

**EASTERN MEDIA INTERNATIONAL  
CORPORATION AND SUBSIDIARIES**  
**Consolidated Financial Statements**

**With Independent Auditors' Review Report**  
**For the Three Months Ended March 31, 2021 and 2020**

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

## Table of Contents

<b>Contents</b>	<b>Page</b>	<b>Note</b>
1. Cover Page	1	
2. Table of Contents	2	
3. Independent Auditors' Review Report	3~4	
4. Consolidated Balance Sheet	5~6	
5. Consolidated Statements of Comprehensive Income	7~8	
6. Consolidated Statements of Changes in Equity	9	
7. Consolidated Statements of Cash Flows	10~11	
8. Notes to the Consolidated Financial Statements		
I. Company history	12	1
II. Approval date and procedures of the consolidated financial statements	12	2
III. New standards, amendments and interpretations adopted	12~14	3
IV. Summary of significant accounting policies	14~17	4
V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty	17	5
VI. Explanation of significant accounts	18~46	6~36
VII. Related party transactions	46~51	37
VIII. Pledged assets	51	38
IX. Significant commitments and contingencies	51~52	39
X. Losses due to major disasters	52	40
XI. Subsequent Events	52	41
XII. Other	53	42
XIII. Other disclosures		43
(I) Information on significant transactions	53, 55~59	43
(II) Information on investees	53, 60~61	43
(III) Information on investment in Mainland China	53, 62~63	43
(IV) Major shareholders	53, 64	43
XIV. Segment information	54	44

## **Independent Auditors' Review Report**

To the Board of Directors of Eastern Media International Corporation:

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Eastern Media International Corporation and its subsidiaries as of March 31, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months ended March 31, 2021 and 2020, and changes in equity and cash flows for the three months ended March 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As stated in Note 4b, the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$173,147 thousand and \$942,407 thousand, constituting 1.09% and 6.36% of consolidated total assets as of March 31, 2021 and 2020, respectively, total liabilities amounting to \$57,223 thousand and \$29,295 thousand, constituting 0.60% and 0.37% of consolidated total liabilities as of March 31, 2021 and 2020, respectively, and total comprehensive income amounting to \$945 thousand and \$32,165 thousand, constituting 1.95% and 24.30% of consolidated total comprehensive income for the three months ended March 31, 2021 and 2020, respectively.

Furthermore, as stated in Note 13 the other equity accounted investments of Eastern Media International Corporation and its subsidiaries in its investee companies of \$1,948,460 thousand and \$2,040,569 thousand as of March 31, 2021 and 2020, respectively, and its equity in net loss on these investee companies of \$(1,899) thousand and \$(27,674) thousand for the three months ended March 31, 2021 and 2020, respectively, were recognized solely on the financial statement prepared by these investee companies, but not reviewed by independent auditors.

## **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Eastern Media International Corporation and its subsidiaries as of March 31, 2021 and 2020, and its consolidated cash flows for the three months ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## **Emphasis of Matetr**

As stated in Note 3c, IASB issued Amendment to IFRS 16, “Covid-19-Related Rent Concessions” on May 28, 2020. The amendment was endorsed by the FSC in July, 2020, and initially adopted from January 1, 2020. The Group has elected to apply this amendment with early adoption. This change in accounting policies has no impact on the initial adoption day. However, the consolidated financial statements for the three months ended March 31, 2020 should be restated and the review conclusion did not revised.

The engagement partners on the review resulting in this independent auditors’ report are Shin-Chin Chih and Hsin-Ting Huang

KPMG

Taipei, Taiwan (Republic of China)

May 6, 2021

## **Notes to Readers**

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

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

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**(Expressed in Thousands of New Taiwan Dollars)**

	March 31,2021 (Reviewed)		December 31,2020 (Audited)		March 31,2020 (Restatement)		
	Amount	%	Amount	%	Amount	%	
<b>Assets</b>							
<b>Current assets:</b>							
1100	Cash and cash equivalents (Note 6)	\$ 1,858,488	12	\$ 1,855,653	11	\$ 1,523,391	10
1110	Current financial assets at fair value through profit or loss (Note 7)	209,340	1	381,611	2	278,623	2
1151	Notes receivable (Notes 9 and 30)	60,199	-	63,006	-	45,139	-
1160	Notes receivable due from related parties, net (Notes 9, 30 and 37)	47,153	-	54,568	-	-	-
1170	Accounts receivable, net (Notes 9 and 30)	287,801	2	333,369	2	224,175	2
1180	Accounts receivable due from related parties, net (Notes 9, 30 and 37)	24,504	-	22,573	-	9,958	-
1200	Other receivables, net (Notes 7 and 10)	93,080	1	93,616	1	186,275	1
1210	Other receivables due from related parties, net (Notes 10 and 37)	3,754	-	7,392	-	1,970	-
130X	Inventories (Note 11)	329,754	2	346,909	2	272,326	2
1400	Current biological assets, net	12,739	-	12,405	-	7,396	-
1410	Prepayments(Note 37)	64,931	1	65,036	1	64,311	1
1476	Other current financial assets (Notes 6 and 38)	40,005	-	43,934	1	174,186	1
1479	Other current assets, others	1,440	-	915	-	452	-
		<u>3,033,188</u>	<u>19</u>	<u>3,280,987</u>	<u>20</u>	<u>2,788,202</u>	<u>19</u>
<b>Non-current assets:</b>							
1517	Non-current financial assets at fair value through other comprehensive income (Note 8)	8,116	-	8,104	-	13,109	-
1550	Investments accounted for using equity method, net (Note 13 and 38)	2,545,525	16	2,443,035	15	2,500,074	17
1600	Property, plant and equipment (Notes 17 and 38)	1,754,270	11	1,669,684	10	1,504,808	10
1755	Right of use assets (Note 18)	7,006,120	44	7,210,677	45	6,536,902	44
1780	Intangible assets (Notes 19 and 37)	459,144	3	467,334	3	486,106	3
1840	Deferred tax assets	440,673	3	414,169	3	264,673	2
1920	Refundable deposits (Notes 18 and 38)	574,317	4	562,689	3	483,034	3
1980	Other non-current financial assets (Note 38)	30,985	-	33,760	-	750	-
1990	Other non-current assets, others (Note 39)	52,326	-	133,035	1	240,889	2
		<u>12,871,476</u>	<u>81</u>	<u>12,942,487</u>	<u>80</u>	<u>12,030,345</u>	<u>81</u>
	<b>Total assets</b>	<b><u>\$15,904,664</u></b>	<b><u>100</u></b>	<b><u>\$16,223,474</u></b>	<b><u>100</u></b>	<b><u>\$14,818,547</u></b>	<b><u>100</u></b>

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Balance Sheets (Cotn'd)**  
**(Expressed in Thousands of New Taiwan Dollars)**

	March 31,2021 (Reviewed)		December 31,2020 (Audited)		March 31,2020 (Restatement)		
	Amount	%	Amount	%	Amount	%	
<b>Liabilities and Equity</b>							
<b>Current liabilities:</b>							
2100	Short-term borrowings (Notes 20, 36 and 38)	\$ 101,372	1	\$ 62,295	1	\$ 10,000	-
2110	Short-term notes and bills payable (Notes 21, 36 and 38)	19,979	-	-	-	19,929	-
2130	Current contract liabilities (Notes 30 and 37)	34,646	-	37,439	-	23,535	-
2150	Notes payable (Note 22 and 36)	66,468	-	94,604	1	33,763	-
2170	Accounts payable	206,919	1	204,805	1	144,357	1
2180	Accounts payable due from related parties, net (Notes 37)	9,896	-	11,483	-	2,936	-
2200	Other payables (Notes 7, 28 and 36)	929,564	6	623,289	4	415,286	3
2220	Other payables due from related parties, net (Notes 36 and 37)	102,895	1	16,660	-	265,341	2
2230	Current tax liabilities	16,887	-	14,111	-	26,250	-
2280	Current lease liabilities (Note 25)	1,129,257	8	1,174,478	7	909,405	6
2310	Advance receipts (Note 37)	21,369	-	23,125	-	6,892	-
2320	Long-term liabilities, current portion (Notes 23, 24, 36 and 38)	308,639	2	290,529	2	92,745	1
2399	Other current liabilities, others	29,851	-	28,433	-	26,306	-
		<u>2,977,742</u>	<u>19</u>	<u>2,581,251</u>	<u>16</u>	<u>1,976,745</u>	<u>13</u>
<b>Non-current liabilities:</b>							
2540	Long-term borrowings (including current portion of long-term borrowings) (Notes 23, 36 and 38)	561,274	4	637,986	4	295,318	2
2570	Deferred tax liabilities	42	-	48	-	-	-
2580	Non-current lease liabilities (Note 25)	5,929,230	37	6,167,307	38	5,658,991	38
2610	Long-term notes payable (Notes 24)	56,290	-	60,886	-	-	-
2640	Non-current net defined benefit liability	23,317	-	25,717	-	27,854	-
2645	Guarantee deposits received	4,669	-	4,756	-	7,118	-
2670	Other non-current liabilities, others	3,500	-	-	-	-	-
		<u>6,578,322</u>	<u>41</u>	<u>6,896,700</u>	<u>42</u>	<u>5,989,281</u>	<u>40</u>
	<b>Total liabilities</b>	<u>9,556,064</u>	<u>60</u>	<u>9,477,951</u>	<u>58</u>	<u>7,966,026</u>	<u>53</u>
<b>Equity attributable to owners of parent (Note 28)</b>							
3100	Capital stock	5,567,899	36	5,567,899	35	5,567,899	38
3200	Capital surplus	20,769	-	20,769	-	20,769	-
3300	Retained earnings	594,442	3	983,904	6	1,128,859	8
3400	Other equity interest	(297,872)	(2)	(295,956)	(2)	(221,198)	(1)
	Total equity attributable to owners of parent	<u>5,885,238</u>	<u>37</u>	<u>6,276,616</u>	<u>39</u>	<u>6,496,329</u>	<u>45</u>
36XX	Non-controlling interests ((Note 15)	<u>463,362</u>	<u>3</u>	<u>468,907</u>	<u>3</u>	<u>356,192</u>	<u>2</u>
	<b>Total equity</b>	<u>6,348,600</u>	<u>40</u>	<u>6,745,523</u>	<u>42</u>	<u>6,852,521</u>	<u>47</u>
	<b>Total liabilities and equity</b>	<u>\$15,904,664</u>	<u>100</u>	<u>\$16,223,474</u>	<u>100</u>	<u>\$14,818,547</u>	<u>100</u>

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**  
**(Reviewed and Restatement, Not Audited)**

	<b>For the three months ended March 31</b>			
	<b>2021</b>		<b>2020(Restatement)</b>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 <b>Operating revenue (Note 30 and 37)</b>	\$ 1,243,477	100	\$ 1,065,053	100
5000 <b>Operating costs (Note 11, 26, 31 and 37)</b>	<u>935,016</u>	<u>75</u>	<u>733,943</u>	<u>69</u>
<b>Gross profit from operations</b>	<u>308,461</u>	<u>25</u>	<u>331,110</u>	<u>39</u>
6000 <b>Operating expenses (Note 26, 31 and 37)</b>	349,205	28	348,610	33
6450 <b>Impairment loss determined in accordance with IFRS 9 (Note 9)</b>	<u>278</u>	<u>-</u>	<u>42</u>	<u>-</u>
<b>Net operating loss</b>	<u>(41,022)</u>	<u>(3)</u>	<u>(17,542)</u>	<u>(2)</u>
<b>Non-operating income and expenses:</b>				
7100 Interest income (Note 32 and 37)	1,200	-	4,675	1
7010 Other income (Note 7, 25, 32 and 37)	17,248	1	92,551	9
7020 Other gains and losses, net (Note 16, 18, 32 and 37)	( 194)	-	21,169	2
7050 Finance costs, net (Note 32 and 37)	( 55,804)	( 4)	( 55,689)	( 5)
7060 Share of profit of associates and joint ventures accounted for using equity method (Note 13)	<u>104,046</u>	<u>8</u>	<u>35,581</u>	<u>3</u>
7900 <b>Profit before tax</b>	25,474	2	80,745	8
7950 <b>Less: tax income (Note 27)</b>	<u>(24,947)</u>	<u>(2)</u>	<u>(44,967)</u>	<u>(4)</u>
<b>Net profit</b>	<u>50,421</u>	<u>4</u>	<u>125,712</u>	<u>12</u>
8300 <b>Other comprehensive income:</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	12	-	( 14)	-
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	-	-	( 1)	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
<b>Total number of items not reclassified to profit or loss</b>	<u>12</u>	<u>-</u>	<u>(15)</u>	<u>-</u>
8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	( 368)	-	1,179	1
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	( 1,556)	-	5,466	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>(1,924)</u>	<u>-</u>	<u>6,645</u>	<u>1</u>
8300 <b>Other comprehensive income, net of tax</b>	<u>(1,912)</u>	<u>-</u>	<u>6,630</u>	<u>1</u>
<b>Total comprehensive income</b>	<u>\$ 48,509</u>	<u>4</u>	<u>\$ 132,342</u>	<u>13</u>

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income (Cotn'd)**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**  
**(Reviewed and Restatement, Not Audited)**

		<u>For the three months ended March 31</u>			
		<u>2021</u>		<u>2020(Restatement)</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Profit attributable to:</b>					
8610	Owners of parent	\$ 55,970	5	\$ 128,586	12
8620	Non-controlling interests	( 5,549)	( 1)	( 2,874)	-
		<u>\$ 50,421</u>	<u>4</u>	<u>\$ 125,712</u>	<u>12</u>
<b>Comprehensive income attributable to:</b>					
	Owners of parent	\$ 54,054	4	\$ 135,189	13
	Non-controlling interests	( 5,545)	-	( 2,847)	-
		<u>\$ 48,509</u>	<u>4</u>	<u>\$ 132,342</u>	<u>13</u>
<b>Earnings per share (Unit: NT\$)(Note 29)</b>					
9750	<b>Basic earnings per share</b>	<u>\$ 0.10</u>		<u>\$ 0.23</u>	
9850	<b>Diluted earnings per share (Unit: NT\$)</b>	<u>\$ 0.10</u>		<u>\$ 0.23</u>	



**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**(In Thousands of New Taiwan Dollars)**  
**(Reviewed, Not Audited)**

