (Note 4)
Far Eastern Investment Co., Ltd.(EIC)	The Company's subsidiary
Tung Kai Lease Finance Co., Ltd. (TKLF)	The Company's subsidiary
Eastern International Lease Finance Co., Ltd. (EILF)	The Company's subsidiary
ET New Media (ETtoday) Holdings Co., Ltd.(ET New Media)	The Company's subsidiary (Note 5)
EHR Hotels & Resorts Group Yilan (EHR)	The Company's subsidiary
Mohist Web Technology Co., Ltd. (MWT)	The Company's subsidiary
Show Off Co., Ltd. (Show Off)	The Company's subsidiary (Note 6)
ET Pet Co., Ltd (ET Pet)	The Company's subsidiary (Note 7)
Dung sen dian jing yun Co., Ltd. (Dung sen dian jing yun)	The Company's subsidiary (Note 8)
Dung sen shin guang yun Co., Ltd. (Dung sen shin guang yun)	The Company's subsidiary (Note 9)
Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	The Company's subsidiary (Note 10)
Oscar Pet Co., Ltd. (Oscar)	The Company's subsidiary (Note 11)
Pet Kingdom Co., Ltd.(Pet Kingdom)	The Company's subsidiary (Note 11)
Kaou Sin Trading Co., Ltd.(Kaou Sin)	The Company's subsidiary (Note 11)
Dung sen min diau yun Co., Ltd. (Dung sen min diau yun)	The Company's subsidiary (Note 12)
Eastern Asset Co., Ltd. (Eastern Asset)	The Company's subsidiary (Note 13)
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	An associate (Note 14)
Dongsen D'Amour SPA (Dongsen D'Amour)	An associate (Note 14)
Strawberry Cosmetics Holdings Limited	An associate (Note 14)

(Continued)

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Name of related party	Relationship with the Company
Eastern New Retail Department (EIM) Co., Ltd. (ET New Retail Department)	An associate (Note 15)
EHK E&S Co., Ltd.	An associate (Note 16)
Natural Beauty Bio-Technology Co., Ltd. (Natural Beauty)	An associate
Eastern Property & Casualty Insurance Agency Co., Ltd. (Eastern Property & Casualty Insurance)	Key management
Taiwan Gift Card Co. Ltd. (Taiwan Gift Card)	Other related parties
Dongsen Health Life Co., Ltd. (Dongsen Health Life)	Other related parties
Eastern Realty Co., Ltd.	Other related parties
Eastern Bio Corporation (Eastern Bio)	Other related parties
Eastern E-Commerce Co., Ltd. (Eastern E-Commerce)	Other related parties (Note 17)
EIP TV Co., Ltd. (EIP)	Other related parties
Chinese Non-Store Retailer Association (Non-Store)	Other related parties
Taiwan Information and Communication Association	Other related parties
Dongsen Culture Foundation (Dongsen Culture)	Other related parties
Hong Yang Foundation (Hong Yang)	Other related parties
Chunghua New media Industry Development Association (Chunghua New Media)	Other related parties
Inforcharge Co., Ltd. (Inforcharge)	Other related parties
All Directors, Supervisors of the Group	Key management personnel general manager and vice personnel general

Note 1: GRAND SCENE TRADING (Hong Kong) sold 100% of its shares in Eastern En on June 21, 2019, Eastern En was no longer a related party since then.

Note 2: GRAND SCENE TRADING (Hong Kong) disposed all of its shares of Eastern Biotechnology (Shanghai), with the completion of their share transfer registration procedures on January 20, 2020.

Note 3: Eastern Enterprise Shanghai Logistics Ltd. has finished liquidation on July 20, 2020.

Note 4: Sheng Hang Trading (Shanghai) has finished liquidation on February 21, 2019.

Note 5: ETtoday was renamed ET New Media in February 2019.

Note 6: Show Off was dissolved on July 30, 2020. The processure of liquidation has not been finished by the reporting date.

Note 7: ET Pet Co., Ltd was established on January 18, 2019.

Note 8: Dung sen dian jing yun was established on January 19, 2019.

Note 9: Dung sen shin guang yun was established on January 22, 2019.

Note 10: Dung sen shin wen yun was established on August 22, 2019.

(Continued)

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Note 11: ET Pet decided to acquire 80% shares of Oscar, Pet Kingdom and Kaou Sin on September 11, 2019. The registrations of share transfer of these three companies were completed on October 1, 2019.

Note 12: Dung sen min diau yun was established on September 24, 2020.

Note 13: Eastern Asset was established on February 24, 2020.

Note 14: Since January 1, 2019, the Company lost control of EHS. Please refer to Note 6(h).

Note 15: The Company decided to sale all of its shares of EIM to EHS on November 29, 2018, and the registration of share transfer was completed on March 29, 2019, which made the Company lose the control of EIM. EIM was renamed ET New Retail Department in April in the same year by the permission of the New Taipei City Government.

Note 16: EHK E&S Co., Ltd. has finished liquidation on June 18, 2020.

Note 17: Since December 10, 2019, Eastern Tenmax Direct Selling Co., Ltd. was renamed as Eastern E-Commerce Co., Ltd.

