Stock code:8406

Ginko International Co., Ltd.
And Subsidiaries

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2021 and 2020

Address: P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands

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

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Independent Auditors' Review Report

To the Board of Directors of Ginko International Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Ginko International Co., Ltd. and its subsidiaries (the "Group") as of September 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2021 and 2020, changes in equity and cash flows for the nine months ended September 30, 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 the Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Statement on Auditing Standard 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.

Conclusion

Based on our reviews, 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 Ginko International Co., Ltd. and its subsidiaries as of September 30, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2021 and 2020, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34, "Interim Financial Reporting".

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

The engagement partners on the reviews resulting in this independent auditors' review report are Yu-Feng Hsu and Yuan-Chen Mei.

KPMG

Taipei, Taiwan (Republic of China)
November 11, 2021

The accompanying financial statements are intended only to present the financial position, results of operations, and cash flows in accordance with the International Financial Reporting Standards and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying 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 versions of the auditors' report and financial statements, the Chinese version shall prevail.

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

Reviewed only, not audited in accordance with the generally accepted auditing standards as of September 30, 2021 and 2020

Ginko International Co., Ltd. And Subsidiaries

Consolidated Balance Sheets

September 30, 2021, December 31 and September 30, 2020

(Expressed in thousands of currency)

		September 30, 2021			December 31, 2020			September 30, 2020					September 30, 2021			December 31, 2020			September 30, 2020			
	Assets	**CNY**	**TWD**	**%**	**CNY**	**TWD**	**%**	**CNY**	**TWD**	**%**		**Liabilities and equity**	**CNY**	**TWD**	**%**	**CNY**	**TWD**	**%**	**CNY**	**TWD**	**%**
	Current assets:											**Current liabilities:**										
1100	Cash and cash equivalents (note 6(a))	$ 699,770	3,012,511	13	654,304	2,863,887	13	515,679	2,201,435	10	2100	Short-term bank loans (notes 6(k), (x) and 8)	$ 1,160,737	4,996,975	22	1,027,291	4,496,451	20	1,123,383	4,795,721	23
1150	Notes receivable, net (note 6(c))	3,839	16,526	-	3,542	15,505	-	6,216	26,537	-	2130	Current contract liabilities (note 6(s))	22,895	98,564	-	15,685	68,654	-	16,478	70,344	-
1170	Trade receivable, net (note 6(c))	797,958	3,435,211	15	845,826	3,702,182	17	870,276	3,715,209	17	2150	Notes payable	10,156	43,722	-	9,046	39,594	-	11,301	48,242	-
1181	Trade receivable from related parties (notes										2170	Trade payable	112,042	482,339	2	108,595	475,321	2	95,212	406,457	2
	6(c) and 7)	34,354	147,894	1	26,276	115,007	1	28,750	122,734	1	2180	Trade payables to related parties (note 7)	-	-	-	12,343	54,025	-	14,518	61,979	-
1200	Other receivables (including related parties)										2200	Other payables (notes 6(m) and (t))	195,984	843,708	4	131,411	575,184	3	108,654	463,844	2
	(note 7)	13,196	56,809	-	8,389	36,718	-	10,326	44,083	-	2220	Other payables to related parties (note 7)	45	192	-	2,996	13,115	-	2,027	8,656	-