	Equity attributable to owners of parent									
	Share capital					Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
<b>Balance at January 1, 2020</b>	\$ 5,567,899	\$ 20,769	\$ 147,303	\$ 183,222	\$ 669,748	\$ (224,130)	\$ (3,671)	\$ 6,361,140	\$ 89,039	\$ 6,450,179
Profit (loss) for the three months ended March 31, 2020	-	-	-	-	128,586	-	-	128,586	(2,874)	125,712
Other comprehensive income, for the three months ended March 31, 2020	-	-	-	-	-	6,611	(8)	6,603	27	6,630
Total comprehensive income for the three months ended March 31, 2020	-	-	-	-	128,586	6,611	(8)	135,189	(2,847)	132,342
Changes in non-controlling interests	-	-	-	-	-	-	-	-	270,000	270,000
<b>Balance at March 31, 2020</b>	<b>\$ 5,567,899</b>	<b>\$ 20,769</b>	<b>\$ 147,303</b>	<b>\$ 183,222</b>	<b>\$ 798,334</b>	<b>\$ (217,519)</b>	<b>\$ (3,679)</b>	<b>\$ 6,496,329</b>	<b>\$ 356,192</b>	<b>\$ 6,852,521</b>
<b>Balance at January 1, 2021</b>	\$ 5,567,899	\$ 20,769	\$ 184,726	\$ 227,801	\$ 571,377	\$ (292,290)	\$ (3,666)	\$ 6,276,616	\$ 468,907	\$ 6,745,523
Profit (loss) for the three months ended March 31, 2021	-	-	-	-	55,970	-	-	55,970	(5,549)	50,421
Other comprehensive income, for the three months ended March 31, 2021	-	-	-	-	-	(1,922)	6	(1,916)	4	(1,912)
Total comprehensive income for the three months ended March 31, 2021	-	-	-	-	55,970	(1,922)	6	54,054	(5,545)	48,509
Cash dividends of ordinary share	-	-	-	-	(445,432)	-	-	(445,432)	-	(445,432)
<b>Balance at March 31, 2021</b>	<b>\$ 5,567,899</b>	<b>\$ 20,769</b>	<b>\$ 184,726</b>	<b>\$ 227,801</b>	<b>\$ 181,915</b>	<b>\$ (294,212)</b>	<b>\$ (3,660)</b>	<b>\$ 5,885,238</b>	<b>\$ 463,362</b>	<b>\$ 6,348,600</b>

(Please read the attached notes to the consolidated financial reports)

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

(Expressed in Thousands of New Taiwan Dollars)

(Reviewed and Restatement, Not Audited)

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020(Restatement)</b>
<b>Cash flows (used in) from operating activities:</b>		
<b>Profit before tax</b>	\$ 25,474	\$ 80,745
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	325,582	302,651
Amortization expense	9,056	10,450
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(25,237)	12,131
Interest expense	55,804	55,689
Interest income	(1,200)	(4,675)
Dividend income	(1,250)	-
Share of profit of associates and joint ventures accounted for using equity method	(104,046)	(35,581)
Loss on disposal of property, plant and equipment	793	108
Gain on disposal of investments	-	(82)
Expected credit gain	398	42
Impairment loss on non-financial assets	31	-
Rent reductions listed as other income	-	(83,557)
Amounts from modification of lease contracts	(10)	-
<b>Total adjustments to reconcile profit</b>	<u>259,921</u>	<u>257,176</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets, net:</b>		
Decrease (increase) in current financial assets at fair value through profit or loss	197,508	(32,075)
Decrease in notes receivable	10,384	18,529
Decrease in accounts receivable	45,083	105,723
(Increase) decrease in accounts receivable due from related parties	(1,931)	11,841
Decrease in other receivable	7,796	99
Decrease in inventories	16,036	1,071
(Increase) decrease in biological assets	(334)	985
Decrease in prepayments	106	12,158
Increase in other current assets	(525)	(98)
Decrease in other operating assets	6,896	20,733
<b>Total changes in operating assets, net</b>	<u>281,019</u>	<u>138,966</u>
<b>Changes in operating liabilities, net:</b>		
Decrease in contract liabilities	(2,793)	(1,378)
Decrease in notes payable	(16,170)	(11,079)
Increase (decrease) in accounts payable	527	(60,040)
Decrease in other payable	(135,654)	(84,963)
Decrease in receipts in advance	(1,757)	(7,718)
Increase (decrease) in other current liabilities	1,418	(2,691)
Decrease in non-current net defined benefit liability	(2,400)	(3,695)
Increase in other operating liability	3,500	-
Decrease in other operating liabilities	(153,329)	(171,564)
<b>Net changes in operating assets and liabilities</b>	<u>127,690</u>	<u>(32,598)</u>
<b>Total adjustments</b>	<u>387,611</u>	<u>224,578</u>
<b>Cash inflow generated from operations</b>	413,085	305,323
<b>Income taxes paid</b>	(1,279)	(2,153)
<b>Net cash inflow from operating activities</b>	<u>411,806</u>	<u>303,170</u>

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows (Cotn'd)**

**(Expressed in Thousands of New Taiwan Dollars)**

**(Reviewed and Restatement, Not Audited)**

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020(Restatement)</b>
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from disposal of subsidiaries	\$ -	\$ 778
Acquisition of property, plant and equipment	(46,674)	(122,806)
Proceeds from disposal of property, plant and equipment	210	30
Increase in refundable deposits	(11,628)	(201,044)
Increase in other receivables	-	(20,000)
Acquisition of intangible assets	(1,089)	(7,041)
Increase in other financial assets	(188)	-
Increase in other non-current assets	(8,525)	(205,751)
Interest received	1,085	4,786
<b>Net cash flows used in from investing activities</b>	<b>(66,809)</b>	<b>(551,048)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term loans	39,077	(48,000)
Increase in short-term notes and bills payable	20,000	-
Decrease in long-term debt	(85,100)	(18,276)
Decrease in notes payable	(15,273)	-
Decrease in guarantee deposits received	(87)	(70)
Increase in other payables due from related parties	100,000	-
Payment of lease liabilities	(360,735)	(209,463)
Increase in long-term notes payable	21,352	-
Interest paid	(61,336)	(54,908)
Change in non-controlling interests	-	270,000
<b>Net cash flows used in financing activities</b>	<b>(342,102)</b>	<b>(60,717)</b>
Effect of exchange rate changes on cash and cash equivalents	(60)	2,408
Net increase (decrease) in cash and cash equivalents	2,835	(306,187)
Cash and cash equivalents at beginning of period	1,855,653	1,829,578
Cash and cash equivalents at end of period	<b>\$ 1,858,488</b>	<b>\$ 1,523,391</b>

**(Please read the attached notes to the consolidated financial reports)**

# EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

For The Three Months Ended March 31, 2021 And 2020

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

(Reviewed, Not Audited)

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### 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 and its subsidiaries (the “Group”) include forwarding, loading and unloading cargo onto/from ships, the handling and operation of wharf and transit shed facilities, selling pet food and supplies, providing pet beauty service, video advertising services and the production of related shows. In addition, the Group terminated all of the lease contracts of its shipping operations in advance in June 2019.

### 2. Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on May 6, 2021.

### 3. New standards, amendments and interpretations adopted

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021 :

- 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”
- Amendments to IFRS 16 “A one-year extension to the practical expedient for COVID-19 related rent concessions”

- b. The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated

financial performance. The results thereof will be disclosed when the Group completes its evaluation.

- 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”
- c. IASB issued Amendment to IFRS 16, “Covid-19-Related Rent Concessions” on May 28, 2020. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets certain conditions is a lease modification, rather any changes in lease liability are recognized in profit or loss. The Group has elected to apply the practical expedient for all rent concessions that meet the criteria beginning January 1, 2020, with early adoption. Therefore, the Group restated the consolidated financial statements for the three months ended March 31, 2020.

The influences were as follows:

(a) Balance sheets

	<b>March 31,2020</b>	<b>Influence</b>	<b>March 31,2020 (Restatement)</b>
Current assets	\$ 2,788,202	\$ -	\$ 2,788,202
Right-of-use assets	6,455,292	81,610	6,536,902
Non-current assets	<u>5,493,443</u>	-	<u>5,493,443</u>
<b>Total assets</b>	<b><u>\$ 14,736,937</u></b>	<b><u>\$ 81,610</u></b>	<b><u>\$ 14,818,547</u></b>
Current lease liabilities	\$ 909,348	\$ 57	\$ 909,405
Other current liabilities	1,067,340	-	1,067,340
Non-current lease liabilities	5,659,139	( 148 )	5,658,991
Other non-current liabilities	<u>330,290</u>	-	<u>330,290</u>
<b>Total liabilities</b>	<b><u>\$ 7,966,117</u></b>	<b><u>(\$ 91)</u></b>	<b><u>\$ 7,966,026</u></b>
Equity attributable to owners of parent			
Capital stock	5,567,889	-	5,567,889
Capital surplus	20,769	-	20,769
Retained earnings	1,055,142	73,717	1,128,859
Other equity interest	<u>(221,198)</u>	-	<u>(221,198)</u>
Total equity attributable to owners of parent	6,422,612	73,717	6,496,329
Non-controlling interests	<u>348,208</u>	<u>7,984</u>	<u>356,192</u>
<b>Total equity</b>	<b><u>\$ 6,770,820</u></b>	<b><u>\$ 81,701</u></b>	<b><u>\$ 6,852,521</u></b>
<b>Total liabilities and equity</b>	<b><u>\$ 14,736,937</u></b>	<b><u>\$ 81,610</u></b>	<b><u>\$ 14,818,547</u></b>

## (b) Statements of comprehensive income

	<b>For the three months ended March 31, 2020</b>	<b>Influence</b>	<b>For the three months ended March 31, 2020(Restatement)</b>
Operating revenue	\$ 1,065,053	\$ -	\$ 1,065,053
Operating costs	<u>731,996</u>	<u>1,947</u>	<u>733,943</u>
Gross profit from operations	<u>333,057</u>	<u>(1,947)</u>	<u>331,110</u>
Operating expenses	348,610	-	348,610
Impairment loss determined in accordance with IFRS 9	<u>42</u>	<u>-</u>	<u>42</u>
Net operating loss	<u>(15,595)</u>	<u>(1,947)</u>	<u>(17,542)</u>
Non-operating income and expenses:			
Interest income	4,674	1	4,675
Other income	8,994	83,557	92,551
Other gains and losses	21,131	38	21,169
Finance costs	(55,741)	52	(55,689)
Share of profit of associates accounted for using equity method	<u>35,581</u>	<u>-</u>	<u>35,581</u>
Profit (loss) before tax	(956)	81,701	80,745
Less: tax profits	<u>(44,967)</u>	<u>-</u>	<u>(44,967)</u>
<b>Profit</b>	<b><u>\$ 44,011</u></b>	<b><u>\$ 81,701</u></b>	<b><u>\$ 125,712</u></b>
Profit attributable to :			
Owners of parent	\$ 54,869	\$ 73,717	\$ 128,586
Non-controlling interests	<u>(\$ 10,858)</u>	<u>\$ 7,984</u>	<u>(\$ 2,874)</u>
	<b><u>\$ 44,011</u></b>	<b><u>\$ 81,701</u></b>	<b><u>\$ 125,712</u></b>
Comprehensive income attributable to :			
Owners of parent	\$ 61,472	\$ 73,717	\$ 135,189
Non-controlling interests	<u>(\$ 10,831)</u>	<u>\$ 7,984</u>	<u>(\$ 2,847)</u>
	<b><u>\$ 50,641</u></b>	<b><u>\$ 81,701</u></b>	<b><u>\$ 132,342</u></b>
<b>Basic earnings per share</b>	<b><u>\$ 0.10</u></b>	<b><u>\$ 0.13</u></b>	<b><u>\$ 0.23</u></b>
<b>Diluted earnings per share</b>	<b><u>\$ 0.10</u></b>	<b><u>\$ 0.13</u></b>	<b><u>\$ 0.23</u></b>

## 4. Summary of significant accounting policies

## a. Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect

by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2020. For the related information, please refer to Note IV of the consolidated financial statements for the year ended December 31, 2020.

b. Basis of consolidation

(a) List of subsidiaries in the consolidated financial statements:

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio			Explanation
			March 31,2021	December 31,2020	March 31,2020	
The Company	Far Eastern Silo & Shipping (Panama) S.A. (FESS-Panama)	Investing activities	100.00%	100.00%	100.00%	Note A
The Company	Far Eastern Silo & Shipping International (Bermuda) Ltd. (FESS-Bermuda)	Investing activities	100.00%	100.00%	100.00%	Note A (Note 2)
The Company	Far Eastern Investment Co., Ltd. (EIC)	Investing activities	97.90%	97.90%	97.90%	Note A
The Company	Grand Richness Trading (Hong Kong) Co. (Grand Richness (Hong Kong))	Investing activities	100.00%	100.00%	100.00%	Note A (Note 2)
The Company	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	53.77%	53.77%	53.77%	Note A
The Company	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	53.76%	53.76%	53.76%	Note A
The Company	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	89.20%	89.20%	89.20%	Note A
The Company	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	60.40%	60.40%	60.40%	Note A
The Company	Mohist Web Technology Co., Ltd. (MWT)	Application services	51.00%	51.00%	51.00%	Note A (Note 2)
The Company	Eastern Asset Co., Ltd. (Eastern Asset)	Real estate leasing	55.00%	55.00%	55.00%	Note A (Note 3)
EIC	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	10.00%	10.00%	10.00%	Note B
EIC	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	10.00%	10.00%	10.00%	Note B
EIC	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	13.20%	Note B
EIC	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	1.05%	1.05%	1.05%	Note B
EILF	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	36.00%	36.00%	36.00%	Note B
EILF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	13.20%	Note B
TKLF	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	36.00%	36.00%	36.00%	Note B
TKLF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	13.20%	Note B
ET New Media	Show Off Co., Ltd. (Show Off)	Video advertising service	100.00%	100.00%	100.00%	Note C (Note 2 and 5)
ET New Media	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	92.50%	92.50%	92.50%	Note C
ET New Media	Dung sen shin guang yun Co., Ltd. (Dung sen shin guang yun)	Audiovisual and singing, information leisure	100.00%	100.00%	100.00%	Note C (Note 2)
ET New Media	Dung sen dian jing yun Co., Ltd. (Dung sen dian jing yun)	Amusement park information leisure	100.00%	100.00%	100.00%	Note C (Note 2)

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio			Explanation
			March 31,2021	December 31,2020	March 31,2020	
ET New Media	Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	Video advertising service	100.00%	100.00%	100.00%	Note C (Note 2)
ET New Media	Dung sen min diau yun Co., Ltd. (Dung sen min diau yun)	Consulting management, market research and opinion poll	100.00%	100.00 %	- %	Note C (Note 2 and 7)
ET Pet	Oscar Pet Co., Ltd.(Oscar)	Pet food and supplies and providing pet beauty service	80.00%	80.00%	80.00%	Note C
ET Pet	Pet Kingdom Co., Ltd. (Pet Kingdom)	Pet food and supplies and providing pet beauty service	80.00%	80.00%	80.00%	Note C
ET Pet	Kaou Sin Trading Co., Ltd. (Kaou Sin)	Pet food and supplies and providing pet beauty service	80.00%	80.00%	80.00%	Note C
FESS-Panama	Grand Scene Media Corporation (GSMC-Cayman)	Investing activities	100.00%	100.00%	100.00%	Note C (Note 2)
FESS-Panama	Eastern Media Communication (Hong Kong) Ltd. (Eastern Media Communication Hong Kong)	Investing activities	100.00%	100.00%	100.00%	Note C (Note 2)
FESS-Bermuda	RICHNESS TRADING (SHANGHAI) CO.,LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	8.77%	8.77%	8.77%	Note C (Note 2)
Eastern Media Communication (Hong Kong)	RICHNESS TRADING (SHANGHAI) CO.,LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	91.23%	91.23%	91.23%	Note C (Note 2)
RICHNESS TRADING (SHANGHAI)	Shanghai Rich Industry Ltd. (Shanghai Rich)	Producing and broadcasting TV programs, wholesale and retail groceries business	- %	100.00%	100.00%	Note C (Note 2 and 4)
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG) LIMITED	Investing activities	100.00%	100.00%	100.00%	Note C (Note 2)
GRAND SCENE TRADING (HONG KONG)	Nanjing Yun Fu Trading Ltd. (Nanjing Yun Fu)	Wholesale trading	100.00%	100.00%	100.00%	Note C (Note 2)
GRAND SCENE TRADING (HONG KONG)	Eastern Biotechnology (Shanghai) (Eastern Food (Shanghai)) Ltd. (Eastern Biotechnology (Shanghai))	Selling agricultural products, packaged food	- %	- %	- %	Note C (Note 1 and 2)
GRAND SCENE TRADING (HONG KONG)	Eastern Enterprise Shanghai Logistics Ltd.	Container transport, domestic road freight agent	- %	- %	100.00%	Note C (Note 2 and 6)

Note A: The investee company is directly held over 50% by the Company

Note B: The investee company is directly held over 50% by the Group

Note C: The investee company is directly held over 50% by the Company's subsidiaries

Note 1: GRAND SCENE TRADING (HONG KONG) disposed all of its shares of Eastern En and Eastern Biotechnology (Shanghai), with the completion of their share transfer registration procedures on January 20, 2020.