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales transactions between the Company and related parties were as follows:

	For the years ended December 31	
	2020	**2019**
Subsidiaries	$ **-**	**1,884**

(ii) Receivables

Accounts	Related parties	December 31, 2020	December 31, 2019
Other receivable	Subsidiary: Fess-Panama	$ -	11,616
Other receivable	Subsidiaries	4,271	1,022
Other receivable	Associates	4,390	1,874
Other receivable	Other related parties	1,586	155
Other receivable	Key management	26	18
		$ **10,273**	**14,685**

(iii) Payables

Accounts	Related parties	December 31, 2020	December 31, 2019
Other payable	Subsidiaries	$ 159	11
Other payable	Associates	253	593
Other payable	Key management	14	10
Other payable	Other related parties	-	11
		$ **426**	**625**

(Continued)

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(iv) Loans to Related Parties

The actual amounts of loaned between the Company and related parties were as follows:

Related parties	December 31, 2020	December 31, 2019
ET New Media	$ 200,000	200,000
MWT	16,500	37,500
EHR	340,000	647,000
ET Pet	60,000	100,000
	$ 616,500	**984,500**

Interest revenue

Related parties	December 31, 2020	December 31, 2019
ET New Media	$ 7,221	9,370
MWT	781	969
EHR	16,481	19,108
ET Pet	2,425	1,102
ET New Retail Department	-	611
	$ 26,908	**31,160**

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company’s short-term borrowings. All loans were unsecured and no need to recognized impairment. Interest receivables of the Company as of December 31, 2020 and 2019 were $766 and $1,787, respectively.

(v) Borrowings from related parties

The amount of borrowing from related parties were as follows:

Related parties	December 31, 2020	December 31, 2019
FESS Panama	$ 45,648	-
GRAND SCENE TRADING (Hong Kong)	54,778	-
Easten Media Communication (Hong Kong)	42,510	-
Grand Richness (Hong Kong)	58,772	-
	$ 201,708	**-**

Interest which results from the unsecured borrowings by the Company from related parties would be calculated based on the average rates in the current year obtained from financial institutions. As of December 31, 2020 and 2019, the Company’s interest payables were amounted $38 and $0. In addition, the interest expenses paid to the related party for the years ended December 31, 2020 and 2019 were $38 and $0, respectively.

(Continued)

(vi) Rendering services

For the years ended December 31, 2020 and 2019, consulting services provided to the subsidiaries were $380 and $260, respectively.

(vii) Guarantee

1) For the years ended December 31, 2020 and 2019, the Company had provided a guarantee for loans taken out by related parties. The credit limits of the guarantee were $5,686,000, and $1,150,000, respectively, and the remuneration charged from related parties (recognized as other income) was $419 and $64, respectively.

2) For the years ended December 31, 2020 and 2019, the related parties provided a guarantee for loans taken out by the Company. The credit limits of the guarantee were $705,454, and $375,578, respectively, and the remuneration paid to related parties providing (recognized as finance expense) amounted to $94 and $12, respectively.

(viii) Leases

1) The Company rents out part of its office space and equipment to fulfill related parties' business requirements. Rental revenues for the years ended December 31, 2020 and 2019 amounted $1,178 and $3,665, respectively.

2) The Company rented parts of office space and equipment from related parties to fulfill its business requirements. Rental expenses for the years ended December 31, 2020 and 2019 amounted $548 and $433, respectively.

(ix) Other

1) For the years ended December 31, 2020 and 2019, the Company paid operating fees to subsidiaries and other related parties to fulfill its business requirements amounted $7,126 and $10,165, respectively.

2) For the years ended December 31, 2020 and 2019, the Company charged management fees and miscellaneous income from related parties amounted $1,034 and $633, respectively.

3) For the years ended December 31, 2020 and 2019, related parties paid the remuneration of directors to the Company was $3,313 and $5,192, respectively.

4) In order to follow its operating plan, the Company donated $3,500 and $5,000 to related parties in related industries for the years ended December 31, 2020 and 2019, respectively.

5) In June, 2019, the Company did not participate in the ET New Media's capital injection in proportion to the shareholding ratio, with an investment amount of $253,528, thereby reducing its shareholding to 89.20%

6) In June, 2019, the Company participated in FESS- Panama's capital injection by cash with an investment amount of $146,688.

(Continued)

7) On March 29, 2019, the Company sold all of its shares in ET New Retail Department to EHS, with a consideration of $997, resulting in a gain on disposal amounting to $4,666.

8) On January 2, 2020, the Company's Board of Directors resolved to invest $ 100,000 in Eastern Asset with a 100% shareholding. It participated in the cash capital increase on March 10 and June 23 of the same year. The former did not increase the capital in proportion to the shareholding ratio, with an investment amount of $230,000, thereby reducing its shareholding to 55%. The latter transaction increased its capital by $165,000, and all registration procedures had been completed on July 27, 2020.

9) In December, 2020, a resolution was passed for the Bermuda's capital reduction with the amount of $11,230, and had been distributed to the Company on December 17, 2020.