1220	Current income tax assets	-	-	-	-	-	-	238	1,016	-	2230	Current income tax liabilities	12,390	53,338	-	45,944	201,099	1	41,106	175,480	1
130X	Inventory (note 6(d))	670,660	2,887,191	13	649,584	2,843,228	13	674,033	2,877,447	14	2280	Current lease liabilities (note 6(l) and (x))	8,092	34,835	-	8,840	38,693	-	9,404	40,146	-
1410	Prepayments (note 6(e))	132,434	570,123	3	118,171	517,233	2	116,175	495,949	2	2322	Long-term loans within a year (notes 6(k) and									
1476	Other financial assets (notes 6(b) and 8)	918,424	3,953,815	17	776,737	3,399,777	15	760,874	3,248,169	15		(x))	30,225	130,118	1	46,836	205,000	1	17,569	75,000	-
1470	Other current assets	6,399	27,542	-	5,287	23,144	-	4,151	17,714	-	2365	Current refund liabilities (note 6(n))	32,495	139,892	1	27,306	119,519	1	19,290	82,349	-
	Total current assets	3,277,034	14,107,622	62	3,088,116	13,516,681	61	2,986,718	12,750,293	59		**Total current liabilities**	1,585,061	6,823,683	30	1,436,293	6,286,655	28	1,458,942	6,228,218	28
	Non-Current assets:											**Non-current liabilities:**									
1600	Property, plant and equipment (notes 6(g) and 8)	1,877,440	8,082,380	35	1,830,600	8,012,537	36	1,872,083	7,991,923	37	2540	Long-term bank loans (notes 6(k), (x) and 8)	954,189	4,107,782	18	920,174	4,027,600	18	951,417	4,061,600	20
1755	Right-of-use assets (notes 6(h) and 8)	95,607	411,589	2	88,248	386,263	2	94,176	402,036	2	2570	Deferred income tax liabilities	16,400	70,604	-	6,670	29,194	-	-	-	-
1780	Intangible assets (note 6(f) and (i))	15,263	65,709	-	8,768	38,378	-	9,137	39,005	-	2580	Non-current lease liabilities (note 6(l) and (x))	73,023	314,362	2	59,719	261,390	2	64,043	273,398	1
1840	Deferred income tax assets	33,315	143,423	1	33,948	148,589	1	34,792	148,527	1		**Total non-current liabilities**	1,043,612	4,492,748	20	986,563	4,318,184	20	1,015,460	4,334,998	21
1915	Prepayments on purchase of equipment (note 9)	11,012	47,406	-	3,055	13,372	-	2,915	12,443	-		**Total liabilities**	2,628,673	11,316,431	50	2,422,856	10,604,839	48	2,474,402	10,563,216	49
1932	Long-term receivables, net (note 6(c))	9,261	39,870	-	13,073	57,222	-	35,540	151,720	1		**Equity attributable to owners of parent**									
1990	Other non-current assets (notes 6(j), 7 and 8)	1,551	6,677	-	2,155	9,431	-	2,944	12,568	-		**(note 6(q)):**									
	Total non-current assets	2,043,449	8,797,054	38	1,979,847	8,665,792	39	2,051,587	8,758,222	41	3110	Share capital - common stock	202,938	970,730	4	202,938	970,730	4	202,938	970,730	4
											3200	Capital surplus	676,407	3,073,227	13	676,407	3,073,227	13	676,407	3,073,227	13
											3300	Retained earnings	1,829,763	8,582,925	33	1,785,804	8,388,325	35	1,701,860	8,025,703	34
											3410	Exchange differences on translation of foreign									
												financial statements	(17,181)	(1,038,133)	-	(17,004)	(841,369)	-	(14,185)	(1,111,065)	-
												Equity attributable to owners of the parent	2,691,927	11,588,749	50	2,648,145	11,590,913	52	2,567,020	10,958,595	51
												Non-Controlling Interest:									
											36XX	Non-controlling interest	(117)	(504)	-	(3,038)	(13,279)	-	(3,117)	(13,296)	-
												Total equity	2,691,810	11,588,245	50	2,645,107	11,577,634	52	2,563,903	10,945,299	51
	Total assets	**$ 5,320,483**	**22,904,676**	**100**	**5,067,963**	**22,182,473**	**100**	**5,038,305**	**21,508,515**	**100**		**Total liabilities and equity**	**$ 5,320,483**	**22,904,676**	**100**	**5,067,963**	**22,182,473**	**100**	**5,038,305**	**21,508,515**	**100**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards

Ginko International Co., Ltd. And Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2021 and 2020

(Expressed in thousands of Chinese Yuan, Except for Earnings Per Common Share)

		For the three months ended September 30,				For the nine months ended September 30,			
		2021		2020		2021		2020	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (notes 6(s) and 7)**	$ 474,393	100	429,642	100	1,483,336	100	1,161,978	100
5000	**Operating Costs (notes 6(d), (g), (o), 7 and 12)**	233,323	49	192,138	45	718,788	48	525,792	45
	Gross profit from operations	241,070	51	237,504	55	764,548	52	636,186	55
	Operating expenses (notes 6(c), (g), (h), (i), (o), (t), 7, 9, and 12):								
6100	Selling expenses	162,914	35	106,025	25	412,254	27	301,642	26
6200	General and administrative expenses	36,107	8	41,217	9	112,031	8	111,864	10
6300	Research and development expenses	10,873	2	11,164	3	32,231	2	31,547	3
6450	Impairment losses (impairment gain and reversal of impairment losses) determined in accordance with IFRS 9	(8,290)	(2)	(4,450)	(1)	(5,731)	-	11,838	1
	Total operating expenses	201,604	43	153,956	36	550,785	37	456,891	40
	Operating Profit	39,466	8	83,548	19	213,763	15	179,295	15
	Non-operating income and expenses (note 6(u)):								
7100	Interest income	8,290	2	15,233	4	18,181	1	22,401	2
7010	Other income	2,499	1	5,577	1	8,352	1	7,678	1
7020	Other gains and losses	(2,630)	(1)	10,863	2	4,164	-	13,782	1
7050	Financial costs	(7,842)	(2)	(9,551)	(2)	(24,642)	(2)	(34,716)	(3)
	Total non-operating income and expenses	317	-	22,122	5	6,055	-	9,145	1
7900	**Profit before income tax**	39,783	8	105,670	24	219,818	15	188,440	16
7950	**Income tax expense (note 6(p))**	10,690	2	18,714	4	38,120	3	39,482	3
	Net income for the year	29,093	6	86,956	20	181,698	12	148,958	13
	Other comprehensive income (loss):								
8360	**Items that may be subsequently reclassified into profit or loss**								
8361	Foreign currency translation differences for foreign operations	(12,445)	(2)	(16,941)	(4)	173	-	(13,331)	(1)
8399	Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-
	Total items that may be subsequently reclassified into profit or loss	(12,445)	(2)	(16,941)	(4)	173	-	(13,331)	(1)
8300	**Other comprehensive income (loss), net of tax**	(12,445)	(2)	(16,941)	(4)	173	-	(13,331)	(1)
8500	**Total comprehensive income for the year**	**$ 16,648**	**4**	**70,015**	**16**	**181,871**	**12**	**135,627**	**12**
	Profit attributable to:								
8610	Shareholders of the parent	$ 29,197	6	86,755	20	181,612	12	148,177	13
8620	Non-controlling interest	(104)	-	201	-	86	-	781	-
		$ 29,093	**6**	**86,956**	**20**	**181,698**	**12**	**148,958**	**13**
	Comprehensive income attributable to:								
8710	Shareholders of the parent	$ 16,754	4	69,760	16	181,435	12	134,879	12
8720	Non-controlling interest	(106)	-	255	-	436	-	748	-
		$ 16,648	**4**	**70,015**	**16**	**181,871**	**12**	**135,627**	**12**
9710	**Basic earnings per share (expressed in Chinese Yuan) (note 6(r))**	**$**	**0.30**		**0.89**		**1.87**		**1.53**
9810	**Diluted earnings per share (expressed in Chinese Yuan) (note 6(r))**	**$**	**0.30**		**0.89**		**1.86**		**1.52**

See accompanying notes to financial statements.

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Ginko International Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2021 and 2020

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

		For the three months ended September 30,				For the nine months ended September 30,			
		2021		2020		2021		2020	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue (notes 6(s) and 7)**	$ 2,041,537	100	1,829,182	100	6,433,970	100	4,949,446	100
5000	**Operating Costs (notes 6(d), (g), (o), 7 and 12)**	1,004,268	49	818,010	45	3,117,742	48	2,239,610	45
	Gross profit from operations	1,037,269	51	1,011,172	55	3,316,228	52	2,709,836	55
	Operating expenses (notes 6(c), (g), (h), (i), (o), (t), 7, 9, and 12):								
6100	Selling expenses	702,649	35	451,381	25	1,788,155	27	1,284,844	26
6200	General and administrative expenses	155,397	8	175,478	9	485,935	8	476,482	10
6300	Research and development expenses	46,819	2	47,528	3	139,800	2	134,374	3
6450	Impairment losses (impairment gain and reversal of impairment losses) determined in accordance with IFRS 9	(35,999)	(2)	(18,974)	(1)	(24,860)	-	50,424	1
	Total operating expenses	868,866	43	655,413	36	2,389,030	37	1,946,124	40
	Operating Profit	168,403	8	355,759	19	927,198	15	763,712	15
	Non-operating income and expenses (note 6(u)):								
7100	Interest income	35,798	2	64,876	4	78,858	2	95,419	2
7010	Other income	10,746	1	23,751	1	36,228	1	32,702	1
7020	Other gains and losses	(11,519)	(1)	46,270	2	18,060	-	58,708	1
7050	Financial costs	(33,744)	(2)	(40,651)	(2)	(106,881)	(2)	(147,872)	(3)
	Total non-operating income and expenses	1,281	-	94,246	5	26,265	1	38,957	1
7900	**Profit before income tax**	169,684	8	450,005	24	953,463	16	802,669	16
7950	**Income tax expense (note 6(p))**	45,931	2	79,688	4	165,346	3	168,174	3
	Net income for the year	123,753	6	370,317	20	788,117	13	634,495	13
	Other comprehensive income (loss):								
8360	**Items that may be subsequently reclassified into profit or loss**								
8361	Foreign currency translation differences for foreign operations	(62,778)	(3)	123,102	7	(195,068)	(3)	(150,465)	(3)
8399	Income tax relating to components of other comprehensive income	-	-	-	-	-	-	-	-
	Total items that may be subsequently reclassified into profit or loss	(62,778)	(3)	123,102	7	(195,068)	(3)	(150,465)	(3)
8300	**Other comprehensive income (loss), net of tax**	(62,778)	(3)	123,102	7	(195,068)	(3)	(150,465)	(3)
8500	**Total comprehensive income for the year**	**$ 60,975**	**3**	**493,419**	**27**	**593,049**	**10**	**484,030**	**10**
	Profit attributable to:								
8610	Shareholders of the parent	$ 124,201	6	369,452	20	787,746	13	631,154	13
8620	Non-controlling interest	(448)	-	865	-	371	-	3,341	-
		$ 123,753	**6**	**370,317**	**20**	**788,117**	**13**	**634,495**	**13**
	Comprehensive income attributable to:								
8710	Shareholders of the parent	$ 61,432	3	492,583	27	590,982	9	480,687	10
8720	Non-controlling interest	(457)	-	836	-	2,067	1	3,343	-
		$ 60,975	**3**	**493,419**	**27**	**593,049**	**10**	**484,030**	**10**
9710	**Basic earnings per share (expressed in New Taiwan Dollars) (note 6(r))**	**$**	**1.28**		**3.81**		**8.11**		**6.50**
9810	**Diluted earnings per share (expressed in New Taiwan Dollars) (note 6(r))**	**$**	**1.28**		**3.80**		**8.09**		**6.48**