Note 2: As an immaterial subsidiary, the financial statements have not been reviewed.

Note 3: 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.

Note 4: Shanghai Rich was liquidated on March 24, 2021.

Note 5: Show off was dissolved on July 30, 2020. The process of liquidation has not been finished by the reporting date.

Note 6: Enterprise Shanghai Logistics Ltd. has finished liquidation on July 20, 2020.

Note 7: Dung sen min diau yun was established on September 24, 2020.



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

c. Leases

As a practical expedient, the Group 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, 2022; 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.

d. Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

e. Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

**5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2020. For the related information, please refer to Note V of the consolidated financial statements for the year ended December 31, 2020.

**6. Cash and cash equivalents**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Cash on hand	\$ 11,597	11,835	9,673
Cash in banks	1,262,112	1,267,588	1,407,789
Cash equivalents	<u>584,779</u>	<u>576,230</u>	<u>105,929</u>
	<b><u>\$ 1,858,488</u></b>	<b><u>1,855,653</u></b>	<b><u>1,523,391</u></b>

Bank time deposits whose original maturity date exceeds three months are classified as other current financial assets. The deposit accounts of \$2,471, \$2,278, and \$94,233 which did not meet the definition of cash and cash equivalents, were classified as other current financial assets for March 31, 2021, December 31, 2020, and March 31, 2020, respectively.

Please refer to Note 33 for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities.

**7. Financial assets at fair value through profit or loss**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Financial assets designated as at fair value through profit or loss:			
Non-derivative financial assets			
Stocks listed on domestic markets	<b><u>\$ 209,340</u></b>	<b><u>\$ 381,611</u></b>	<b><u>\$ 278,623</u></b>

- a. Please refer to Note 33 for the remeasurement of fair value.
- b. For the three months ended March 31, 2021 and 2020, the dividends from financial assets designated as at fair value through profit or loss were \$1,250 and \$0, respectively.
- c. As of December 31, 2020, the amount of \$6,628 outstanding (recorded as other receivables) for the disposal of financial assets at fair value through profit or loss had been fully received by the Group as of the review date.
- d. As of March 31, 2020, the amount of \$16,140 outstanding (recorded as other payables) for the acquisition of financial assets at fair value through profit or loss had been fully paid by the Group as of the review date.
- e. No financial assets were pledged as collateral on March 31, 2021, December 31, 2020, and March 31, 2020, respectively.

**8. Financial assets at fair value through other comprehensive income**

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Equity investments at fair value through other comprehensive income:			
Unlisted common shares domestic Company	<b><u>\$ 8,116</u></b>	<b><u>\$ 8,104</u></b>	<b><u>\$ 13,109</u></b>

a. Equity investments at fair value through other comprehensive income

The Group 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 Group intends to hold for long-term for strategic purposes.

On December 25, 2020, the consolidated subsidiary- EIC has sold all of its shares held in Skyasia Media Inc., at fair value of \$24,925. The Group realized a gain of \$19,910, which was recognized as other comprehensive income, and thereafter, was reclassified to retained earnings with the company equity ownership.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2021 and 2020.

b. For credit risk and market risk; please refer to Note 33.

c. No financial assets mentioned above were pledged as collateral.

**9. Notes and accounts receivable (including related parties)**

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Notes receivable	\$ 4,063	\$ 4,406	\$ 4,746
Installment notes receivable	109,977	121,735	42,049
Accounts receivable	351,836	395,034	263,373
Less: Allowance for doubtful accounts	( 40,081)	( 39,803)	( 29,605)
Unrealized interest revenue	( 6,138)	( 7,856)	( 1,291)
	<u><b>\$ 419,657</b></u>	<u><b>\$ 473,516</b></u>	<u><b>\$ 279,272</b></u>

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable 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:

	<u>March 31, 2021</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u><b>\$ 8,198</b></u>	-%	<u><b>\$ -</b></u>
	<u>December 31, 2020</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u><b>\$ 11,148</b></u>	-%	<u><b>\$ -</b></u>
	<u>March 31, 2020</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u><b>\$ 4,058</b></u>	-%	<u><b>\$ -</b></u>

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

<b>March 31, 2021</b>			
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 10,603	-	\$ -
More than 91 days past due	1,905	100.00 %	1,905
	<b><u>\$ 12,508</u></b>		<b><u>\$ 1,905</u></b>

<b>December 31, 2020</b>			
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 8,693	-	\$ -
More than 91 days past due	438	100.00 %	438
	<b><u>\$ 9,131</u></b>		<b><u>\$ 438</u></b>

<b>March 31, 2020</b>			
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 15,893	-	\$ -
More than 91 days past due	427	100.00 %	427
	<b><u>\$ 16,320</u></b>		<b><u>\$ 427</u></b>

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

<b>March 31, 2021</b>			
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 265,231	0.00~0.23 %	\$ 618
1 to 30 days past due	7,193	0.00~11.51 %	827
31 to 60 days past due	1,847	0.00~30.89 %	571
61 to 90 days past due	10	0.00~79.63 %	8
More than 91 days past due	1,456	100.00 %	1,456
	<b><u>\$ 275,737</u></b>		<b><u>\$ 3,480</u></b>

<b>December 31, 2020</b>			
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 306,160	0.00~0.24 %	\$ 747
1 to 30 days past due	4,290	0.00~12.08 %	518
31 to 60 days past due	2,715	0.00~32.34 %	878
61 to 90 days past due	-	0.00~78.62 %	-
More than 91 days past due	1,393	100.00 %	1,393
	<b><u>\$ 314,558</u></b>		<b><u>\$ 3,536</u></b>

	<b>March 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 175,250	0.21 %	\$ 365
1 to 30 days past due	8,424	10.93 %	921
31 to 60 days past due	2,713	27.99 %	759
61 to 90 days past due	1,500	64.88 %	973
More than 91 days past due	3,524	100.00 %	3,524
	<b><u>\$ 191,411</u></b>		<b><u>\$ 6,542</u></b>

The loss allowance provision in other segments was determined as follows:

	<b>March 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision (Note)</b>
Current	\$ 129,143	0.03~ 1.19%	\$ 788
1 to 30 days past due	206	4.76~25.40%	30
31 to 60 days past due	90	4.76~39.01%	36
61 to 90 days past due	321	4.76~76.92%	248
More than 91 days past due	691	100.00 %	691
	<b><u>\$ 130,451</u></b>		<b><u>\$ 1,793</u></b>

	<b>December 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision (Note)</b>
Current	\$ 144,836	0.03~1.25%	\$ 867
1 to 30 days past due	85	5.00~26.27%	9
31 to 60 days past due	136	5.00~34.89%	48
61 to 90 days past due	135	5.00~75.26%	102
More than 91 days past due	446	100.00%	446
	<b><u>\$ 145,638</u></b>		<b><u>\$ 1,472</u></b>

	<b>March 31, 2020</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision (Note)</b>
Current	\$ 61,139	0.00~1.98%	\$ 391
1 to 30 days past due	2,505	0.00~58.78%	544
31 to 60 days past due	8,389	0.00~83.80%	1,568
61 to 90 days past due	139	2.00~100.00%	139
More than 91 days past due	662	100.00%	662
	<b><u>\$ 72,834</u></b>		<b><u>\$ 3,304</u></b>

Note: As of March 31, 2021, December 31, 2020, and March 31, 2020, the receivables amounted to \$32,844, \$32,844, and \$24,254 were unrecoverable due to the financial difficulty of the customers. Therefore, the Group had recognized the allowance for doubtful accounts for all of its receivables.

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

	For the three months ended March 31	
	2021	2020
Balance on January 1	\$ 39,803	\$ 29,563
Recognition of impairment losses	278	42
Balance on March 31	<u>\$ 40,081</u>	<u>\$ 29,605</u>

No financial assets mentioned above were pledged as collateral.

**10. Other receivables and other notes receivable (including related parties)**

	March 31, 2021	December 31, 2020	March 31, 2020
Other accounts receivable—loans to associates	\$ 30,000	\$ 30,000	\$ 150,000
Other accounts receivable—others	68,651	72,705	39,942
Less: Loss allowance	( 1,817)	( 1,697)	( 1,697)
	<u>\$ 96,834</u>	<u>\$ 101,008</u>	<u>\$ 188,245</u>

As of March 31, 2021, December 31, 2020, and March 31, 2020, the aging analysis of other receivables, which were past due but not impaired, was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Past due less than 365 days	\$ -	\$ -	\$ 1,609
Past due more than 365 days	29	120	143
	<u>\$ 29</u>	<u>\$ 120</u>	<u>\$ 1,752</u>

a. The overdue receivables amounted \$0, \$0, and \$334,271 on March 31, 2021, December 31, 2020, and March 31, 2020, respectively. Therefore, the Group had recognized the allowance for doubtful accounts for all of its overdue receivables.

b. For credit risk and market risk; please refer to Note 33.

**11. Inventories**

	March 31, 2021	December 31, 2020	March 31, 2020
Goods held for sale	\$ 302,949	\$ 313,012	\$ 244,108
Spare programs	-	5,851	-
Raw materials and others (including fuel)	26,805	28,046	28,218
	<u>\$ 329,754</u>	<u>\$ 346,909</u>	<u>\$ 272,326</u>

a. For the three months ended March 31, 2021 and 2020, due to fluctuations in international oil prices and the increase in the net realizable value of inventories, the loss on inventory valuation loss the Group recognized was \$471, and \$0, respectively.

b. No inventories were pledged as collateral on March 31, 2021, December 31, 2020, and March 31, 2020, respectively.

**12. Non-current assets held for sale (or discontinued operations)**

a. Within a year's time, the Group expected to dispose all of its shares in its fully owned subsidiaries, Eastern Biotechnology (Shanghai), wherein the disposal is to be recognized as non-current assets held for sale (or discontinued operation). The disposal of Eastern Biotechnology (Shanghai) has been completed on January 20, 2020.

b. No non-current assets held for sale were pledged as collateral.

c. For the registration of share transfer; please refer to Note 16.

### 13. Investments accounted for using equity method

- a. The Group's financial information for investments accounted for using the equity method at the reporting date was as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Natural Beauty bio-technology Limited (Natural Beauty)	\$ 1,948,460	\$ 1,951,807	\$ 2,009,759
Eastern Home Shopping & Leisure Co., Ltd (EHS)	597,065	491,228	459,505
EHK E&S Co., Ltd.	-	-	24,914
Jiangsu Sen Fu Da Media Technology Co., Ltd.	-	-	5,896
	<u>\$ 2,545,525</u>	<u>\$ 2,443,035</u>	<u>\$ 2,500,074</u>

- b. Affiliates which are material to the Group consisted of the following:

Affiliate Name	Within the Group Nature of Relationship	Main operating location	Proportion of shareholding and voting rights		
			March 31, 2021	December 31,2020	March 31, 2020
Natural Beauty	Sales of beauty and cosmetic products and providing beauty service	Taiwan and China	30.00%	30.00%	30.00%
EHS	Wholesale and retail of various commodities, materials and equipment	Taiwan, Hong Kong and China	25.87%	25.87%	25.87%

- (a) Natural Beauty Bio-Technology Limited

Natural Beauty Bio-Technology Limited ("Natural Beauty") was one of the listing companies in Hong Kong Exchanges and Clearing Limited ("Hong Kong Exchange"). Its fair value is as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Fair value	<u>\$ 1,498,929</u>	<u>\$ 1,433,971</u>	<u>\$ 1,521,812</u>

The Audit Committee of Natural Beauty received a letter from its CPA in March, 2020, requesting it to hire an independent forensic accounting firm to investigate some items such as sales revenue and account receivables collection in the 2019 financial statements. Due to the wide-ranging content of the investigation, Natural Beauty applied for a temporary suspension of trading on the Hong Kong Exchange starting at 9 am on March 25, 2020. Natural Beauty fulfilled all the resumption conditions instructed by the Hong Kong Exchange on February 10, 2021, and resumed trading on February 11, 2021. The fair value of Natural Beauty on March 31 and December 31, 2020 is calculated based on the suspension price on March 25, 2020.

Moreover, the forensic report of the forensic accounting firm was sent to the Audit Committee of Natural Beauty for confirmation on July 6, 2020. The Audit Committee believed that the forensic accountant had completed all the work required by the CPA and stated that there was no irregularity in the accounting of Natural Beauty. However, the CPA was not completely satisfied with the conclusion of the forensic accountant and requested further investigation. However, after the Natural Beauty Audit Committee and the Board of Directors

reviewed the investigation report of the forensic accountants, they found its conclusions to be quite complete and there is no need for further investigation. The response to the CPA opinion was announced on July 27, 2020. The appointment of the CPA was to be terminated on July 31, 2020. On August 14, 2020, Natural Beauty had completed the appointment of a successor CPA, the appointment of a successor CPA issued 2019 financial statements on November 20, 2020.