(c) Key management personnel compensation

	December 31, 2020	December 31, 2019
Short-term employee benefits	$ 48,992	44,997

(8) Pledged assets:

As of December 31, 2020 and 2019, the pledged assets were as follows:

Assets	Purpose of pledge	December 31, 2020	December 31, 2019
Property, plant and equipment	Band loans	$ 164,530	71,098
Refundable deposit-certificate of deposit	Bid bonds, performance bonds and security deposits	112,822	112,779
Other financial assets－current demand deposits	Reserve account and its interest	89	25,086
Other financial assets－time deposit	Letter of credit	14,503	4,967
Investments accounted for using equity method for subsidiary's stocks	Bank loan (guarantee for subsidiaries)	28,133	83,229
		$ 320,077	297,159

(9) Significant commitments and contingencies:

(a) Major commitments were as follows:

(i) Unused standby letters of credit

	December 31, 2020	December 31, 2019
Unused standby letters of credit	$ 101,208	49,965

(Continued)

(b) Contingent liabilities were as follows

(i) On October 27, 2008, the Securities and Futures Investors Protection Center (the SFIPC) filed a lawsuit to the Taipei District Court against the ex-chairman and the general manager of the Company, together with all the previous directors and supervisors, alleging the offense of gaining an illegal benefit for Chia Hsin and Synthetic Fiber Co., Ltd. as well as for the family members of the ex-chairman. The prosecution is based on the alleged ill-gotten assets from the Company by means of false commodity transactions and capital increment in the name of Eastern International Lease Finance Co., Ltd. and Tung Kai Lease Finance Co., Ltd. (both are subsidiaries of the Company). The SFIPC also demanded the compensation of $41,038. The Taipei District Court ruled that the Company violated the Commercial Company Act. However, both the ex-chairman and the general manager were acquitted, and not only did the Company did not bear any losses from the said transaction above, but on the contrary, it gained a profit amounting to $6,894, plus an additional 5% interest arising from the delayed payment amounting to $6,884 with a total amount around $13,000. In other words, the transaction did not do any damage to the Company and its shareholders. As a result, the appeal filed against the Company was denied by the Taipei District Court on December 5, 2012. However, the SFIPC was not satisfied with the decision made by the court. Therefore, it filed another appeal, this time with the Taiwan High Court, demanding compensation amounting to $22,664. The appeal was denied on December 3, 2013. Nevertheless, the SFIPC filed an appeal once more with the Taiwan High Court on December 24, 2013. The case was transferred from the Supreme Court to the High Court on April 23, 2015, for further investigation. On May 10, 2017, the Taiwan High Court ruled against SFIPC. Therefore, SFIPC filed an appeal to the Supreme Court on June 6, 2017. On February 23, 2021, the Taiwan High Court still ruled against SFIPC. However, SFIPC filed an appeal and the Supreme Court retimed to the High Court for a second trial. Currently, the arbitration process is still in progress and the results have yet to be determined.

(ii) The Company established a legal affair department and hired external counselors to handle its legal affairs. As of December 31, 2020, all unsettled lawsuits had no impact on its financial and business operation.

(c) Unrecognized contractual commitments:

The Company's unrecognized contractual commitments are as follows:

	December 31, 2020	December 31, 2019
Total contract price	$ 246,193	91,136
Payout amount	$ 128,838	27,781

(10) Losses Due to Major Disasters:None.

(11) Subsequent Events:

On March 25, 2021, a resolution was passed in the board meeting of the Company for the capital reduction, please refer to Note 6(p).

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(12) Other:

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

By funtion / By item	For the years ended December 31					
	2020			2019		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	145,180	167,672	312,852	138,958	127,535	266,493
Labor and health insurance	11,607	10,297	21,904	11,220	9,919	21,139
Pension	5,697	6,271	11,968	5,728	6,166	11,894
Remuneration of directors	-	8,428	8,428	-	9,938	9,938
Others	14,467	8,455	22,922	10,344	6,471	16,815
Depreciation	229,782	12,952	242,734	236,906	11,821	248,727
Amortization	-	419	419	-	831	831

Note: Some of the remuneration received by human support is not excluded from the above employee welfare expenses.

For the years ended December 31, 2020 and 2019, the information on the number of employees and employee benefit expense of the Company is as follows:

	For the years ended December 31	
	2020	2019
Number of employees	267	264
Number of directors (non-employee)	5	5
Average employee benefit expense	$ 1,411	1,221
Average employee salary expense	$ 1,194	1,029
Percentage of average employee salary expense	16 %	(15)%
Remuneration for supervisors	$ -	-

Compensation policies are as follows:

(a) The remuneration for directors in the Article 18th of the Company's Articles of Incorporation, is determined based on their involvement in the Company's operations, contributions to the Company, and the general pay levels in the industry. Monthly fixed remuneration and transportation allowances paid are based on attendance in board meetings. According to the Company's Articles of Incorporation, there is no remuneration of directors.

(b) The Company has established the Board Performance Assessment Regulations. The Board performance evaluation is carried out every year in accordance with the evaluation procedures and evaluation indicators of the regulations. The assessment may be performed by an external independent professional institution or a panel of external experts and scholars every three years. An implementation of the evaluation report from the external independent professional institution, submit it to the Board of directors for review, and serve as a reference for selecting or nominating directors.

(Continued)

EASTERN MEDIA INTERNATIONAL CORPORATION
Notes to the Parent Company Only Financial Statements

(c) Managers' remuneration is based on the company' s "Salary Management Regulations" and the responsibilities, positions, seniority, personal abilities, and experience that they are concurrently responsible for, as well as the pay level as the basis for salary evaluation. Remuneration mainly includes three parts: fixed monthly salary, bonus and employee remuneration; remuneration at the time of appointment and salary adjustments after appointment are submitted for approval in accordance with the internal audit authority, and also refer to personal performance evaluation and contribution to the Company. The reports of related performance evaluation and reasonableness of remuneration are reviewed by the Compensation Committee, and then are submitted to the Board of directors for resolution.