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

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Ginko International Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2021 and 2020

(Expressed in thousands of currency)

	Equity attributable to owners of parent																			
	Share capital - Common stock		Capital surplus		Retained Earnings						Total		Foreign currency translation differences		Equity attributable to owners of the parent		Non-controlling interest		Total equity	
					Legal reserve		Special reserve		Undistributed earnings											
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Balance at January 1, 2020	$ 191,908	924,505	676,407	3,073,227	202,340	959,856	51,118	575,563	1,377,432	6,182,706	1,630,890	7,718,125	(887)	(960,598)	2,498,318	10,755,259	(3,865)	(16,639)	2,494,453	10,738,620
Net income for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	148,177	631,154	148,177	631,154	-	-	148,177	631,154	781	3,341	148,958	634,495
Other comprehensive income for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	-	-	-	-	(13,298)	(150,467)	(13,298)	(150,467)	(33)	2	(13,331)	(150,465)
Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	148,177	631,154	148,177	631,154	(13,298)	(150,467)	134,879	480,687	748	3,343	135,627	484,030
Appropriation and distribution of retained earnings:																				
Legal reserve	-	-	-	-	28,622	119,956	-	-	(28,622)	(119,956)	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	91,872	385,035	(91,872)	(385,035)	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(66,177)	(277,351)	(66,177)	(277,351)	-	-	(66,177)	(277,351)	-	-	(66,177)	(277,351)
Stock dividends	11,030	46,225	-	-	-	-	-	-	(11,030)	(46,225)	(11,030)	(46,225)	-	-	-	-	-	-	-	-
Balance at September 30, 2020	**$ 202,938**	**970,730**	**676,407**	**3,073,227**	**230,962**	**1,079,812**	**142,990**	**960,598**	**1,327,908**	**5,985,293**	**1,701,860**	**8,025,703**	**(14,185)**	**(1,111,065)**	**2,567,020**	**10,958,595**	**(3,117)**	**(13,296)**	**2,563,903**	**10,945,299**
Balance at January 1, 2021	$ 202,938	970,730	676,407	3,073,227	230,962	1,079,812	142,990	960,598	1,411,852	6,347,915	1,785,804	8,388,325	(17,004)	(841,369)	2,648,145	11,590,913	(3,038)	(13,279)	2,645,107	11,577,634
Net income for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	181,612	787,746	181,612	787,746	-	-	181,612	787,746	86	371	181,698	788,117
Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	-	-	-	-	(177)	(196,764)	(177)	(196,764)	350	1,696	173	(195,068)
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	181,612	787,746	181,612	787,746	(177)	(196,764)	181,435	590,982	436	2,067	181,871	593,049
Appropriation and distribution of retained earnings:																				
Special reserve	-	-	-	-	-	-	(27,670)	(119,230)	27,670	119,230	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(135,168)	(582,438)	(135,168)	(582,438)	-	-	(135,168)	(582,438)	-	-	(135,168)	(582,438)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(2,485)	(10,708)	(2,485)	(10,708)	-	-	(2,485)	(10,708)	-	-	(2,485)	(10,708)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,485	10,708	2,485	10,708
Balance at September 30, 2021	**$ 202,938**	**970,730**	**676,407**	**3,073,227**	**230,962**	**1,079,812**	**115,320**	**841,368**	**1,483,481**	**6,661,745**	**1,829,763**	**8,582,925**	**(17,181)**	**(1,038,133)**	**2,691,927**	**11,588,749**	**(117)**	**(504)**	**2,691,810**	**11,588,245**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards

Ginko International Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2021 and 2020

(Expressed in thousands of currency)