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

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Current assets	\$ 1,430,967	\$ 1,470,963	\$ 1,227,522
Non-current assets	1,612,348	1,584,864	1,593,963
Liabilities	( 784,788)	( 810,784)	( 652,262)
Net assets	<u>\$ 2,258,527</u>	<u>\$ 2,245,043</u>	<u>\$ 2,169,223</u>
Net assets attributable to investee	<u>\$ 2,258,527</u>	<u>\$ 2,245,043</u>	<u>\$ 2,169,223</u>

	<b>Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Operating revenue	<u>\$ 372,617</u>	<u>\$ 183,954</u>
Net income	\$ 24,950	(\$ 58,918)
Other comprehensive income	9,689	( 49,647)
Total comprehensive income	<u>\$ 34,639</u>	<u>(\$ 108,565)</u>
Comprehensive income (loss) attributable to investee	<u>\$ 34,639</u>	<u>(\$ 108,565)</u>

	<b>Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Share of net assets attributable to the Group on January 1	\$ 673,513	\$ 674,957
Comprehensive income (loss) attributable to the Group	10,392	( 32,570)
Effect of exchange rate fluctuations	( 6,347 )	8,380
Share of net assets attributable to the Group on March 31	677,558	650,767
Add: Goodwill	314,558	333,305
Trademark	284,286	301,228
Property, plant and equipment	490,502	507,697
Other intangible assets in useful life (ie. Membership and patent etc.)	191,850	227,673
Effect of exchange rate changes	( 7 )	( 11 )
Less: adjustment for inventories	( 10,287 )	( 10,900 )
Book value of net assets attributable to the Group on March 31	<u>\$ 1,948,460</u>	<u>\$ 2,009,759</u>



(b) Eastern Home Shopping & Leisure Co., Ltd.

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

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Current assets	\$ 5,343,345	\$ 5,459,802	\$ 3,865,704
Non-current assets	6,890,848	6,614,712	6,451,198
Liabilities	( 9,622,932)	( 9,882,194)	( 8,269,873)
Net assets	<u>\$ 2,611,261</u>	<u>\$ 2,192,320</u>	<u>\$ 2,047,029</u>
Non-controlling interests, attributable to investee	<u>\$ 303,178</u>	<u>\$ 293,369</u>	<u>\$ 270,714</u>
Net assets attributable to investee	<u>\$ 2,308,083</u>	<u>\$ 1,898,951</u>	<u>\$ 1,766,315</u>
	<b>Three Months Ended March 31</b>		
	<b>2021</b>	<b>2020</b>	
Operating revenue	<u>\$ 6,620,218</u>	<u>\$ 5,354,123</u>	
Net income	\$ 419,400	\$ 243,645	
Other comprehensive income	( 552)	9,474	
Total comprehensive income	<u>\$ 418,848</u>	<u>\$ 253,119</u>	
Comprehensive income (loss) attributable to non controlling interests	<u>\$ 9,717</u>	<u>\$ 157</u>	
Comprehensive income (loss) attributable to non controlling investee	<u>\$ 409,131</u>	<u>\$ 252,962</u>	
Share of net assets attributable to the Group on January 1	\$ 491,228	\$ 394,067	
Comprehensive income attributable to the Group	105,837	65,438	
Share of net assets attributable to the Group on March 31	<u>\$ 597,065</u>	<u>\$ 459,505</u>	

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

	<b>March 31, 2020</b>
Carrying amount of individually insignificant associates' equity	<u>\$ 30,810</u>

	<u>Three Months Ended March 31</u>
	<u>2020</u>
Attributable to the Group:	
Loss from	
continuing operations	\$ -
Other comprehensive loss	( 1,236)
Total comprehensive loss	<u>(\$ 1,236)</u>

- d. The liquidation of Group 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.
- e. The Group recognized impairment losses of \$5,933 related to individually insignificant associates on December 31, 2020.
- f. Please refer to Note 38 for the details of the investments accounted for using equity method pledged as collateral.
- g. The unreviewed financial statements of investments for using equity method Except for EHS as of March 31, 2021 and 2020, investments were accounted for by the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

#### 14. Acquire a subsidiary

- a. On January 2, 2020, the Company's Board of Directors resolved to invest \$100,000 in Eastern Asset, 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.
- b. The consolidated subsidiary – ET New Media has decided to establish Dung sen min diau yun Co., Ltd. on June 10, 2019 after obtaining the approval from the board of directors. Dung sen min diau yun Co., Ltd. has completed the registration on September 24, 2020 with the capital of \$1,000 which was 100% held by ET New Media.

#### 15. Material non-controlling interests of subsidiaries

Non-controlling interests of subsidiaries material to the Group are as follows:

Subsidiary name	Main operating location	Percentage of non-controlling interests		
		March 31, 2021	December 31, 2020	March 31, 2020
Eastern Asset	Taiwan	45.00%	45.00%	45.00%

The following information of the aforementioned subsidiaries had been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information were the fair value adjustment and accounting policies adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions

were not eliminated in this information.

The financial information of Eastern Asset was as follows:

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Current assets	\$ 277,650	\$ 316,719	\$ 200,674
Non-current assets	1,505,838	1,493,971	400,105
Current liabilities	( 9,728)	( 9,195)	( 1,020)
Non-current liabilities	( 874,855)	( 901,924)	-
Net assets	<u>\$ 898,905</u>	<u>\$ 899,571</u>	<u>\$ 599,759</u>

	<b>Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Operating revenue	<u>\$ -</u>	<u>\$ -</u>
Net loss	(\$ 666)	(\$ 241)
Other comprehensive loss	-	-
Total comprehensive loss	<u>(\$ 666)</u>	<u>(\$ 241)</u>
Net cash flows from operating activities	(\$ 7,503)	(\$ 9,356)
Net cash flows from investing activities	( 5,690)	( 400,000)
Net cash flows from financing activities	( 33,062)	600,000
Net increase in cash and cash equivalents	<u>(\$ 46,255)</u>	<u>\$ 190,644</u>

## 16. Loss of control of subsidiaries

- The Group resolved in February 2019 to dispose of all shares in the subsidiaries, Eastern Biotechnology (Shanghai); the disposal has been completed on January 20, 2020. The Group lost control over Eastern Biotechnology (Shanghai) due to the disposal. The disposition price was \$778 (CNY \$200). The gains on disposal of the investment were amounted \$82.
- The Group liquidated its subsidiaries, Shanghai Rich on March 24, 2021, and lost control over Shanghai Rich due to the disposal.

## 17. Property, plant and equipment

- The cost, depreciation, and impairment loss of the property, plant and equipment of the Group were as follows:

	<b>Land</b>	<b>Buildings</b>	<b>Machinery and equipment</b>	<b>Transportation equipment</b>	<b>Leasehold improvements</b>	<b>Construction in progress</b>	<b>Other equipment</b>	<b>Total</b>
Cost or deemed cost:								
Balance on January 1, 2021	\$ 596,742	\$ 1,024,477	\$ 3,674	\$ 41,326	\$ 502,263	\$ 163,714	\$ 347,381	\$ 2,679,577
Additions	-	-	-	400	11,880	23,667	8,477	44,424
Transfers	-	-	-	-	90,568	( 134)	( 66)	90,368
Disposals	-	-	-	( 248)	( 1,261)	-	( 1,770)	( 3,279)
Balance on March 31, 2021	<u>\$ 596,742</u>	<u>\$ 1,024,477</u>	<u>\$ 3,674</u>	<u>\$ 41,478</u>	<u>\$ 603,450</u>	<u>\$ 187,247</u>	<u>\$ 354,022</u>	<u>\$ 2,811,090</u>
Balance on January 1, 2020	\$ 508,791	\$ 1,015,005	\$ 3,674	\$ 34,957	\$ 425,579	\$ 400	\$ 285,974	\$ 2,274,380
Additions	87,950	9,472	-	500	6,992	-	5,490	110,404
Transfers	-	-	-	-	( 1)	( 266)	267	-
Disposals	-	-	-	( 310)	-	-	( 356)	( 666)
Balance on March 31, 2020	<u>\$ 596,741</u>	<u>\$ 1,024,477</u>	<u>\$ 3,674</u>	<u>\$ 35,147</u>	<u>\$ 432,570</u>	<u>\$ 134</u>	<u>\$ 291,375</u>	<u>\$ 2,384,118</u>

	Land	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvements	Construction in progress	Other equipment	Total
Depreciation and impairment loss:								
Balance on January 1, 2021	\$ 5,740	\$ 654,298	\$ 3,674	\$ 27,380	\$ 105,579	\$ -	\$ 213,222	\$ 1,009,893
Depreciation	-	14,532	-	1,206	18,928	-	14,545	49,211
Transfers	-	-	-	-	-	-	( 8)	( 8)
Disposals	-	-	-	( 248)	( 258)	-	( 1,770)	( 2,276)
Balance on March 31, 2021	<u>\$ 5,740</u>	<u>\$ 668,830</u>	<u>\$ 3,674</u>	<u>\$ 28,338</u>	<u>\$ 124,249</u>	<u>\$ -</u>	<u>\$ 225,989</u>	<u>\$ 1,056,820</u>
Balance on January 1, 2020	\$ 5,740	\$ 590,188	\$ 3,674	\$ 23,928	\$ 52,811	\$ -	\$ 158,743	\$ 835,084
Depreciation	-	16,274	-	910	14,364	-	13,206	44,754
Disposals	-	-	-	( 310)	-	-	( 218)	( 528)
Balance on March 31, 2020	<u>\$ 5,740</u>	<u>\$ 606,462</u>	<u>\$ 3,674</u>	<u>\$ 24,528</u>	<u>\$ 67,175</u>	<u>\$ -</u>	<u>\$ 171,731</u>	<u>\$ 879,310</u>
Carrying amounts:								
January 1, 2021	<u>\$ 591,002</u>	<u>\$ 370,179</u>	<u>\$ -</u>	<u>\$ 13,946</u>	<u>\$ 396,684</u>	<u>\$ 163,714</u>	<u>\$ 134,159</u>	<u>\$ 1,669,684</u>
March 31, 2021	<u>\$ 591,002</u>	<u>\$ 355,647</u>	<u>\$ -</u>	<u>\$ 13,140</u>	<u>\$ 479,201</u>	<u>\$ 187,247</u>	<u>\$ 128,033</u>	<u>\$ 1,754,270</u>
January 1, 2020	<u>\$ 503,051</u>	<u>\$ 424,817</u>	<u>\$ -</u>	<u>\$ 11,029</u>	<u>\$ 372,768</u>	<u>\$ 400</u>	<u>\$ 127,231</u>	<u>\$ 1,439,296</u>
March 31, 2020	<u>\$ 591,001</u>	<u>\$ 418,015</u>	<u>\$ -</u>	<u>\$ 10,619</u>	<u>\$ 365,395</u>	<u>\$ 134</u>	<u>\$ 119,644</u>	<u>\$ 1,504,808</u>

- b. In March 2020, the Group signed a land rights contract with the Economic Development Bureau of the New Taipei City Government and the North District Office of the State-Owned Property Department of the Ministry of Finance in the form of land lease rights; and it has completed the establishment of land rights as of April 13, 2020. It is expected to be used for the construction of Eastern Media Group headquarters. The cost invested in the planning and construction is recognized under property, plant and equipment. In addition, please refer to Note 18 for the details of the lease of land rights.
- c. Please refer to Note 38 for the details of the property, plant and equipment pledged as collateral.

## 18. Right-of-use assets

- a. The cost, depreciation, and impairment loss of the land and equipment, buildings, media exhibition boards and transportation equipment of the Group were as follows:

	Land and equipment	Buildings	Outdoor advertising boards	Transportation equipment	Total
Right of use asset costs:					
Balance on January 1, 2021	\$ 5,233,445	\$ 1,085,759	\$ 2,763,333	\$ 4,732	\$ 9,087,269
Additions	-	69,624	9,411	-	79,035
Write off - lease modification	3	( 1,170)	( 553)	-	( 1,720)
Write off - lease ending	-	( 8,581)	-	-	( 8,581)
Balance on March 31, 2021	<u>\$ 5,233,448</u>	<u>\$ 1,145,632</u>	<u>\$ 2,772,191</u>	<u>\$ 4,732</u>	<u>\$ 9,156,003</u>
Balance on January 1, 2020	\$ 4,109,171	\$ 882,233	\$ 2,453,661	\$ -	\$ 7,445,065
Additions	-	4,679	28,863	1,492	35,034
Write off - lease modification (restatement)	( 2,218)	( 180)	-	-	( 2,398)
Balance on March 31, 2020 (restatement)	<u>\$ 4,106,953</u>	<u>\$ 886,732</u>	<u>\$ 2,482,524</u>	<u>\$ 1,492</u>	<u>\$ 7,477,701</u>
Accumulated depreciation and impairment losses:					
Balance on January 1, 2021	\$ 441,315	\$ 297,986	\$ 1,136,693	\$ 598	\$ 1,876,592
Depreciation	56,844	50,818	174,015	327	282,004
Write off - lease modification	-	( 132)	-	-	( 132)
Write off - lease ending	-	( 8,581)	-	-	( 8,581)
Balance on March 31, 2021	<u>\$ 498,159</u>	<u>\$ 340,091</u>	<u>\$ 1,310,708</u>	<u>\$ 925</u>	<u>\$ 2,149,883</u>
Balance on January 1, 2020	\$ 220,259	\$ 130,528	\$ 332,115	\$ -	\$ 682,902
Depreciation (restatement)	51,231	46,137	160,461	68	257,897
Balance on March 31, 2020 (restatement)	<u>\$ 271,490</u>	<u>\$ 176,665</u>	<u>\$ 492,576</u>	<u>\$ 68</u>	<u>\$ 940,799</u>
Carrying amounts:					
January 1, 2021	<u>\$ 4,792,130</u>	<u>\$ 787,773</u>	<u>\$ 1,626,640</u>	<u>\$ 4,134</u>	<u>\$ 7,210,677</u>
March 31, 2021	<u>\$ 4,735,289</u>	<u>\$ 805,541</u>	<u>\$ 1,461,483</u>	<u>\$ 3,807</u>	<u>\$ 7,006,120</u>
January 1, 2020	<u>\$ 3,888,912</u>	<u>\$ 751,705</u>	<u>\$ 2,121,546</u>	<u>\$ -</u>	<u>\$ 6,762,163</u>
March 31, 2020	<u>\$ 3,835,463</u>	<u>\$ 710,067</u>	<u>\$ 1,989,948</u>	<u>\$ 1,424</u>	<u>\$ 6,536,902</u>

- b. In March 2020, Group subsidiary Eastern Asset cooperated with the Economic Development Bureau of the New Taipei City Government and the North District Office of the State-owned Property Administration on the “Linkou International Media Park Investment Promotion Project” and signed a contract to establish land usage rights. The duration of the land usage rights is 50 years from the date of registration of the land usage, and the land usage was set up on April 13, 2020. During the duration of the contract, Eastern Asset shall pay rent to the North Branch of the State-owned Property Administration of the Ministry of Finance each year at a certain rate of the announced land price.