(d) The Company's year-end bonus is issued to reflect the Company's operating performance and profit and loss in the previous year, taking into account a number of internal and external factors, and weighting individual performance appraisal, Then the proposal of year-end bonus is recommended by the general manager, and is reported to the chairman for approval.

(e) The estimated employee's compensation of the Company is set at the rates of 3.5% of profit before income tax; and after approval by the board of directors, the employee's compensation distributed is determined based on their salaries, contributions to the Company in the previous year, the proportion of service days for the Company and performance for individuals.

(f) In order to maintain the competitiveness of compensation, the Company evaluates the pay level in the labor market by conducting salary surveys every year. Operational performance and future development are also taken into consideration when determining the compensation policy. Compensation and performance bonuses of employees differ based on the performance of each employee in order to reward the outstanding employees for their contributions to the Company.

(13) Other disclosures:

(a) Information on significant transactions:

(i) Please refer to Table 1 for the loans to other parties.

(ii) Please refer to Table 2 for the guarantees and endorsements for other parties.

(iii) Please refer to Table 3 for the securities held as of December 31, 2020.

(iv) Please refer to Table 4 for the individual securities acquired or disposed of at costs or prices of at least $300 million or 20% of the paid-in capital.

(v) Acquisition of individual real estate at costs of at least $300 million or 20% of the paid-in capital: None

(vi) Disposal of individual real estate at prices of at least $300 million or 20% of the paid-in capital: None

(vii) Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: None

(viii) Please refer to Table 5 for the receivables from related parties of at least $100 million or 20% of the paid-in capital.

(ix) Trading in derivative instruments: None

(b) Information on investees

Please refer to Table 6 for the information on investees for the year ended December 31, 2020.

(c) Information on investment in Mainland China

(i) Please refer to Table 7 for the relevant information such as the name and main business items of the investee company in Mainland China.

(ii) Please refer to Table 7 for the limitation on investment in Mainland China.

(iii) Please refer to Table 7 for the significant transactions with investee companies in Mainland China.

(d) Major shareholders

Please refer to Table 8 for the major shareholders for year ended December 31, 2020.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2020.

Eastern Media International Corporation

Statement of cash and cash equivalents

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cash	Cash on hand	$ 1,725	
Bank	Demand deposits	439,270	
	Checking accounts deposits	1,320	
	Foreign currency deposits	86,891	
		527,481	
Cash equivalents		360,038	
		$ 889,244	

Statement of other receivables

Item	Description	Amount	Note
Loans to other parties (including interests)		$ 617,266	
Other		13,282	Less than 5% of the total account balance
		$ 630,548	

Eastern Media International Corporation

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Addition		Decrease		Remeasurement of defined benefit plans	Investment income or loss	Translation adjustment	Unrealized gain or loss of financial assets at fair value through other comprehensive income	Ending Balance			Net Assets Value	Collateral
Name of investee	Shares	Amount	Shares	Amount	Shares	Amount					Shares	Percentage of ownership	Amount		
FESS-Bermuda	1,000,000	$ 14,327	-	-	(400,000)	(11,230)	-	(631)	(827)	-	600,000	100.00	1,639	1,639	None
FESS-Panama	71,700	2,070,867	-	-	-	-	-	(28,050)	(58,361)	-	71,700	100.00	1,984,456	1,984,456	〃
Grand Richness (Hong Kong)	16,214,616	32,363	-	-	-	-	-	31,946	(2,623)	-	16,214,616	100.00	61,686	61,686	〃
EIC	67,641,445	794,080	-	-	-	(85,871)	(690)	246,294	(6,225)	19,497	67,641,445	97.90	967,085	967,085	〃
EILF	40,690,330	331,876	-	-	-	-	-	1,538	-	-	40,690,330	53.77	333,414	333,414	〃
TKLF	40,847,294	359,138	-	-	-	-	-	2,591	-	-	40,847,294	53.76	361,729	361,729	〃
MWT	510,000	41,046	-	-	-	(3,570)	-	3,327	-	(2)	510,000	51.00	40,801	8,882	〃
EHS	6,637,500	99,211	-	-	-	(66,840)	(237)	93,676	(2,140)	2	6,637,500	6.51	123,672	123,672	〃
ET New Media	53,522,508	(112,059)	-	-	-	-	-	(366,559)	-	-	53,522,508	89.20	(478,618)	(478,618)	〃
EHR	20,893,085	83,229	-	-	-	-	-	(55,096)	-	-	20,893,085	60.40	28,133	28,133	Long-term loans
Eastern Asset	-	-	49,500,000	495,000	-	-	-	(236)	-	-	49,500,000	55.00	494,764	494,764	None
EHK E&S Co., Ltd	36,000	26,081	-	-	(36,000)	(24,473)	-	182	(1,790)	-	-	-	-	-	〃
		3,740,159		495,000		(191,984)	(927)	(71,018)	(71,966)	19,497			3,918,761		
Add: Classified as other liabilities		112,059											478,618		
		$ 3,852,218											4,397,379		

Note1: The increase in investments resulted from acquire a subsidiary amounted $495,000. The decrease in investments resulted from receiving dividends of investees amounting to 156,281, capital reduction of the subsidiary with the amount of $11,230, and disposal of investees with the amount of $24,473.