	For the nine months ended September 30			
	2021		2020	
	CNY	TWD	CNY	TWD
Cash flows from operating activities:				
Profit before tax	$ 219,818	953,463	188,440	802,669
Adjustments:				
Adjustments to reconcile profit (loss)				
Depreciation expenses	150,330	652,052	150,825	642,445
Amortization expenses	1,079	4,681	1,085	4,623
Expected credit (gain) losses	(5,731)	(24,860)	11,838	50,424
Interest income	(18,181)	(78,858)	(22,401)	(95,419)
Financial cost	24,642	106,881	34,716	147,872
Losses on disposal of property, plant and equipment	980	4,251	840	3,583
Unrealized foreign exchange losses (gains)	8,142	35,315	(3,620)	(15,424)
Gains on lease modification	-	-	(263)	(1,120)
Total adjustments to reconcile profit and loss	161,261	699,462	173,020	736,984
Change in operating assets and liabilities:				
Increase in notes receivable	(297)	(1,021)	(748)	(2,997)
Decrease in trade receivables	60,334	263,605	12,143	82,117
Decrease (increase) in trade receivables from related parties	(8,078)	(32,887)	10,640	46,840
Decrease (increase) in other receivables (including from related parties)	(4,807)	(20,091)	5,920	25,857
Decrease (increase) in inventories	4,469	22,834	(111,309)	(461,334)
Increase in prepayments	(12,481)	(53,185)	(14,591)	(70,213)
Decrease (increase) in other current assets	(4,262)	(18,307)	13,939	60,164
Increase in contract liabilities	7,210	29,910	3,231	13,314
Increase (decrease) in notes payable	7,654	32,299	(3,649)	(16,118)
Decrease in trade payables	(38,397)	(174,754)	(7,651)	(36,367)
Decrease in trade payables to related parties	(12,343)	(54,025)	(434)	(2,391)
Increase (decrease) in other payables	64,094	266,444	(35,392)	(156,276)
Decrease in other payables to related parties	(2,951)	(12,923)	(3,831)	(16,567)
Increase (decrease) in provisions for liabilities	5,189	20,373	(10,815)	(47,254)
Net changes in operating assets and liabilities	65,334	268,272	(142,547)	(581,225)
Total reconciliation adjustment	226,595	967,734	30,473	155,759
Cash generated from operations	446,413	1,921,197	218,913	958,428
Income taxes paid	(61,311)	(266,531)	(58,505)	(250,290)
Net cash flows from operating activities	385,102	1,654,666	160,408	708,138
Cash flows (used in) from investing activities:				
Acquisition of subsidiary (excluding acquired cash and cash equivalents)	(5,349)	(23,238)	-	-
Acquisition of property, plant and equipment	(219,036)	(950,067)	(91,989)	(391,633)
Proceeds from disposal of property, plant and equipment	378	1,643	20,407	87,843
Decrease (increase) in prepayments on purchase of equipment	(9,766)	(41,820)	41,299	176,868
Acquisition of intangible assets	-	-	(182)	(775)
Decrease (increase) in long-term receivables	9,608	42,495	(21,384)	(90,353)
Decrease in other financial assets	(141,687)	(616,834)	125,180	543,289
Decrease in other non-current assets	604	2,754	4,217	18,155
Acquisition of right-of-use assets	-	-	(186)	(781)
Interest received	18,181	78,858	22,401	95,419
Net cash flows (used in) from investing activities	(347,067)	(1,506,209)	99,763	438,032
Cash flows used in financing activities:				
Decrease in short-term bank loans	(6,164,878)	(26,740,156)	(553,342)	(2,361,112)
Decrease in short-term bank loans	6,302,877	27,338,728	253,851	1,083,183
Increase in long-term bank loans	184,521	800,360	227,326	970,000
Repayment of long-term bank loans	(183,299)	(795,060)	(70,307)	(300,000)
Cash dividends paid	(135,168)	(582,438)	(66,177)	(277,351)
Repayment of lease principal	(10,617)	(45,821)	(7,882)	(33,194)
Interest paid	(23,682)	(102,722)	(34,716)	(147,872)
Net cash flows used in financing activities	(30,246)	(127,109)	(251,247)	(1,066,346)
Effect of exchange rate changes on cash and cash equivalents	37,677	127,276	(38,998)	(227,856)
Net increase (decrease) in cash and cash equivalents	45,466	148,624	(30,074)	(148,032)
Cash and cash equivalents at the beginning of period	654,304	2,863,887	545,753	2,349,467
Cash and cash equivalents at the end of period	**$ 699,770**	**3,012,511**	**515,679**	**2,201,435**

See accompanying notes to financial statements.

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

Reviewed only, not audited in accordance with the generally accepted auditing standards

Ginko International Co., Ltd. And Subsidiaries

Notes to the Consolidated Financial Statements

September 30, 2021 and 2020

(expressed in thousands of currency unless otherwise specified)

(1) Company history

Ginko International Co., Ltd. (the "Company") was incorporated in the Cayman Islands on June 11, 2007 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company's shares were listed on Taipei Exchange Securities Market R.O.C. ("Taipei Exchange" TPEx) on April 27, 2012. The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is a major supplier of eye health products, that mainly engages in the research, manufacture and distribution of contact lenses and lens care products.