Eastern Asset also signed an investment contract with the Economic Development Bureau of New Taipei City Government in March 2020. The main contents of the contract are as follows:

- (a) Development and operation period: 50 years from the date of establishment and registration of land usage rights.
  - (b) Development royalties: The total amount is \$200,000 under the right-of-use assets account.
  - (c) Operating royalties: Starting from the date of operation, the actual net operating income of each base for the year is multiplied by the percentage of operating royalties contained in the contract to the net operating income to calculate the actual operating royalties payable by each base.
  - (d) Performance bond: The performance bond has been paid according to the contract amounting to \$200,000 (under the guarantee deposits paid account).
- c. The land rights obtained by Eastern Asset are expected to be used to build the headquarters of the Eastern Media Group, and the depreciation expenses of the right-of-use assets and the interest expenses of lease liabilities during the planning and construction period will be capitalized. The interest rate was at 2.75%. Details are as follows:

	<b>For the three months ended March 31, 2021</b>	<b>For the three months ended March 31, 2020</b>
Right-of-use assets depreciation expense	<u>\$ 5,633</u>	<u>\$ -</u>
Interest expense on lease liability	<u>\$ 6,035</u>	<u>\$ -</u>

The above accounts are listed under property, plant and equipment. Please refer to Note 17 for details.

## 19. Intangible assets

The cost, depreciation, and impairment loss of the Intangible assets of the Group were as follows:

	<b>Goodwill</b>	<b>Trademark</b>	<b>Client rights</b>	<b>Computer software</b>	<b>Other intangible assets</b>	<b>Total</b>
Cost:						
Balance on January 1, 2021	\$ 111,084	\$ 271,695	\$ 73,169	\$ 53,856	\$ 19,290	\$ 529,094
Additions	-	218	-	399	280	897
Balance on March 31, 2021	<u>\$ 111,084</u>	<u>\$ 271,913</u>	<u>\$ 73,169</u>	<u>\$ 54,255</u>	<u>\$ 19,570</u>	<u>\$ 529,991</u>
Balance on January 1, 2020	\$ 160,379	\$ 233,229	\$ 69,909	\$ 42,053	\$ 13,008	\$ 518,578
Additions	-	58	-	3,996	1,668	5,722
Balance on March 31, 2020	<u>\$ 169,139</u>	<u>\$ 233,287</u>	<u>\$ 69,909</u>	<u>\$ 46,049</u>	<u>\$ 14,676</u>	<u>\$ 524,300</u>

	<u>Goodwill</u>	<u>Trademark</u>	<u>Client rights</u>	<u>Computer software</u>	<u>Other intangible assets</u>	<u>Total</u>
Amortization and impairment loss:						
Balance on January 1, 2021	\$ -	\$ 16,518	\$ 9,146	\$ 27,551	\$ 8,545	\$ 61,760
Amortization for the period	-	2,823	1,829	2,963	1,441	9,056
Impairment loss	-	-	-	31	-	31
Balance on March 31, 2021	<u>\$ -</u>	<u>\$ 19,341</u>	<u>\$ 10,975</u>	<u>\$ 30,545</u>	<u>\$ 9,986</u>	<u>\$ 70,847</u>
Balance on January 1, 2020	\$ -	\$ 2,085	\$ 4,254	\$ 17,803	\$ 3,602	\$ 27,744
Amortization for the period	-	2,138	4,953	2,296	1,063	10,450
Balance on March 31, 2020	<u>\$ -</u>	<u>\$ 4,223</u>	<u>\$ 9,207</u>	<u>\$ 20,099</u>	<u>\$ 4,665</u>	<u>\$ 38,194</u>
Carrying amounts:						
January 1, 2021	<u>\$ 111,084</u>	<u>\$ 255,177</u>	<u>\$ 64,023</u>	<u>\$ 26,305</u>	<u>\$ 10,745</u>	<u>\$ 467,334</u>
March 31, 2021	<u>\$ 111,084</u>	<u>\$ 252,572</u>	<u>\$ 62,194</u>	<u>\$ 23,710</u>	<u>\$ 9,584</u>	<u>\$ 459,144</u>
January 1, 2020	<u>\$ 160,379</u>	<u>\$ 231,144</u>	<u>\$ 65,655</u>	<u>\$ 24,250</u>	<u>\$ 9,406</u>	<u>\$ 490,834</u>
March 31, 2020	<u>\$ 160,379</u>	<u>\$ 229,064</u>	<u>\$ 60,702</u>	<u>\$ 25,950</u>	<u>\$ 10,011</u>	<u>\$ 486,106</u>

## 20. Short-term loans

Details of short-term loans of the Group were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Unsecured bank loans	\$ 60,372	\$ 12,295	\$ -
Secured bank loans	41,000	50,000	10,000
Total	<u>\$ 101,372</u>	<u>\$ 62,295</u>	<u>\$ 10,000</u>
Unused credit lines	<u>\$ 1,312,278</u>	<u>\$ 1,005,800</u>	<u>\$ 867,034</u>
Interest rates	<u>1.955%~3.00%</u>	<u>1.955%~2.25%</u>	<u>1.97%~2.5%</u>

Please refer to Note 38 for the details of the related assets pledged as collateral.

## 21. Short-term notes and bills

Details of short-term notes and bills of the Group were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
No guarantees to pay commercial promissory notes	\$ 20,000	\$ -	\$ -
Guarantees to pay commercial promissory notes	-	-	20,000
Less: discount amount	( 21)	-	( 71)
Carrying amount	<u>\$ 19,979</u>	<u>\$ -</u>	<u>\$ 19,929</u>
Unused credit lines	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>
Interest rates	<u>2.0%</u>	<u>-</u>	<u>1.868%</u>

Please refer to Note 38 for the details of the related assets pledged as collateral.

## 22. Notes payable

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Generated from operation	\$ 17,013	\$ 29,877	\$ 33,763
Non-generated from operation			
Financing	49,455	64,727	-
	<u>\$ 66,468</u>	<u>\$ 94,604</u>	<u>\$ 33,763</u>

Notes payable which were not generated from operation were 12 periods of repayment checks issued to the leasing company. Since there were demands for short-term working capital of the Group, the Group signed a loan contract with leasing company in

September 2020. The interest rate was 3.04% in the contract. The loaning duration was lasting for one year. Among the duration, the first 11 periods amortized 70% of the principal, and the 12 period repaid the remaining 30% of the principal.

### 23. Long-term loans

Details, conditions, and terms of long-term loan of the Group were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Unsecured loans	\$ 106,500	\$ 136,500	\$ 142,500
Secured bank loans	624,700	679,800	251,002
Less: Current portion	( 166,687)	( 174,525)	( 92,745)
Fees	( 3,239)	( 3,789)	( 5,439)
Total	<u>\$ 561,274</u>	<u>\$ 637,986</u>	<u>\$ 295,318</u>
Duration year	<u>110~112</u>	<u>110~112</u>	<u>109~112</u>
Interest rates	<u>2.01%~3.05%</u>	<u>2.01%~3.05%</u>	<u>2.09%~3.05%</u>
Unused credit lines	<u>\$ 4,921,500</u>	<u>\$ 371,500</u>	<u>\$ 726,000</u>

Please refer to Note 38 for the details of the related assets pledged as collateral.

### 24. Long term notes and accounts payable

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Generated from operation	\$ 198,242	\$ 176,890	\$ -
Less: Current portion	( 141,952)	( 116,004)	-
	<u>\$ 56,290</u>	<u>\$ 60,886</u>	<u>\$ -</u>

Long term notes payable were 24 periods of repayment checks. Since there were demands for working capital of the Group, the Group signed an installment purchase contract in March 2021 and September 2020 respectively.

### 25. Lease liabilities

Book value of the Group's lease liabilities were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Current	<u>\$ 1,129,257</u>	<u>\$ 1,174,478</u>	<u>\$ 909,405</u>
Non-current	<u>\$ 5,929,230</u>	<u>\$ 6,167,307</u>	<u>\$ 5,658,991</u>

For the maturity analysis, please refer to Note 33.

Lease amounts recognized as profit or loss were as follows:

	<u>Three Months Ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Interest on lease liabilities	<u>\$ 47,587</u>	<u>\$ 49,884</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 4,340</u>	<u>\$ 2,620</u>
Expenses relating to short-term leases	<u>\$ 71,230</u>	<u>\$ 2,877</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 738</u>	<u>\$ 353</u>
Covid-19 related rent concessions recognized as other income	<u>\$ -</u>	<u>(\$ 83,557)</u>

Lease amounts recognized in the Statements of Cash Flows were as follows:

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Total cash outflow for leases	<b>\$ 484,630</b>	<b>\$ 265,197</b>

For the three months ended March 31, 2021 and 2020, newly added lease liabilities amounted to \$79,035 and \$35,034 respectively, and the interest rates were 2.75%~3%. Lease period ending dates extend from June 2021 to April 2070. However, for the three months ended March 31, 2021 and 2020, the group negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing lease liabilities by \$1,598 and \$2,398 respectively. The information on modifications of the Group's lease contracts, please refer to Note 18 and 32.

a. Leases of land and equipment, and buildings

As of March 31, 2021, the Group leased land and buildings for its warehousing operations, office space and retail stores, and the land rights of the group headquarters. The leases of office space typically run for a period of 20 years, retail stores for 3 to 10 years, and land usage rights for 50 years. Some 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 office buildings contained extension options exercisable by the Group 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 Group 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.

b. Other leases

The Group leases outdoor advertising boards and transportation equipment with lease terms of three to five years. In some cases, the Group has options to extend lease terms at the end of the contract term.

The Group 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 Group has elected not to recognize right of use assets and lease liabilities for these leases.

**26. Employee benefits**

a. Defined benefit plans

The Group used actuarially determined pension costs as of December 31, 2020 and 2019 to measure and disclose pension costs for the interim period as there were no significant market fluctuations, and significant curtailments, settlements or other significant one-time events subsequent to the prior reporting date.

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

	<b>Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Operating cost	\$ 251	\$ 277
General and administrative expense	140	146
	<b>\$ 391</b>	<b>\$ 423</b>



b. Defined contribution plans

The Group's pension expenses under the defined contribution plans were as follows:

	Three Months Ended March 31	
	2021	2020
Operating cost	\$ 6,410	\$ 6,190
General and administrative expense	7,236	6,467
	<u>\$ 13,646</u>	<u>\$ 12,657</u>

27. **Income taxes**

	Three Months Ended March 31	
	2021	2020
Current income tax expense		
Current period	(\$ 24,947)	(\$ 45,284)
Adjustment for prior periods	-	317
Income taxes	<u>(\$ 24,947)</u>	<u>(\$ 44,967)</u>

For the three months ended March 31, 2021 and 2020, previously unrecognized tax losses of \$26,321 and \$49,980 were recognized as deferred tax assets, as management determined that it was probable that there would be sufficient taxable gains in the future.

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

28. **Capital and other equity**

Except for the following disclosure, there were no significant changes in capital and other equity of the Group for the three months ended March 31, 2021 and 2020. For the related information, please refer to Note VI(XXIV) of the consolidated financial statements for the year ended December 31, 2020.

a. Ordinary shares

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.

b. Retained earnings

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 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 appropriated its 2020 and 2019 earnings, which was proposed by the board of deirectors on March 25, 2021 and resolved by the shareholder's meeting on June 29, 2020, respectively, as follows:

	Amount		Dividend per share (NT\$)	
	2020	2019	2020	2019
Legal reserve	\$ 54,042	\$ 37,423	\$ -	\$ -
Special reserve	68,155	44,579	-	-
Cash dividends	445,432	556,790	0.8	1.0

As of March 31, 2021, the dividends were 445,432 accounted as other payables.

As of June 18, 2021, the 2020 earnings distribution proposal will be passed in the shareholders' meeting. Please visit the Market Observation Post System for more information.

c. 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, 2021	(\$ 292,290)	(\$ 3,666)	(\$ 295,956)
Exchange differences on foreign operation	( 368)	-	( 368)
Change in other comprehensive income (loss) of associates accounted for using equity method	( 1,554)	-	( 1,554)
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	6	6
<b>Balance on March 31, 2021</b>	<b>(\$ 294,212)</b>	<b>(\$ 3,660)</b>	<b>(\$ 297,872)</b>
Balance on January 1, 2020	(\$ 224,130)	(\$ 3,671)	(\$ 227,801)
Exchange differences on foreign operation	1,179	-	1,179
Change in other comprehensive income (loss) of associates accounted for using equity method	5,432	( 1)	5,431
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	( 7)	( 7)
<b>Balance on March 31, 2020</b>	<b>(\$ 217,519)</b>	<b>(\$ 3,679)</b>	<b>(\$ 221,198)</b>

## 29. Earnings per share

The basic earnings per share and diluted earnings per shares were calculated as follows:

	<b>For the three months ended March 31, 2021</b>		
	<b>Net of tax</b>	<b>The weighted average number of ordinary shares outstanding (thousand shares)</b>	<b>Earnings per share (NT\$)</b>
<b>Basic earnings per share</b>			
Profit attributable to ordinary shareholders of the Company	<u>\$ 55,970</u>	556,790	<u>\$ 0.10</u>
<b>Diluted earnings per share</b>			
Profit from continuing operations of the Company for the period	\$ 55,970	556,790	
Effect of dilutive potential ordinary shares: Employee stock bonus	-	<u>693</u>	
Profit attributable to ordinary shareholders of the Company (Weighted average number of ordinary shares(diluted) at 30 September)	<u>\$ 55,970</u>	557,483	<u>\$ 0.10</u>
	<b>For the three months ended March 31, 2020</b>		
	<b>Net of tax (Restatement)</b>	<b>The weighted average number of ordinary shares outstanding (thousand shares)</b>	<b>Earnings per share (NT\$) (Restatement)</b>
<b>Basic earnings per share</b>			
Profit attributable to ordinary shareholders of the Company	<u>\$ 128,586</u>	556,790	<u>\$ 0.23</u>
<b>Diluted earnings per share</b>			
Profit from continuing operations of the Company for the period	<u>\$ 128,586</u>	556,790	
Effect of dilutive potential ordinary shares: Employee stock bonus	-	<u>721</u>	
Profit attributable to ordinary shareholders of the Company (Weighted average number of ordinary shares(diluted) at 30 September)	<u>\$ 128,586</u>	557,511	<u>\$ 0.23</u>

## 30. Revenue from contracts with customers

### a. Details of revenue

	<b>For the three months ended March 31, 2021</b>				
	<b>Warehousing</b>	<b>Trading</b>	<b>Media</b>	<b>Others</b>	<b>Total</b>
Main services:					
Sales revenue	\$ -	\$ 475,171	\$ 9,662	\$ 15,871	\$ 500,704
Media revenue	-	-	423,700	-	423,700
Loading and storage revenue	235,005	-	-	-	235,005
Others revenue	-	<u>50,829</u>	<u>17,367</u>	<u>15,872</u>	<u>84,068</u>
	<u>\$ 235,005</u>	<u>\$ 526,000</u>	<u>\$ 450,729</u>	<u>\$ 31,743</u>	<u>\$ 1,243,477</u>

	<b>For the three months ended March 31, 2020</b>				
	<b>Warehousing</b>	<b>Trading</b>	<b>Media</b>	<b>Others</b>	<b>Total</b>
Main services:					
Sales revenue	\$ -	\$ 396,833	\$ -	\$ 6,098	\$ 402,931
Media revenue	-	-	272,663	-	272,663
Loading and storage revenue	316,645	-	-	-	316,645
Others revenue	-	50,344	12,365	10,105	72,814
	<b><u>\$ 316,645</u></b>	<b><u>\$ 447,177</u></b>	<b><u>\$ 285,028</u></b>	<b><u>\$ 16,203</u></b>	<b><u>\$ 1,065,053</u></b>

b. Contract balances

	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Notes receivable	\$ 4,063	\$ 4,406	\$ 4,746
Installment notes receivable	109,977	121,735	42,049
Accounts receivable	351,836	395,034	263,373
Less: Allowance for doubtful accounts	( 40,081)	( 39,803)	( 29,605)
Unrealized interest revenue	( 6,138)	( 7,856)	( 1,291)
Total	<b><u>\$ 419,657</u></b>	<b><u>\$ 473,516</u></b>	<b><u>\$ 279,272</u></b>
Contract liability-advertising services	\$ 28,853	\$ 32,912	\$ 14,975
Contract liability-others	5,793	4,527	8,560
Total	<b><u>\$ 34,646</u></b>	<b><u>\$ 37,439</u></b>	<b><u>\$ 23,535</u></b>

- (a) Please refer to Note 9 for the details of accounts receivable and its impairment.
- (b) 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.