Note2: Translation adjustment $(68,160) includes the foreign exchange differences recognized with the amount of $(71,966) of subsidiaries and associates, and the cumulative amount $3,806 in the translation reserve related to associates reclassified to the loss on disposal.

Eastern Media International Corporation

Statement of changes in right-of-use assets

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(j), for the regarding information.

Statement of lease liabilities

December 31, 2020

Item (subject)	Lease term	Discount rate	Ending Balance Amount
Land and equipment	2019.01~2038.12	3%	$ 3,770,271
Buildings	2017.05~2024.06	3%	29,428
			$ 3,799,699

Eastern Media International Corporation

Statement of operating revenue

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Loading and storage revenue			
Loading and unloading revenue		$ 1,040,149	
Storage revenue		291,822	
Other revenue		6,033	
Subtotal		1,338,004	
Less: Sales return		-	
		$ 1,338,004	

Statement of operating costs

Item	Amount	Note
Storage costs		
Port charges	$ 29,995	
Commercial cost	552,390	
Maintenance cost	26,886	
Operating cost	**$ 609,271**	

Eastern Media International Corporation

Statement of operating expenses

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Salary and wages expenses		$ 155,626	
Insurance expense		10,573	
Entertainment expense		41,196	
Depreciation expense		12,952	
Professional service fees		11,736	
Other expenses		67,941	Less than 5% of the total account balance
		$ 300,024	

Eastern Media International Corporation

Statement of the net amount of other non-operating income and expenses

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(t), for the regarding information.

Statement of finance costs

Please refer to Note 6(t), for the regarding information.

EASTERN MEDIA INTERNATIONAL CORPORATION

Loans to other parties

For the year ended December 31, 2020

Table 1

(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	ET New Media	Other receivables - related parties	Yes	$ 300,000	$ 300,000	$ 200,000	3	2	-	Operation requirements	-		$ -	$ 2,510,646 (Note2)	$ 3,765,970 (Note2)
0	〃	EHR	〃	Yes	670,000	400,000	340,000	3	2	-	〃	-		-	2,510,646 (Note2)	3,765,970 (Note2)
0	〃	MWT	〃	Yes	50,000	50,000	16,500	4	2	-	〃	-		-	2,510,646 (Note2)	3,765,970 (Note2)
0	〃	ET Pet	〃	Yes	100,000	100,000	60,000	3	2	-	〃	-		-	2,510,646 (Note2)	3,765,970 (Note2)
1	EIC	ET New Media	〃	Yes	270,000	270,000	270,000	3	2	-	〃	-		-	395,132 (Note3)	592,698 (Note3)
1	〃	Oscar	〃	Yes	40,000	-	-	3	2	-	〃	-		-	395,132 (Note3)	592,698 (Note3)
2	TKLF	ET New Media	〃	Yes	190,000	150,000	150,000	3	2	-	〃	-		-	269,123 (Note4)	403,684 (Note4)
2	〃	Cheng Kuang Resource Exploration Co., Ltd.	Other receivables	No	15,000	-	-	8	2	-	〃	-		-	33,640 (Note4)	403,684 (Note4)
2	〃	Sunflower leisure	〃	No	30,000	30,000	30,000	8	2	-	〃	-	Tucheng land mortgage	38,108	33,640 (Note4)	403,684 (Note4)
2	〃	Lido International Consultant	〃	No	20,000	-	-	8	2	-	〃	-		-	33,640 (Note4)	403,684 (Note4)
3	EILF	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3	2	-	〃	-		-	248,031 (Note5)	372,046 (Note5)
3	〃	Cheng Kuang Resource Exploration Co., Ltd.	Other receivables	No	15,000	-	-	8	2	-	〃	-		-	31,004 (Note5)	372,046 (Note5)
3	〃	Lido International Management	〃	No	20,000	-	-	8	2	-	〃	-		-	31,004 (Note5)	372,046 (Note5)

(Continued)

(to be continued)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
3	EILF	Sunflower leisure	Other receivables	No	$ 30,000	$ -	-	8	2	-	Operation requirements	-		$ -	$ 31,004 (Note5)	$ 372,046 (Note5)
3	〃	Lido International Consultant	〃	No	20,000	-	-	8	2	-	〃	-		-	31,004 (Note5)	372,046 (Note5)
4	Grand Richness (Hong Kong)	The Company	Other receivables-related parties	Yes	58,772	58,772	58,772	1	2	-	〃	-		-	61,687 (Note6)	123,374 (Note6)
5	GRAND SCENE TRADING (HONG KONG)	The Company	〃	Yes	54,778	54,778	54,778	1	2	-	〃	-		-	76,661 (Note7)	153,322 (Note7)
6	Eastern Media Communication (Hong Kong)	The Company	〃	Yes	42,510	42,510	42,510	1	2	-	〃	-		-	47,402 (Note8)	94,804 (Note8)
7	FESS-Panama	The Company	〃	Yes	45,648	45,648	45,648	1	2	-	〃	-		-	1,984,456 (Note9)	3,968,913 (Note9)

Note 1: Lending of capital has the following two types:
(1) Those with business dealings.
(2) The necessity for short-term financing.

Note 2: The Company’s total amount available for lending shall not exceed 60% of its net worth. For subsidiaries where the Company holds more than 50% of the shares, the individual amount available for lending shall not exceed 40% of its net worth in the most recent financial statements. For subsidiaries where the Company holds less than 50% of the shares, the individual amount available for lending shall not exceed 5% of its net worth in the most recent financial statements.