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

The consolidated financial statements for the nine months ended September 30, 2021 were authorized for issuance by the Board of Directors on November 8, 2021.

(3) New standards, amendments and interpretations adopted

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the IASB which have already been adopted.

The following new standards, interpretations and amendments have been endorsed by the IASB and are effective for annual periods beginning, or after, January 1, 2021.

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"

The Group assessed that the initial application of the above IFRSs would not have any material impact on the consolidated financial statements.

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

The following new standards, interpretations and amendments have been endorsed by the IASB:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 17 "Insurance Contracts" and its amendments	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"	January 1, 2022
Amendments to IFRS 3 "Deference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023

(Continued)

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022

Those which may be relevant to the Group are set out below:

Effective date per IASB	Standards or Interpretations	Content of amendment
January 1, 2023	Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.
January 1, 2023	Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transactions"	The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Group assessed that the adoption of the abovementioned standards would not have any material impact on its consolidated financial statements.

(4) Summary of significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, which includes International Accounting Standards and interpretations issued by the IASB.

(b) Basis of preparation

i) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

ii) Functional and presentation currency

The functional currencies of the Group entities within and outside the Republic of China are New Taiwan Dollar, Chinese Yuan, Japanese Yen, and Malaysian Ringgit. The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (TWD) and Chinese Yuan (CNY), respectively.

(Continued)

(c) Basis of consolidation

i) Principle of preparation of the consolidated financial statement

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

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

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

ii) List of subsidiaries included in the consolidated financial statement:

			Shareholding			
Name of investor	Name of subsidiary	Principal activity	September 30, 2021	December 31, 2020	September 30, 2020	Note
The Company	Prosper Link International Ltd.	Holding company	100 %	100 %	100 %	-
The Company	Yung Sheng Optical Co., Ltd. (Yungsheng Corporation)	Manufacturing and selling contact lenses and contact lens solution	100 %	100 %	100 %	-
Prosper Link International Ltd.	Haichang International Ltd. (Haichang International)	Holding company. Selling contact lenses and lens care products	100 %	100 %	100 %	-
Haichang International Ltd. (Haichang International)	Haichang Contact Lens Co., Ltd (Haichang Corporation)	Manufacturing and selling of contact lenses, contact lens solution and other eye-related appliance	100 %	100 %	100 %	-
Haichang International Ltd. (Haichang International)	Jiangsu Horien Contact Lens Co., Ltd. (Horien Corporation)	Manufacturing of contact lenses, contact lens solution and other eye-related appliance	30 %	30 %	30 %	-
Haichang Contact Lens Co., Ltd (Haichang Corporation)	Jiangsu Horien Contact Lens Co., Ltd. (Horien Corporation)	Manufacturing of contact lenses, contact lens solution and other eye-related appliance	70 %	70 %	70 %	
Haichang Contact Lens Co., Ltd (Haichang Corporation)	Shanghai Horien Contact Lens Optical Co., Ltd (Shanghai Horien)	Selling of contact lenses and eye care solution	100 %	100 %	100 %	-
Haichang Contact Lens Co., Ltd (Haichang Corporation)	Shanghai Fushiyuan Contact Lens Co., Ltd. (Shanghai Fushiyuan)	Selling of contact lenses and eye care solution	100 %	100 %	100 %	-
Haichang Contact Lens Co., Ltd (Haichang Corporation)	Gain Bless Management Ltd. (Gain Bless)	Holding company	100 %	100 %	100 %	-
Gain Bless Management Ltd. (Gain Bless)	Horien Optic (Malaysia) Sdn. Bhd.(Horien Malaysia)	Selling of contact lenses and eye care solution	70 %	70 %	70 %	-
Yung Sheng Optical Co., Ltd. (Yungsheng Corporation)	Master Harvest Global Ltd. (Master Harvest)	Holding company	100 %	100 %	100 %	
Yung Sheng Optical Co., Ltd. (Yungsheng Corporation)	Asiastar Co., Ltd. (Asiastar Corporation)	Selling of contact lenses and eye care solution	100 %	- %	- %	Note 1
Master Harvest Global Ltd. (Master Harvest)	Yung Sheng Optical Japan Co., Ltd. (Yung Sheng Japan)	Selling of contact lenses and eye care solution	88.26 %	70 %	70 %	Note 2

(Continued)

Name of investor	Name of subsidiary	Principal activity	Shareholding September 30, 2021	Shareholding December 31, 2020	Shareholding September 30, 2020	Note
Master Harvest Global Ltd. (Master Harvest)	Uni-Beauty Co., Ltd. (Uni-Beauty)	Selling of contact lenses and eye care solution	100 %	100 %	100 %	

Note 1: The Group's Board of Directors approved the acquisition of 100% shares of Asiastar Co., Ltd on December 31, 2020 by Yungsheng Corporation. The rights and obligations of Asiastar Co., Ltd. were transferred on January 4, 2021, which is also deemed as the acquisition date. Amendment of registration was completed on February 9, 2021.