### 31. Remuneration of employees

If the Company makes a profit during the year (referring to profit before tax minus the profit before the distribution of employee compensation), then after deducting any accumulated loss, 3.5% of the balance shall be allocated as employee compensation and the amount allocated shall be used as the current year's expense. Employees' remuneration is based on stocks or cash, subject to a special resolution of the board of directors and reporting to the regular shareholders meeting.

The company's employee compensation for the three months ended March 31, 2021 and 2020 are respectively \$1,017 and \$189. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, multiplied by the percentage of remuneration to employees. These remunerations were expensed under operating costs or expenses during those periods. 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.

For the year ended December 31, 2020 and 2019, the Company estimated its employee remuneration amounting to \$11,637 and \$7,025, respectively. The amounts of

employees' and directors' remuneration, as stated in the consolidated financial statements, were identical to the actual distributions amounts for the year 2020 and 2019. For further information, please refer to the Market Observation Post System.

### 32. Non-operating income and expenses

#### a. Interest income

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

	Three Months Ended March 31	
	2021	2020
Interest income from bank deposits	\$ 1,144	\$ 4,527
Interest income from financial assets measured at amortized cost	50	140
Other interest income	6	8
	<u>\$ 1,200</u>	<u>\$ 4,675</u>

#### b. Other income

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

	Three Months Ended March 31	
	2021	2020
Dividend income	\$ 1,250	\$ -
Rental income	8,046	6,726
Other income (note)	7,952	85,825
	<u>\$ 17,248</u>	<u>\$ 92,551</u>

Note: Other income includes rent reductions of the Group due to the Covid-19 pandemic. For the three months ended March 31, 2020, the amount was \$83,557. Please refer to Note 25 for details.

#### c. Other gains and losses

The details of other gains and losses were as follows:

	Three Months Ended March 31	
	2021	2020
Loss on disposal of property, plant, and equipment	(\$ 793)	(\$ 108)
Gain on disposal of investments assets	-	82
Net gains (losses) on evaluation of financial assets at fair value through profit or loss	25,237	( 12,131)
Foreign exchange loss	( 4,098)	( 2,105)
Expected credit loss	( 120)	-
Lease modification benefits	10	-
Impairment loss on non-financial assets	( 31)	-
Other income (losses)	( 20,399)	35,431
	<u>(\$ 194)</u>	<u>\$ 21,169</u>

d. Finance costs

The Group's finance costs were as follows:

	Three Months Ended March 31	
	2021	2020
Interest expenses – lease liabilities	\$ 47,587	\$ 49,884
Interest expenses – bank loans	7,532	5,168
Finance expense	685	637
	<u>\$ 55,804</u>	<u>\$ 55,689</u>

33. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of March 31, 2021, December 31, 2020 and March 31, 2020, the maximum credit exposure for the Group originates from possible non-fulfillment of obligations by counterparties and from financial losses arising from financial guarantees provided by the Company, mainly from:

- The carrying amount of financial assets recognized in the consolidated balance sheet; and
- The amount of liabilities as a result from the Group providing financial guarantees to its customers was \$1,201,264, \$1,120,682, and \$562,500.

(b) Concentration of credit risk

The Group caters to a large group of customers; therefore, there is no concentration of regional credit risk.

For credit risk exposure of notes and accounts receivable, please refer to Note 9.

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 IV(VII) the consolidated financial statements for the year ended December 31, 2020.)

The loss allowance provision for the three months ended March 31, 2021 and 2020 were determined as follows:

	For the three months ended March 31	
	2021	2020
<u>Other receivables</u>		
Balance on January 1	\$ 1,697	\$ 28,982
Amounts written off	-	( 27,285)
Impairment losses	120	-
Balance on March 31	<u>\$ 1,817</u>	<u>\$ 1,697</u>

b. Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
<b>March 31, 2021</b>						
Non derivative financial liabilities						
Bank loans	\$ 829,333	\$ 861,417	\$ 287,354	\$ 574,063	\$ -	\$ -
Short term notes and bills payable	19,979	20,000	20,000	-	-	-
Payables (current and non-current)	1,513,984	1,524,623	1,467,683	56,940	-	-
Guarantee deposits received	4,669	4,669	-	4,669	-	-
Lease liabilities (current and non-current)	<u>7,058,487</u>	<u>8,983,906</u>	<u>1,322,857</u>	<u>1,816,742</u>	<u>793,739</u>	<u>5,050,568</u>
	<b><u>\$ 9,426,452</u></b>	<b><u>\$ 11,394,615</u></b>	<b><u>\$ 3,097,894</u></b>	<b><u>\$ 2,452,414</u></b>	<b><u>\$ 793,739</u></b>	<b><u>\$ 5,050,568</u></b>
<b>December 31, 2020</b>						
Non-derivative financial liabilities						
Bank loans	\$ 874,806	\$ 914,127	\$ 257,570	\$ 656,557	\$ -	\$ -
Payables (current and non-current)	1,127,731	1,133,384	1,071,850	61,534	-	-
Guarantee deposits received	4,756	4,756	-	4,756	-	-
Lease liabilities (current and non-current)	<u>7,341,785</u>	<u>9,310,283</u>	<u>1,374,452</u>	<u>1,999,507</u>	<u>805,839</u>	<u>5,130,485</u>
	<b><u>\$ 9,349,078</u></b>	<b><u>\$11,362,550</u></b>	<b><u>\$ 2,703,872</u></b>	<b><u>\$ 2,722,354</u></b>	<b><u>\$ 805,839</u></b>	<b><u>\$ 5,130,485</u></b>
<b>March 31, 2020</b>						
Non-derivative financial liabilities						
Bank loans	\$ 398,063	\$ 423,401	\$ 112,412	\$ 228,643	\$ 82,346	\$ -
Short term notes and bills payable	19,929	20,000	20,000	-	-	-
Payables	861,683	861,683	861,683	-	-	-
Guarantee deposits received	7,118	7,118	-	7,118	-	-
Lease liabilities (current and non-current)	<u>6,568,396</u>	<u>7,922,803</u>	<u>1,094,551</u>	<u>2,092,826</u>	<u>928,169</u>	<u>3,807,257</u>
	<b><u>\$ 7,855,189</u></b>	<b><u>\$ 9,235,005</u></b>	<b><u>\$ 2,088,646</u></b>	<b><u>\$ 2,328,587</u></b>	<b><u>\$ 1,010,515</u></b>	<b><u>\$ 3,807,257</u></b>

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

c. Exchange rate risk

(a) Exposure to exchange rate risk

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

	March 31, 2021			December 31, 2020			March 31, 2020		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>									
USD:TWD	\$ 792	28.525	\$ 20,321	\$ 212	28.48	\$ 6,050	\$ 5,091	30.225	\$ 153,862
USD:HKD	5,479	7.772	44,200	5,538	7.754	44,313	5,617	7.754	168,744
EUR:TWD	2,672	33.48	89,468	2,885	35.02	101,025	1,496	33.24	49,741
CNY:TWD	211	4.344	915	202	4.377	886	740	4.255	3,150
CNY:HKD	4,036	1.184	17,491	4,005	1.192	17,487	2,020	1.096	8,578
USD:CNY	42	6.567	1,187	42	6.507	1,196	42	7.103	1,244
EUR:HKD	117	9.123	3,918	117	9.534	4,098	117	8.527	3,892
<u>Financial liabilities</u>									
USD:TWD	\$ 6,660	28.525	\$ 189,968	\$ 7,071	28.48	\$ 201,392	\$ -	-	\$ -

(b) Sensitivity analysis

The Group'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, loans, accounts payable, and other payables that are denominated in foreign currency. If the TWD, when compared with each major foreign currency, had appreciated or depreciated 1% (with other factors remaining constant on the reporting date), net profit before tax would have respectively increased or decreased by \$125 and \$3,892 for the three months ended March 31, 2021 and 2020, respectively. The analysis is performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the three months ended March 31, 2021 and 2020, foreign currency exchange losses (including realized and unrealized) amounted \$4,098 and \$2,105, respectively.

d. Interest rate analysis

The interest risk exposure of the Group'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 Group'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 by 1% and assuming all other variable factors remained constant, the Group's net profit after tax would have respectively increased or decreased by \$2,201 and \$7,915 for the three months ended March 31, 2021 and 2020. This is mainly due to the Group's variable rate deposit and borrowing.



e. Other market price risk

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:

Price of securities at reporting date	For the three months ended March 31, 2021		For the three months ended March 31, 2020	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 3%	\$ 243	\$ 6,280	\$ 393	\$ 8,359
Decreasing 3%	\$ (243)	\$ (6,280)	\$ (393)	\$ (8,359)

f. Fair value of financial instruments

(a) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and 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:

March 31, 2021	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 209,340	\$ 209,340	\$ -	\$ -	\$ 209,340
Financial assets at fair value through other comprehensive income	8,116	606	-	7,510	8,116
Financial assets measured at amortised cost					
Cash and cash equivalents	1,858,488				
Notes and accounts receivable (including related parties)	419,567				
Other receivables (including related parties)	96,834				
Other current financial assets	40,005				
Refundable deposits	574,317				
Other non-current financial assets	30,985				
Financial liabilities measured at amortised cost					
Short-term borrowings	101,372				
Short term borrowings bills payable	19,979				
Notes and accounts payable (including related parties)	283,283				
Other payables (including related parties)	1,032,459				
Long-term borrowings (including current portion of long-term borrowings)	727,961				
Lease liabilities (current and non-current)	7,058,487				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	198,242				
Guarantee deposits received	4,669				

<b>December 31, 2020</b>	<b>Book Value</b>	<b>Fair value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 381,611	\$ 381,611	\$ -	\$ -	\$ 381,611
Financial assets at fair value through other comprehensive income	8,104	594	-	7,510	8,104
Financial assets measured at amortised cost					
Cash and cash equivalents	1,855,653				
Notes and accounts receivable (including related parties)	473,516				
Other receivables (including related parties)	101,008				
Other current financial assets	43,934				
Refundable deposits	562,689				
Other non-current financial assets	33,760				
Financial liabilities measured at amortised cost					
Short-term borrowings	62,295				
Notes and accounts payable (including related parties)	310,892				
Other payables (including related parties)	639,949				
Long-term borrowings (including current portion of long-term borrowings)	812,511				
Lease liabilities (current and non-current)	7,341,785				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	176,890				
Guarantee deposits received	4,756				
<b>March 31, 2020</b>	<b>Book Value</b>	<b>Fair value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 278,623	\$ 278,623	\$ -	\$ -	\$ 278,623
Financial assets at fair value through other comprehensive income	13,109	584	-	12,525	13,109
Financial assets measured at amortised cost					
Cash and cash equivalents	1,523,391				
Notes and accounts receivable (including related parties)	279,272				
Other receivables (including related parties)	188,245				
Other current financial assets	174,186				
Refundable deposits	483,034				
Other non-current financial assets	750				
Financial liabilities measured at amortised cost					
Short-term borrowings	10,000				
Short term borrowings bills payable	19,929				
Notes and accounts payable(including related parties)	181,056				
Other payables(including related parties)	680,627				

March 31, 2020	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Long-term borrowings (including current portion of long-term borrowings)	\$ 388,063				
Lease liabilities (current and non-current)	6,568,396				
Guarantee deposits received	7,118				

(b) Valuation techniques for financial instruments not measured at fair value

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

(b-1) Financial assets measured at amortized cost and financial liabilities measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted. 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 price are available, estimates shall be used. The estimates and assumptions used in the evaluation method shall be the discounted value of cash flows to estimate the fair value.

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

(c-1) Non-derivative financial instruments

If there is a quoted market price in an active market for a financial instrument, the fair value is based on the quoted market price in an active market. The fair value of listed (over-the-counter) equity instruments and debt instruments with quoted prices in active markets are based on quoted market prices on major exchanges and over-the-counter (OTC) central government bond marketplaces, which are judged to be popular securities.

A financial instrument is publicly quoted in an active market if quoted prices are readily and consistently available from exchanges, brokers, underwriters, industry associations, pricing services authorities, or regulatory authorities, and if those prices represent prices that are representative of actual and regularly occurring fair market activity. If the above conditions are not met, the market is considered inactive. In general, large bid-ask spreads, significant increases in bid-ask spreads, or low trading volume are indicators of an inactive market.

The fair values of the Group's financial assets and liabilities, such as shares, funds and bonds of listed companies, with standard terms and conditions and traded in active markets, are determined by reference to quoted market prices, respectively.

Except for the above-mentioned financial instruments for which there is an active market, the fair values of other financial instruments are based on valuation techniques or quoted prices with reference to counterparties.

(c-2) 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.

(d) Transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the three months ended March 31, 2021 and 2020.

(e) Reconciliation of Level 3 fair values

There was no fair value through other comprehensive income recognized for the three months ended March 31, 2021 and 2020.

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

The Group’s financial instruments that use Level 3 inputs to measure fair value are “Financial assets at fair value through other comprehensive income.”

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income equity investments without an active market	Market comparable companies	<ul style="list-style-type: none"> <li>• Price to book ratio multiple (1.60, 1.58 and 0.87 as of March 31, 2021, December 31, 2020 and March 31, 2020, respectively)</li> <li>• Discount for lack of marketability (20%)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiple, the higher the fair value</li> <li>• The higher the discount, the lower the fair value</li> </ul>
Financial assets at fair value through other comprehensive income equity investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> <li>• Net Asset Value</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

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

The Group’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:

	<u>Inputs</u>	<u>Rate increasing or decreasing</u>	<u>Other comprehensive income</u>	
			<u>Favourable</u>	<u>Unfavourable</u>
<b>March 31, 2021</b>				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 145	(\$ 145)
Equity investments without an active market	Discount for lack of marketability	1%	145	( 145)
<b>December 31, 2020</b>				
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)
<b>March 31, 2020</b>				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 67	(\$ 67)
Equity investments without an active market	Discount for lack of marketability	1%	67	( 67)

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.