Note 3: For EIC, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company, subsidiaries or to its parent company’s subsidiary company shall not exceed 40% of its net worth in the most recent financial statements.

Note 4: For TKLF, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company or to its parent company’s subsidiary company shall not exceed 40% of its net worth in the most recent financial statements. The individual amount available for lending shall not exceed 5% of its net worth in the most recent financial statements.

Note 5: For EILF, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company or to its parent company’s subsidiary company shall not exceed 40% of its net worth in the most recent financial statements. The individual amount available for lending to other companies short-term financing facility, if necessary, shall not exceed 5% of its net worth in the most recent financial statements.

Note 6: For Grand Richness (Hong Kong), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements

Note 7: For GRAND SCENE TRADING (HONG KONG), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements

Note 8: For Eastern Media Communication (Hong Kong), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements

Note 9: For FESS-Panama, the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements

Note 10: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

EASTERN MEDIA INTERNATIONAL CORPORATION

Guarantees and endorsements for other parties

For the year ended December 31, 2020

Table 2

(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)

No.	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note I)										
0	The Company	ET New Media	2	$ 25,106,464 (Note2)	$ 150,000	$ 150,000	$ 120,000	$ -	2.39%	$ 25,106,464 (Note2)	Y	N	N
0	The Company	EHR	2	25,106,464 (Note2)	800,000	800,000	400,000	28,133	12.75%	25,106,464 (Note2)	Y	N	N
0	The Company	Eastern Asset	2	25,106,464 (Note2)	3,950,000	3,950,000	-	-	62.93%	25,106,464 (Note2)	Y	N	N
0	The Company	Kaou Sin Trading	2	25,106,464 (Note2)	5,000	5,000	5,000	-	0.08%	25,106,464 (Note2)	Y	N	N
0	The Company	Pet Kingdom	2	25,106,464 (Note2)	15,000	15,000	11,500	-	0.24%	25,106,464 (Note2)	Y	N	N
0	The Company	Oscar	2	25,106,464 (Note2)	170,000	170,000	120,000	-	2.71%	25,106,464 (Note2)	Y	N	N
0	The Company	ET Pet	2	25,106,464 (Note2)	566,000	566,000	434,182	-	9.02%	25,106,464 (Note2)	Y	N	N
0	The Company	MWT	2	25,106,464 (Note2)	30,000	30,000	30,000	-	0.48%	25,106,464 (Note2)	Y	N	N
1	ET New Media	ET Pet	2	7,759,980 (Note3)	400,000	400,000	-	-	(74.55%)	7,759,980 (Note3)	N	N	N
2	ET Pet	ET New Media	3	3,172,336 (Note4)	400,000	400,000	-	-	421.81%	3,172,336 (Note4)	N	N	N

Note 1: The relationship between the one providing endorsements/guarantees and the one receiving endorsements/guarantees is classified into seven types:

(1) The intercompany business transaction
(2) Companies in which the Company directly and indirectly holds more than 50% of the voting rights.
(3) Companies that directly and indirectly hold more than 50% of the voting shares of the Company.
(4) The Company holds, directly or indirectly, 90% or more of the voting shares of the Company.
(5) Company that is mutually protected under contractual requirements based on the needs of the contractor.
(6) Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
(7) Performance guarantees for pre-sale contracts under the Consumer Protection Act.

Note 2: The Company's aggregate amount allows endorsement or guarantee that does not exceed 400% of its net worth in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Group holds more than 50% of the shares that does not exceed 400% of its net worth in the most recent financial statements.

Note 3: For ET New Media, the aggregate amount allows an endorsement or guarantee that does not exceed 300% of its total assets in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Group holds more than 50% of the shares that does not exceed 300% of its total assets in the most recent financial statements.

Note 4: For ET Pet, the aggregate amount allows an endorsement or guarantee that does not exceed 300% of its total assets in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Group holds more than 50% of the shares that does not exceed 300% of its total assets in the most recent financial statements.

EASTERN MEDIA INTERNATIONAL CORPORATION

Securities held

As of December 31, 2020

Table 3

(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership	Fair value	
The Company	China Development Financial Holdings	-	Financial assets at fair value through profit or loss	1	$ -	- %	$ -	
〃	Phoenix New Media Co., Ltd	-	〃	2,000	3	- %	3	
〃	Taiwan Cement Co., Ltd.	-	〃	5,350,000	231,120	0.09 %	231,120	
〃	Kaohsiung Harbor Stevedoring Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	750,000	7,500	15.00 %	7,500	
〃	Leo Exploitation Co., Ltd.	-	〃	165,663	-	11.43 %	-	
EILF	Formosa Plastics		Financial assets at fair value through profit or loss	500,000	48,200	0.01 %	48,200	
〃	Taiwan Semiconductor Manufacturing Co., Ltd.	-	〃	70,000	37,100	- %	37,100	
〃	Taiwan Cement Co., Ltd.	-	〃	200,000	8,640	- %	8,640	
TKLF	Taiwan Cement Co., Ltd.	-	〃	1,309,009	56,548	0.02 %	56,548	
Mohist	Sunny Bank	-	Non-current financial assets at fair value through other comprehensive income	60,769	594	- %	594	
Oscar	COTA Commercial Bank, Ltd.	-	〃	1,000	10	- %	10	