Note 2: The Group's Board of Directors approved to reduce the capital of Yung Sheng Japan to offset the accumulated deficits of JPY 90,000 thousand. Thereafter, Master Harvest participated in the capital increase of Yung Sheng Japan, resulting in its shareholding in Yung Sheng Japan to increase from 70% to 88.26%. All related procedures had been completed on July 15, 2021.

iii) Subsidiaries excluded from consolidation financial statements：None.

(d) Foreign currency

i) Foreign currency transactions

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

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

i. an investment in equity securities designated as at fair value through other comprehensive income;

ii. a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

iii. qualifying cash flow hedges to the extent that the hedges are effective.

ii) Foreign operations

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

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

(Continued)

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

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

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

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

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

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

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

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

An entity shall classify a liability as current when:

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

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

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

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

(f) Cash and cash equivalents

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

(g) Financial instruments

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

i) Financial assets

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

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

i. Financial assets measured at amortized cost

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

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

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

ii. Impairment of financial assets

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

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

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

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

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

(Continued)

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

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

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

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

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at fair value through other comprehensive income (FVOCI) are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

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

iii. Derecognition of financial assets

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

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

iv. Modifications of financial instruments

If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

If changes are made to a financial asset or financial liability in addition to changes made to the basis for determining the contractual cash flows required by interest rate benchmark reform, then the Group first updates the effective interest rate of the financial asset or financial liability to reflect the changes that are required by interest rate benchmark reform. Subsequently, the Group applies the policies on accounting for modifications set out above to the additional changes.

ii) Financial liabilities and equity instruments

i. Classification of debt or equity

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

ii. Equity instrument

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

iii. Financial liabilities

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

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

iv. Derecognition of financial liabilities

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

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

v. Offsetting of financial assets and liabilities

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

(h) Inventories

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

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

(i) Property, plant and equipment

i) Recognition and measurement

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

Cost includes expenditure that is directly attributed to the acquisition of the asset. The cost of a self-constructed asset comprises material, labor, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and any borrowing cost that is eligible for capitalization. Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. The cost of software is capitalized as part of the property, plant and equipment if the purchase of the software is necessary for the property, plant and equipment to be capable of operating.

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

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

ii) Subsequent expenditure

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

iii) Depreciation

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

Land is not depreciated.

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

i.	Buildings	20~50 years
ii.	Leasehold improvements	unexpired lease term or 10 years (whichever period is shorter)
iii.	Machinery	5~10 years
iv.	Transportation equipment	3~5 years
v.	Other equipment	2~15 years

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

(j) Leases

i) Identifying a lease

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

(Continued)

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

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

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

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

(2) the relevant decisions about how and for what purpose the asset is used are predetermined and:

• the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or

• the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

ii) As a lessee

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

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

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

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

– fixed payments, including in-substance fixed payments;

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

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

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

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

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

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

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

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

– there is any lease modifications

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

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

When the basis for determining future lease payments changes as required by interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

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

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

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, 2021; and

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

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs. Payments made under operating lease (excluding insurance and maintenance expenses) are recognized in profit or loss on a straight-line basis over the term of the lease.

iii) Lease modification

When the basis for determining future lease payments changes as required by the interest rate benchmark reform, the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

(k) Intangible assets

i) Recognition and measurement

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

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

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

ii) Subsequent expenditure

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

iii) Amortization

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

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

i.	Trademarks	10~20 years
ii.	Patents	7~20 years
iii.	Technology know-how	10 years
iv.	Charters, Licenses, and Customer relationship	2~5 years
v.	Computer software	3 years

(Continued)

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

(l) Impairment of non-financial assets

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

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

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

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

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

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

(m) Provisions

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

A provision need not be disclosed if there is only a small likelihood of an outflow of future economic benefits. Only present obligation that is less than likely to happen or cannot be reasonably estimated should be disclosed as contingent liability. The existence of the contingent liability is decided based on one or numerous future events. Disclosure is not necessary if the obligation is highly unlikable to happen, otherwise it should be recognized as contingent liability.

(n) Revenue

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

Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

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

(o) Government grants and government assistance

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

(p) Employee benefits

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

Pension funds are recognized according to the labor regulations of the R.O.C., P.R.C., Malaysia, and Japan. Other than allocating pension obligations to the cost of goods sold, these obligations should be recognized as expense in the period they occurred.

(q) 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 using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

(Continued)

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.

(r) Business combinations

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

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

(s) Earnings per share

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

(t) Operating segments

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

(5) Major sources of accounting assumptions, judgments, and estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 " Interim Financial Reporting") 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 financial statements, estimates and underlying assumptions were reviewed on an ongoing basis in comformity, with the consolidated financial statements for the year ended December 31, 2020. For related information, please refer to Note 5 of the 2020 annual consolidated financial statements.