#### 34. **Financial risk management**

There were no significant changes in the Group's financial risk management objectives and policies as disclosed in Note VI(XXX) of the consolidated financial statements for the year ended December 31, 2020.

#### 35. **Capital management**

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2020. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2020. Please refer to Note VI(XXXI) of the consolidated financial statements for the year ended December 31, 2020 for further details.

### 36. Investing and financing activities not affecting current cash flow

The Group's investing activities which did not affect the current cash flow for the three months ended March 31, 2021 and 2020, were as follows:

	<b>For the three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Acquisition of property, plant and equipment	\$ 44,424	\$ 110,404
Add: Other payables January 1	36,489	23,448
Notes payable January 1	2,752	-
Less: Interest and depreciation capitalization	( 11,668)	-
Notes payable March 31	( 6,236)	-
Other payables March 31	( 19,087)	( 11,046)
Cash paid in this period	<b><u>\$ 46,674</u></b>	<b><u>\$ 122,806</u></b>
Acquisition of intangible assets	\$ 897	\$ 5,722
Add: Notes payable January 1	178	-
Other payables January 1	14	2,711
Less: Notes payable January 1	-	( 1,392)
Cash paid in this period	<b><u>\$ 1,089</u></b>	<b><u>\$ 7,041</u></b>

The Group's financing activities which did not affect the current cash flow for the three months ended March 31, 2021 and 2020, were as follows:

	<b>Non cash changes</b>				
	<b>January 1, 2021</b>	<b>Cash flows</b>	<b>Discount</b>	<b>Amortization of financing use commitment fees</b>	<b>March 31, 2021</b>
Long-term borrowings	\$ 812,511	(\$ 85,100)	\$ -	\$ 550	\$ 727,961
Short term borrowings					
bills payable	-	20,000	( 21)	-	19,979
<b>Total</b>	<b><u>\$ 812,511</u></b>	<b><u>(\$ 65,100)</u></b>	<b><u>(\$ 21)</u></b>	<b><u>\$ 550</u></b>	<b><u>\$ 747,940</u></b>

	<b>Non cash changes</b>				
	<b>January 1, 2020</b>	<b>Cash flows</b>	<b>Discount</b>	<b>Amortization of financing use commitment fees</b>	<b>March 31, 2020</b>
Long-term borrowings	\$ 405,789	(\$ 18,276)	\$ -	\$ 550	\$ 388,063
Short term borrowings bill					
payable	20,000	-	( 71)	-	19,929
<b>Total</b>	<b><u>\$ 425,789</u></b>	<b><u>(\$ 18,276)</u></b>	<b><u>(\$ 71)</u></b>	<b><u>\$ 550</u></b>	<b><u>\$ 407,992</u></b>

### 37. Related party transactions

#### a. Names and relationship with related parties

The followings are entities that have had transactions with related party during the period covered in the consolidated financial statements:

<b>Name of related party</b>	<b>Relationship with the Group</b>
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	An associate
Dongsen D'Amour SPA (Dongsen D'Amour)	An associate
Natural Beauty Bio-Technology Co., Ltd. (Natural Beauty)	An associate

<u>Name of related party</u>	<u>Relationship with the Group</u>
Eastern New Retail Department (EIM) Co., Ltd. (ET New Retail Department)	An associate
Dongsen Personal Insurance Agent Co., Ltd.	Key management personnel
Mori International Co., Ltd. (Mori Internation)	Key management personnel
Taiwan Gift Card Co. Ltd. (Taiwan Gift Card)	Other related parties
Enlighten Innovative Transformation Co., Ltd	Other related parties
Dongsen Non-life Insurance Agent Co. Ltd. (Dongsen Non-life Insurance)	Other related parties
Dongsen Health Biomedical Co., Ltd. (Dongsen Health Biomedical)	Other related parties
Eastern Realty Co., Ltd.	Other related parties
Good pay Web Financial Technology Co., Ltd. (Good pay)	Other related parties
Eastern E-Commerce Co., Ltd. (Eastern E-Commerce)	Other related parties
Quantum Entertainment Production Co., Ltd. (Quantum Entertainment)	Other related parties
Chinese Non-Store Retailer Association (Non-Store)	Other related parties
Xing Kai Media Co., Ltd. (Xing Kai Media)	Other related parties
EIP TV Co., Ltd. (EIP)	Other related parties
Taiwan Information and Communication Association	Other related parties
Chunghwa New Media Industry Development Association (Chunghwa New Media)	Other related parties
Eastern Enterprise Development (Shanghai) Ltd.	Other related parties
Inforcharge Co., Ltd. (Inforcharge)	Other related parties
Fangcheng Su	Other related parties
Taiwan Huangjue Trading Co., Ltd. (Huangjue)	Other related parties
All Directors, Supervisors and the Group	Key management personnel general manager and vice personnel general

b. Significant transactions with related parties

(a) Sales of goods and services

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

	<b>Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Associates	\$ 12,334	\$ 9,074
Key management personnel	302	600
Other related parties	17,880	6,092
	<b><u>\$ 30,516</u></b>	<b><u>\$ 15,766</u></b>

The above revenues consist of program production revenue and project planning service revenue.

Transaction terms for the above are the same as those for ordinary transactions.

(b) Purchase of goods

(b-1) The amounts of significant purchase transactions between the Group and related parties were as follows:

	<b>Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Associates	\$ 8,490	\$ 1,566
Other related parties	16,904	12,223
	<b><u>\$ 25,394</u></b>	<b><u>\$ 13,789</u></b>

(b-2) The amount of programs production and other between the Group and related parties were as follows:

	<b>Three Months Ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Associates	\$ 586	\$ 88
Key management personnel	7	57
Other related parties	23,159	8,390
	<b><u>\$ 23,752</u></b>	<b><u>\$ 8,535</u></b>

Transaction terms for the above are the same as those for ordinary transactions.

(c) Receivables

<b>Accounts</b>	<b>Related parties</b>	<b>March 31, 2021</b>	<b>December 31, 2020</b>	<b>March 31, 2020</b>
Notes receivable	EIP	\$ 47,153	\$ 54,568	\$ -
Accounts receivable	Associates	1,185	1,211	440
Accounts receivable	EHS	10,876	13,802	7,501
Accounts receivable	Key management personnel	315	315	132
Accounts receivable	Other related parties	465	1,532	1,832
Accounts receivable	Eastern E-Commerce	11,663	5,713	53
Other receivables	Key management personnel	-	26	-
Other receivables	Other related parties	27	46	3
Other receivables	EIP	76	110	294
Other receivables	Eastern E-Commerce	4	1,734	2
Other receivables	Associates	-	47	-
Other receivables	Natural Beauty	1,872	1,547	79
Other receivables	EHS	1,775	3,882	1,592
		<b><u>\$ 75,411</u></b>	<b><u>\$ 84,533</u></b>	<b><u>\$ 11,928</u></b>

The Group took installment sale with EIP, and collecting installment notes receivable at an annual interest rate of 4.5% plus interest. In addition, the interest received by the Group was \$572 and \$0 for the three months ended March 31, 2021 and 2020, respectively.



## (d) Payables

<u>Accounts</u>	<u>Related parties</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Accounts payable	EHS	\$ 5,187	\$ 4,084	\$ 935
Accounts payable	Quantum			
	Entertainment	122	1,977	229
Accounts payable	Huangjue	3,336	5,148	1,770
Accounts payable	Other related parties	76	1	2
Accounts payable	Inforcharge	1,175	273	-
Other payables	Key management personnel	63	140	30
Other payables	Other related parties	1,355	306	2,173
Other payables	EIP	1,152	6,377	2,620
Other payables	Xing Kai Media	-	2,756	-
Other payables	EHS	325	7,049	228
Other payables	Associates	-	32	3
		<u>\$ 12,791</u>	<u>\$ 28,143</u>	<u>\$ 7,990</u>

## (e) Prepayments, advance receipts and contract liabilities

Details of advance receipts / prepayments from related parties to the Group were as follows:

<u>Accounts</u>	<u>Related parties</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Prepayments	Other related parties	\$ 68	\$ 140	\$ -
Prepayments	Associates	8	15	-
		<u>\$ 76</u>	<u>\$ 155</u>	<u>\$ -</u>
Advance receipts	Quantum			
	Entertainment	\$ 4,114	\$ 4,114	\$ -
Contract liabilities	Other related parties	1,500	-	76
Contract liabilities	Associates	2	16	182
		<u>\$ 5,616</u>	<u>\$ 4,130</u>	<u>\$ 258</u>

## (f) Borrowings from related parties

The amount of borrowing from related parties by the Group were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Fangcheng Su	\$ -	\$ -	\$ 80,000
EHS	100,000	-	180,000
	<u>\$ 100,000</u>	<u>\$ 180,000</u>	<u>\$ 260,000</u>

Interest expenses

	<b>Three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Fangcheng Su	\$ -	\$ 782
EHS	499	1,304
	<b><u>\$ 499</u></b>	<b><u>\$ 2,086</u></b>

Interest which results from the unsecured borrowings by the Group from related parties would be calculated based on the average rates in the current year obtained from financial institutions. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group's interest payable amounted \$0, \$0 and \$287, respectively.

(g) Endorsement / Guarantee provided

For the three months ended March 31, 2021 and 2020 the remuneration paid to related parties for providing guarantees on the loans taken out by the Group was amounted \$62 and \$25, respectively.

(h) Leases

(h-1) The Group rents out part of its office space and equipment to fulfill related parties' business requirements. The rental revenues for the three months ended March 31, 2021 and 2020 were amounted \$94 and \$85, respectively.

(h-2) As the Group applied on the remission of short-term lease contract of IFRS 16, the rental expenses for the three months ended March 31, 2021 and 2020 were amounted \$510 and \$112, respectively.

(i) Acquisition of intangible assets

<b>Related parties</b>	<b>Three months ended March 31</b>	
	<b>2021</b>	<b>2020</b>
Associates	<b><u>\$ 280</u></b>	<b><u>\$ -</u></b>

(j) Other

(j-1) For the three months ended March 31, 2021 and 2020, the Group paid operating fees to associates, key management (juridical person director), and other related parties to fulfill its business requirements were amounted \$1,418 and \$6,224, respectively.

(j-2) In order to follow its operating plan, the Group donated \$2,000 and \$3,000 to related parties in related industries for the three months ended March 31, 2021 and 2020, respectively.

(j-3) For the three months ended March 31, 2021 and 2020, the Group received non-operating revenue from related parties amounted \$149 and \$220, respectively.

(j-4) In January 2020, the Group sold the shares of Eastern Biotechnology (Shanghai) to EHS at the amount of \$778 (CNY \$200) and recognized gain on disposal of \$82, the transaction price has been fully received.

c. Key management personnel compensation

	<u>For the three months ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	<u>\$ 14,346</u>	<u>\$ 12,802</u>

**38. Pledged assets**

Pledged assets of the Group were as follows:

<u>Assets</u>	<u>Purpose of pledge</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Property, plant and equipment	Short-term and long-term loans	\$ 923,026	\$ 937,374	\$ 890,314
Investments accounted for using equity method	Long-term loans	184,572	-	-
Other current financial assets-demand deposits	Reserve and its interest	13,389	14,169	69,673
"	Letter of credit	13,861	14,503	4,915
"	Security for issuance of travel vouchers at travel fair	10,284	12,984	5,365
Refundable deposits	Bid bonds, performance bonds and security deposits	501,645	491,006	435,940
Other non-current financial assets—reserve account	Deposit in long-term loan	30,985	33,760	750
Investments accounted for using equity method for subsidiary's stocks (Note)	Long-term loan	13,586	28,133	69,232
		<u>\$ 1,691,348</u>	<u>\$ 1,531,929</u>	<u>\$ 1,476,189</u>

Note: The investments accounted for using equity method for subsidiary's stocks have been written off in the preparation of consolidated financial statement.

**39. Significant commitments and contingencies**

a. Major commitments were as follows:

(a) Unused standby letters of credit:

	<u>March 31, 2021</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>
Unused standby letters of credit	<u>\$ 90,598</u>	<u>\$ 101,604</u>	<u>\$ 49,445</u>

(b) The subsidiary-MWT had signed a contract with Sunny Bank Co., Ltd., and the bank provided guarantee with sufficient performance guarantee according to the contract. As of March 31, 2021, the unused e-voucher guaranteed by the bank was \$10,284.

b. Contingent liabilities were as follows:

(a) 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.

- (b) The Company and its subsidiary, FESS Panama, jointly chartered and returned the ship to South Korea's Sammok Shipping Co., Ltd. (hereinafter referred to as Sammok) at Kaohsiung Port in accordance with the contract signed on August 10, 2018. Sammok believed that the ship still has many defects due to its usual operation and negligence of maintenance; hence, submitted arbitration to the London Maritime Arbitration Association. The Company also filed a statement of defense to the arbitral tribunal in July 2019. Currently, the arbitration process is still in progress and the results have yet to be determined.
- (c) The Company established a legal affair department and hired external counselors to handle its legal affairs. As of March 31, 2021, December 31, 2020 and March 31, 2020, all unsettled lawsuits had no impact on its financial and business operation.

c. Unrecognized contractual commitments:

The Group's unrecognized contractual commitments are as follows:

	<u>March 31 2021</u>	<u>December 31, 2019</u>	<u>March 31 2020</u>
Total contract price	<u>\$ 616,832</u>	<u>\$712,178</u>	<u>\$ 91,136</u>
Payout amount	<u>\$ 172,456</u>	<u>\$237,869</u>	<u>\$ 27,781</u>

**40. Losses Due to Major Disasters: None.**

**41. Subsequent Events:**

The Company resolved on May 6, 2021 to dispose of the entire equity interests in the subsidiaries, MWT with the price \$35,450.

#### 42. Other

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

By function	Three months ended March 31					
	2021			2020		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
By nature						
Employee benefits						
Salary	\$ 146,954	\$ 171,285	\$ 318,239	\$ 121,728	\$ 146,410	\$ 268,138
Health and labor insurance	15,497	16,538	32,035	13,176	12,917	26,093
Pension	6,661	7,376	14,037	6,467	6,613	13,080
Others	1,777	2,601	4,378	9,869	17,792	27,661
Depreciation expense	242,681	82,901	325,582	226,054	76,597	302,651
Amortization expense	3,702	5,354	9,056	2,909	7,541	10,450

- b. Seasonality of operation:

The Group's operations were not affected by seasonal fluctuations.