EASTERN MEDIA INTERNATIONAL CORPORATION

Individual securities acquired or disposed of at costs or prices of at least $300 million or 20% of the paid-in capital

For the year ended December 31, 2020

Table 4

(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Name of the company	Category and name of security	Account name	Name of counter party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending balance	
					Shares/ Units	Amount (Note 1)	Shares/ Units	Amount	Shares/ Units	Price (Note 1)	Cost (Note 1)	Gain (loss) on disposal	Shares/ Units	Amount (Note 1)
The Company	Taiwan Cement Co., Ltd.	Financial assets at fair value through profit or loss	-	-	5,550,000	$ 242,535	10,500,000	$ 442,826	10,700,000	$ 461,274	$ 461,274	$ -	5,350,000	$ 231,120
The Company	Taiwan Semiconductor Manufacturing Co., Ltd.	〃	-	-	-	-	835,000	280,496	835,000	316,864	316,864	-	-	-
The Company	Eastern Asset	Investments accounted for using equity method	Eastern Asset	Subsidiary	-	-	49,500,000	495,000	-	-	-	-	49,500,000	494,764

Note 1: Including exchange differences on financial assets designated at fair value, investments accounted for using equity method, and translation.

EASTERN MEDIA INTERNATIONAL CORPORATION

Receivables from related parties of at least $100 million or 20% of the paid-in capital

As of December 31, 2020

Table 5

(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Name of company	Counter party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	ET New Media	Subsidiary	$ 203,581	Not applicable	$ -	-	$ 3,581	$ -
The Company	EHR	Subsidiary	340,313	Not applicable	-	-	313	-
EIC	ET New Media	Subsidiary	270,664	Not applicable	-	-	664	-
EILF	ET New Media	Subsidiary	150,370	Not applicable	-	-	370	-
TKLF	ET New Media	Subsidiary	150,370	Not applicable	-	-	370	-

EASTERN MEDIA INTERNATIONAL CORPORATION

Information on investees

For the year ended December 31, 2020

Table 6

(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2020	December 31, 2019	Shares/Units	Percentage of ownership	Carrying value			
The Company	FESS-Bermuda	Bermuda	Holding company	$ 32,161	$ 43,391	600,000	100.00%	$ 1,639	($ 631)	($ 631)	Subsidiary
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	1,984,456	(28,050)	(28,050)	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	672,603	672,603	16,214,616	100.00%	61,686	31,946	31,946	Subsidiary
The Company	EIC	Taiwan	General investing	500,525	500,525	67,641,445	97.90%	967,085	251,577	246,294	Subsidiary
The Company	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,195	391,195	40,690,330	53.77%	333,414	2,861	1,538	Subsidiary
The Company	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,613	391,613	40,847,294	53.76%	361,729	4,819	2,591	Subsidiary
The Company	MWT	Taiwan	Application Service	35,400	35,400	510,000	51.00%	40,801	6,523	3,327	Subsidiary
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	123,672	1,438,367	93,676	Associates
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	(478,618)	(410,922)	(366,559)	Subsidiary
The Company	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	208,931	208,931	20,893,086	60.40%	28,133	(91,219)	(55,096)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	495,000	-	49,500,000	55.00%	494,764	(429)	(236)	Subsidiary
The Company	EHK E&S Co., Ltd.	Korea	Use and operation of foreign broadcasting channels, broadcasting of informational advertising on broadcasting channels, sales of products through broadcasting advertisements, and purchase of broadcasting contents	-	49,019	-	-%	-	607	182	Associates

(Continued)

(to be continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2020	December 31, 2019	Shares/Units	Percentage of ownership	Carrying value			
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	$ 6,275	$ 6,275	627,492	1.05%	($ 5,611)	($ 410,922)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	367,556	1,438,367	〃	Associates
EIC	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	77,115	77,115	7,597,500	10.00%	67,281	4,819	〃	Subsidiary
EIC	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	74,464	74,464	7,567,500	10.00%	62,008	2,861	〃	Subsidiary
EIC	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	45,660	45,660	4,566,038	13.20%	6,148	(91,219)	〃	Subsidiary
TKLF	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	269,766	269,766	27,243,000	36.00%	223,228	2,861	〃	Subsidiary
TKLF	HER	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	45,660	45,660	4,566,038	13.20%	6,148	(91,219)	〃	Subsidiary
EILF	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	278,342	278,342	27,351,000	36.00%	242,210	4,819	〃	Subsidiary
EILF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	45,660	45,660	4,566,038	13.20%	6,148	(91,219)	〃	Subsidiary
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	137,363	137,363	450,000	100.00%	79,441	(5,962)	〃	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	47,402	(1,215)	〃	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Holding company	2,060,871	2,060,871	600,630,280	30.00%	1,951,807	29,431	〃	Associates
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Holding company	125,153	125,153	3,198,000	100.00%	76,661	(5,841)	〃	Subsidiary

(Continued)

(to be continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2020	December 31, 2019	Shares/Units	Percentage of ownership	Carrying value			
ET New Media	Show off	Taiwan	Video advertising service	$ 100,000	$ 100,000	10,000,000	100.00%	$ 4,735	$ 1,282	Exempt from disclosure	Subsidiary
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	100	100	10,000	100.00%	2,941	2,415	〃	Subsidiary
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	100	100	10,000	100.00%	(43)	(12)	〃	Subsidiary
ET New Media	Dung sen shin wen yun	Taiwan	Video advertising service	5,000	5,000	500,000	100.00%	4,308	(679)	〃	Subsidiary
ET New Media	Dung sen min diau yun	Taiwan	Consulting management, market research and opinion poll	1,000	-	100,000	100.00%	986	(14)	〃	Subsidiary
ET New Media	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	185,000	185,000	18,500,000	92.50%	88,717	(51,218)	〃	Subsidiary
ET Pet	Oscar	Taiwan	Pet food and supplies and providing pet beauty service	301,202	317,437	4,873,200	80.00%	333,488	39,316	〃	Subsidiary
ET Pet	Pet Kingdom	Taiwan	Pet food and supplies and providing pet beauty service	36,836	36,836	3,440,000	80.00%	43,891	5,676	〃	Subsidiary
ET Pet	Kaou Sin	Taiwan	Pet food and supplies and providing pet beauty service	7,941	7,941	80,000	80.00%	9,820	3,399	〃	Subsidiary

EASTERN MEDIA INTERNATIONAL CORPORATION

Information on investment in Mainland China

For the year ended December 31, 2020

Table 7

1. Relevant information such as the name and main business items of the investee company in Mainland China:

(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Name of investee.	Main businesses and products	Total amount of paid in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book Value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Eastern Enterprise Development (Shanghai) Ltd	Operating international circulation logistics business, third-party logistics business and container management business	$ -	Note2	$ 931,296	-	-	$ 931,296	$ -	-%	$ -	$ -	$ -
Ding Kai (Shanghai)	Wholesale and retail of clothing, garments and accessories, household electrical equipment and supplies, clocks, watches and spectacles, jewelry and precious metals, etc.	-	Note3	349,663	-	-	349,663	-	-%	-	-	-
Sheng Hang (Shanghai)	Wholesale and retail of clothing, garments and accessories, household electrical equipment and supplies, clocks, watches and spectacles, jewelry and precious metals, food goods, medicines, cosmetics and cleaning products, etc.	-	Note4	186,973	-	-	186,973	-	-%	-	-	-
RICHNESS TRADING (SHANGHAI)	Wholesale and retail of clothing, garments and accessories, household electrical equipment and supplies, clocks, watches and spectacles, jewelry and precious metals, food goods, medicines, cosmetics and cleaning products, etc.	1,097,582	Note5	1,097,582	-	-	1,097,582	(1,178)	100.00%	(1,178)	4,751	-
Nanjing Yun Fu	Wholesale trading	45,470	Note6	86,907	-	-	86,907	(5,898)	100.00%	(5,898)	4,217	-
Jiangsu Sen Fu Da	Research and development of film and television technology; research and development and sales of toys, clothing; planning and implementation of cultural and artistic exchange activities	43,768	Note7	-	-	-	-	-	34.00%	-	-	-
Shanghai Rich	Producing TV programs, wholesale	568,981	Note8	-	-	-	-	(284)	100.00%	(284)	8,040	-

(Continued)

(to be continued)

Name of investee.	Main businesses and products	Total amount of paid in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book Value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Eastern Enterprise Shanghai Logistics	Container transport, domestic road freight agent	$ -	Note9	$ -	-	-	$ -	($ 290)	-%	($ 290)	$ -	$ -
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	437,323	Note5	-	-	-	-	6,054	30.00%	1,816	144,544	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	94,191	Note5	-	-	-	-	(2,344)	30.00%	(703)	31,388	-
Shanghai Natural Beauty Bio-Technology Company Limited	Production and sale of beauty care products and provision of beauty	1,061,237	Note5	-	-	-	-	(2,042)	30.00%	(613)	457,422	-

Note 1: The investment gain (loss) was recognized based on the investees' audited financial statements.
Note 2: The Group indirectly made the investment through FESS-Panama, and was complete disposal of all shares on April 23, 2018.
Note 3: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on September 21, 2018.
Note 4: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on February 21, 2019.
Note 5: The Group indirectly invested through FESS-Panama.
Note 6: The Group indirectly invested through FESS-Panama, and the investment was handling capital reduction and returning shares of CNY $9,467 on February 1, 2018, the amount of the share is remitted back to the GRAND SCENE TRADING (HONG KONG).
Note 7: The Group indirectly invested through Nanjing Ji Cheng on August 30, 2012.
Note 8: The Group indirectly invested through RICHNESS TRADING (SHANGHAI) on March 16, 2015.
Note 9: The Group indirectly invested through GRAND SCENE TRADING (HONG KONG) in January, 2018. In addition, Eastern Enterprise Shanghai Logistics Ltd. has finished liquidation on July 20, 2020.
Note 10: The amount in the table is translated by the spot rate on the financial reporting date and the average rate throughout the year.

(Continued)

(to be continued)

2. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$ 2,652,421	3,840,010	4,047,314

Note: The upper limit on investment was the greater than 60% of the individual or consolidated total net worth.

3. Significant transactions with investee companies in Mainland China:

For the Group's significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the year ended December 31, 2020, please refer to "Information on significant transactions" above.

EASTERN MEDIA INTERNATIONAL CORPORATION

Major shareholders

As of December 31, 2020

Table 8

Shareholding / Shareholders name	Shares	Percentage
E-Happy Travel Co., Ltd.	55,056,860	9.88 %
Jinxin Trading Co., Ltd.	53,621,300	9.63%
Mori International Co., Ltd.	51,564,628	9.26 %