#### 43. Other disclosures

- a. Information on significant transactions:

The following is the information on significant transactions required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Group for the three months ended March 31, 2021.

- (a) Please refer to Table 1 for the loans to other parties.
  - (b) Please refer to Table 2 for the guarantees and endorsements for other parties.
  - (c) Please refer to Table 3 for the securities held as of March 31, 2021 (excluding investment in subsidiaries, associates and joint ventures).
  - (d) The individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: None.
  - (e) Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
  - (f) Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
  - (g) Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: None.
  - (h) Please refer to Table 4 for the receivables from related parties of at least \$100 million or 20% of the paid-in capital.
  - (i) Trading in derivative instruments: None.
  - (j) Please refer to Table 5 for the business relationships and significant intercompany transactions.
- b. Information on investees  
Please refer to Table 6 for the information on investees for the three months ended March 31, 2021.
- c. Information on investment in Mainland China
- (a) Please refer to Table 7 for the relevant information such as the name and main business items of the investee company in Mainland China.
  - (b) Please refer to Table 7 for the limitation on investment in Mainland China
  - (c) 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 the three months ended March 31, 2021.

#### 44. Segment information

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

	<u>Warehousing</u>	<u>Trading</u>	<u>Media</u>	<u>Tourism</u>	<u>Others</u>	<u>Total</u>
<b>For the three months ended March 31, 2021</b>						
<b>Revenue:</b>						
Revenue from external customers	<u>\$ 235,005</u>	<u>\$ 526,000</u>	<u>\$ 450,729</u>	<u>\$ -</u>	<u>\$ 31,743</u>	<u>\$ 1,243,477</u>
<b>Reportable segment profit or loss before tax</b>	<u>\$ 24,343</u>	<u>\$ 99,982</u>	<u>\$ (82,319)</u>	<u>\$ (22,911)</u>	<u>\$ 6,379</u>	<u>\$ 25,474</u>
<b>For the three months ended March 31, 2020</b>						
<b>Revenue:</b>						
Revenue from external customers	<u>\$ 316,645</u>	<u>\$ 447,177</u>	<u>\$ 285,028</u>	<u>\$ -</u>	<u>\$ 16,203</u>	<u>\$ 1,065,053</u>
<b>Reportable segment profit or loss before tax</b>	<u>\$ 149,417</u>	<u>\$ 85,727</u>	<u>\$ (51,743)</u>	<u>\$ (23,389)</u>	<u>\$ (79,267)</u>	<u>\$ 80,745</u>

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Loans to other parties**

**For the three months ended March 31, 2021**

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

Table 1

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	\$ 300,000	3	2	-	Operation requirements	-		\$ -	\$2,354,095 (Note 2)	\$3,531,143 (Note 2)
0	"	EHR	"	Yes	400,000	400,000	390,000	3	2	-	"	-		-	2,354,095 (Note 2)	3,531,143 (Note 2)
0	"	MWT	"	Yes	50,000	50,000	-	4	2	-	"	-		-	2,354,095 (Note 2)	3,531,143 (Note 2)
0	"	ET Pet	"	Yes	100,000	100,000	100,000	3	2	-	"	-		-	2,354,095 (Note 2)	3,531,143 (Note 2)
1	EIC	ET New Media	"	Yes	300,000	300,000	300,000	3	2	-	"	-		-	425,646 (Note 3)	638,469 (Note 3)
2	TKLF	ET New Media	"	Yes	150,000	150,000	150,000	3	2	-	"	-		-	34,108 (Note 4)	409,301 (Note 4)
2	"	Sunflower leisure	Other receivables	No	30,000	30,000	30,000	8	2	-	"	-	Tucheng land mortgage	38,108	272,867 (Note 4)	409,301 (Note 4)
3	EILF	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3	2	-	"	-		-	251,039 (Note 5)	376,559 (Note 5)
4	Grand Richness (Hong Kong)	The Company	"	Yes	58,885	58,885	56,917	1	2	-	"	-		-	61,687 (Note 6)	123,374 (Note 6)
5	GRAND SCENE TRADING (HONG KONG)	The Company	"	Yes	54,883	54,883	54,883	1	2	-	"	-		-	76,661 (Note 7)	153,322 (Note 7)
6	Eastern Media Communication (Hong Kong)	The Company	"	Yes	42,592	42,592	42,592	1	2	-	"	-		-	47,402 (Note 8)	94,804 (Note 8)
7	FESS- Panama	The Company	"	Yes	45,736	45,736	35,976	1	2	-	"	-		-	1,979,158 (Note 9)	3,958,316 (Note 9)

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 AND SUBSIDIARIES**

**Guarantees and endorsements for other parties**

**For the three months ended March 31, 2021**

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

**Table 2**

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 1)										
0	The Company	ET New Media	2	\$ 23,540,952 (Note 2)	\$ 150,000	\$ 150,000	\$ 90,000	\$ -	2.55%	\$ 23,540,952 (Note 2)	Y	N	N
0	The Company	EHR	2	23,540,952 (Note 2)	800,000	800,000	350,000	13,586	13.59%	23,540,952 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	23,540,952 (Note 2)	5,875,000	5,875,000	-	-	99.83%	23,540,952 (Note 2)	Y	N	N
0	The Company	Kaou Sin Trading	2	23,540,952 (Note 2)	5,000	5,000	5,000	-	0.08%	23,540,952 (Note 2)	Y	N	N
0	The Company	Pet Kingdom	2	23,540,952 (Note 2)	15,000	15,000	11,500	-	0.25%	23,540,952 (Note 2)	Y	N	N
0	The Company	Oscar	2	23,540,952 (Note 2)	170,000	170,000	140,000	-	2.89%	23,540,952 (Note 2)	Y	N	N
0	The Company	MWT	2	23,540,952 (Note 2)	30,000	30,000	21,000	-	0.51%	23,540,952 (Note 2)	Y	N	N
0	The Company	ET Pet	2	23,540,952 (Note 2)	1,509,063	1,509,063	483,764	143,808	25.64%	23,540,952 (Note 2)	Y	N	N
0	The Company	TKLF	2	23,540,952 (Note 2)	50,000	50,000	-	-	0.85%	23,540,952 (Note 2)	Y	N	N
0	The Company	EILF	2	23,540,952 (Note 2)	50,000	50,000	-	-	0.85%	23,540,952 (Note 2)	Y	N	N
1	ET New Media	ET Pet	2	7,183,833 (Note 3)	400,000	400,000	-	-	( 63.23%)	7,183,833 (Note 3)	N	N	N
2	ET Pet	ET New Media	3	3,379,807 (Note 4)	400,000	400,000	100,000	-	461.71%	3,379,807 (Note 4)	N	N	N
3	EIC	ET Pet	4	588,524 (Note 5)	220,000	220,000	-	40,764	20.67%	588,524 (Note 5)	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.

Note 5: For EIC, the aggregate amount allows an endorsement or guarantee that does not exceed 500% of its total assets in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Company, holding more than 90% of shares of EIC, holds more than 90% of the shares that does not exceed 500% of its total assets or 10% of the Company's net worth in the most recent financial statements. The limit on endorsement or guarantee was determined by 500% of EIC's total assets or 10% of the Company's net worth whichever is lower.



**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Securities held**

**March 31, 2021**

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

**Table 3**

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	5	- %	5	
"	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 corporation	-	Financial assets at fair value through profit or loss	700,000	70,700	0.01 %	70,700	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	60,000	35,220	- %	35,220	
TKLF	Taiwan Cement Co., Ltd.	-	"	1,708,009	79,935	0.03 %	79,935	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	40,000	23,480	- %	23,480	
MWT	Sunny Bank	-	Non-current financial assets at fair value through other comprehensive income	60,769	606	- %	606	
Oscar	COTA Commercial Bank, Ltd.	-	"	1,000	10	- %	10	

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

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

**March 31, 2021**

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

**Table 4**

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	\$ 304,494	Not applicable	\$ -	-	\$ 4,494	\$ -
The Company	EHR	Subsidiary	390,336	Not applicable	-	-	336	-
The Company	ET Pet	Subsidiary	100,124	Not applicable	-	-	60,124	-
EIC	ET New Media	Subsidiary	300,430	Not applicable	-	-	430	-
EILF	ET New Media	Subsidiary	150,370	Not applicable	-	-	370	-
TKLF	ET New Media	Subsidiary	150,370	Not applicable	-	-	370	-

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Business relationships and significant intercompany transactions**  
**March 31, 2021**

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

**Table 5**

No.	Name of company	Name of counter party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	ET New Media	1	Other receivables - related parties	\$ 304,494	Refer to contract terms or market price	1.91%
0	The Company	EHR	1	Other receivables - related parties	390,336	Refer to contract terms or market price	2.45%
0	The Company	ET Pet	1	Other receivables - related parties	100,124	Refer to contract terms or market price	0.63%
1	EIC	ET New Media	3	Other receivables - related parties	300,430	Refer to contract terms or market price	1.89%
2	EILF	ET New Media	3	Other receivables - related parties	150,370	Refer to contract terms or market price	0.95%
3	TKLF	ET New Media	3	Other receivables - related parties	150,370	Refer to contract terms or market price	0.95%

Note 1 : For the inter-company business relationship and transaction condition in the "Number" column, the labeling method is as follows:

1. Parent company - 0.
2. Subsidiaries - in sequence from 1.

Note 2 : Relationship is classified into three types:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Information on investees**

**For the three months ended March 31, 2021**

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

**Table 6**

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
				March 31, 2021	December 31, 2020	Shares/Units	Percentage of ownership	Carrying value			
The Company	FESS-Bermuda	Bermuda	Holding company	\$ 32,161	\$ 32,161	600,000	100.00%	\$ 1,029	(\$ 606 )	(\$ 606 )	Subsidiary
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	1,979,158	( 3,540 )	( 3,540 )	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	672,603	672,603	16,214,616	100.00%	60,928	( 704 )	( 704 )	Subsidiary
The Company	EIC	Taiwan	General investing	500,525	500,525	67,641,445	97.90%	1,041,769	76,367	74,764	Subsidiary
The Company	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,195	391,195	40,690,330	53.77%	337,459	7,522	4,045	Subsidiary
The Company	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,613	391,613	40,847,294	53.76%	366,762	9,362	5,033	Subsidiary
The Company	MWT	Taiwan	Application Service	35,400	35,400	510,000	51.00%	42,538	3,394	1,731	Subsidiary
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	150,319	409,552	26,673	Associates
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	( 564,322 )	( 96,076 )	( 85,704 )	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%	13,586	( 24,084 )	( 14,546 )	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	495,000	495,000	49,500,000	55.00%	494,398	( 666 )	( 366 )	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	( 6,616 )	( 96,076 )	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	446,746	409,552	"	Associates
EIC	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	77,115	77,115	7,597,500	10.00%	68,217	9,362	"	Subsidiary
EIC	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	74,464	74,464	7,567,500	10.00%	62,760	7,522	"	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%	2,969	( 24,084 )	"	Subsidiary
TKLF	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	269,766	269,766	27,243,000	36.00%	225,935	7,522	"	Subsidiary
TKLF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	45,660	45,660	4,566,038	13.20%	2,969	( 24,084 )	"	Subsidiary

(to be continued)

(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
				March 31, 2021	December 31, 2020	Shares/Units	Percentage of ownership	Carrying value			
EILF	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	\$ 278,342	\$ 278,342	27,351,000	36.00%	\$ 245,581	\$ 9,362	Exempt from disclosure	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%	2,969	( 24,084 )	"	Subsidiary
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	137,363	137,363	450,000	100.00%	79,495	140	"	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	47,361	25	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Investing activities	2,060,871	2,060,871	600,630,280	30.00%	1,948,460	24,950	"	Associates
GSMC-cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Investing activities	125,153	125,153	3,198,000	100.00%	76,766	195	"	Subsidiary
ET New Media	Show off	Taiwan	Video advertising service	100,000	100,000	10,000,000	100.00%	4,735	-	"	Subsidiary
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	100	100	10,000	100.00%	3,739	798	"	Subsidiary
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	100	100	10,000	100.00%	31	( 75 )	"	Subsidiary
ET New Media	Dung sen shin wen yun	Taiwan	Amusement park information leisure	5,000	5,000	500,000	100.00%	4,067	( 241 )	"	Subsidiary
ET New Media	Dung sen min diau yun	Taiwan	Consulting management, market research and opinion poll	1,000	1,000	100,000	100.00%	985	( 2 )	"	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%	80,137	( 8,195 )	"	Subsidiary
ET Pet	Oscar	Taiwan	Pet food and supplies and providing pet beauty service	301,202	301,202	4,873,200	80.00%	336,694	5,836	"	Subsidiary
ET Pet	Pet Kingdom	Taiwan	Pet food and supplies and providing pet beauty service	36,836	36,836	3,440,000	80.00%	45,588	2,122	"	Subsidiary
ET Pet	Kaou Sin	Taiwan	Pet food and supplies and providing pet beauty service	7,941	7,941	80,000	80.00%	10,622	1,003	"	Subsidiary

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Information on investment in Mainland China**  
**For the three months ended March 31, 2021**  
**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**  
**Table 7**

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

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, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2021	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	\$ -	Note 2	\$ 932,768	-	-	\$ 932,768	\$ -	-%	\$ -	\$ -	\$ -
Ding Kai (Shanghai)	Wholesale and retailing goods	-	Note 3	350,216	-	-	350,216	-	-%	-	-	-
Sheng Hang (Shanghai)	Wholesale and retailing goods	-	Note 4	185,582	-	-	185,582	-	-%	-	-	-
RICHNESS TRADING (SHANGHAI)	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.	1,089,416	Note 5	1,089,416	-	-	1,089,416	( 162 )	100.00%	( 162 )	4,555	-
Nanjing Yun Fu	Wholesale trading	45,132	Note 6	86,260	-	-	86,260	( 8 )	100.00%	( 8 )	4,178	-
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	43,442	Note 7	-	-	-	-	-	34.00%	-	-	-
Shanghai Rich	Producing TV programs, wholesale	564,748	Note 8	-	-	-	-	( 22 )	-%	( 22 )	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	434,069	Note 5	-	-	-	-	( 450 )	30.00%	( 135 )	143,335	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	93,490	Note 5	-	-	-	-	( 600 )	30.00%	( 180 )	30,975	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,053,341	Note 5	-	-	-	-	1,205	30.00%	362	454,378	-

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. Shanghai Rich was liquidated on March 24, 2021.

Note 9: The amount in the table is translated by the spot rate on the financial reporting date and the average rate throughout the year.

(to be continued)

(continued)

2. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of March 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,644,242	\$ 3,846,077	\$ 3,809,160

Note: The limit on investment was determined by 60% of the individual or consolidated total net worth whichever is higher.

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 three months ended March 31, 2021, please refer to "Information on significant transactions" above.

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Major shareholders**

**March 31, 2021**

**(Expressed in Units)**

**Table 8**

<b>Shareholders name</b>	<b>Shareholding</b>	<b>Shares</b>	<b>Percentage</b>
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 %