(6) Explanation of Significant Accounts

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2020 consolidated financial statements. Please refer to Note 6 of the 2020 annual consolidated financial statements.

(a) Cash and cash equivalents

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Cash on hand	$ 2,136	9,194	1,721	7,533	1,837	7,840
Demand deposits	643,189	2,768,929	581,363	2,544,624	498,929	2,129,929
Time deposits	54,445	234,388	71,220	311,730	14,913	63,666
	$ 699,770	**3,012,511**	**654,304**	**2,863,887**	**515,679**	**2,201,435**

Please refer to note 6(v) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Other current financial assets

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Restricted deposits	$ 748,217	3,221,074	577,472	2,527,593	577,854	2,466,857
Time deposits－maturity more than three-month	170,207	732,741	199,265	872,184	183,020	781,312
Total	**$ 918,424**	**3,953,815**	**776,737**	**3,399,777**	**760,874**	**3,248,169**

Please refer to note 8 for more details on restricted time deposits, which are certificates of time deposits pledged as collateral for the Group's bank loans.

(c) Notes and trade receivables

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Notes receivables	$ 3,839	16,526	3,542	15,505	6,216	26,537
Trade receivables	814,629	3,506,981	860,395	3,765,950	891,431	3,805,519
Trade receivables from related parties	34,354	147,894	26,276	115,007	28,750	122,734
Long-term receivables	33,507	144,248	46,032	201,484	74,926	319,860
	886,329	3,815,649	936,245	4,097,946	1,001,323	4,274,650
Less: Loss allowance	40,917	176,148	47,528	208,030	60,541	258,450
	$ 845,412	**3,639,501**	**888,717**	**3,889,916**	**940,782**	**4,016,200**

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

		September 30, 2021				
	Gross carrying amount		Weighted average loss rate	Loss allowance provision	
	CNY	TWD		CNY	TWD
Current	$ 582,586	2,508,030	1	5,825	25,080
1 to 30 days past due	42,323	182,203	2	846	3,644
31 to 90 days past due	61,168	263,329	4	2,447	10,533
91 to 180 days past due	43,377	186,740	8	3,470	14,939
181 to 360 days past due	17,867	76,919	16	2,859	12,307
More than 1 year past due	26,965	116,086	83	22,441	96,607
	$ 774,286	**3,333,307**		**37,888**	**163,110**

		December 31, 2020				
	Gross carrying amount		Weighted average loss rate	Loss allowance provision	
	CNY	TWD		CNY	TWD
Current	$ 586,577	2,567,447	1	5,866	25,674
1 to 30 days past due	45,770	200,337	2	916	4,007
31 to 90 days past due	59,512	260,483	4	2,380	10,419
91 to 180 days past due	45,015	197,031	8	3,601	15,762
181 to 360 days past due	18,842	82,473	16	3,015	13,196
More than 1 year past due	35,542	155,564	84	29,767	130,291
	$ 791,258	**3,463,335**		**45,545**	**199,349**

		September 30, 2020				
	Gross carrying amount		Weighted average loss rate	Loss allowance provision	
	CNY	TWD		CNY	TWD
Current	$ 514,935	2,198,257	1	5,149	21,983
1 to 30 days past due	59,946	255,909	2	1,199	5,118
31 to 90 days past due	62,888	268,471	4	2,516	10,739
91 to 180 days past due	102,496	437,557	8	8,200	35,005
181 to 360 days past due	52,623	224,653	16	8,420	35,945
More than 1 year past due	42,343	180,761	78	33,023	140,980
	$ 835,231	**3,565,608**		**58,507**	**249,770**

(Continued)

The loss allowance provision for notes receivable and trade receivable in Taiwan and Japan were determined as follows:

		Gross carrying amount CNY	Gross carrying amount TWD	September 30, 2021 Weighted average loss rate	Loss allowance provision CNY	Loss allowance provision TWD
Current	$	96,125	413,818	0	-	-
1 to 30 days past due		3,211	13,821	0	-	-
31 to 90 days past due		3,065	13,194	1	31	132
91 to 180 days past due		212	914	3	6	27
181 to 360 days past due		2,872	12,365	7	201	866
More than 1 year past due		6,558	28,230	43	2,791	12,013
	$	**112,043**	**482,342**		**3,029**	**13,038**

		Gross carrying amount CNY	Gross carrying amount TWD	December 31, 2020 Weighted average loss rate	Loss allowance provision CNY	Loss allowance provision TWD
Current	$	133,980	586,430	0	-	-
1 to 30 days past due		1,959	8,577	0	-	-
31 to 90 days past due		1,817	7,955	1	18	80
91 to 180 days past due		2,334	10,217	3	70	307
181 to 360 days past due		2,142	9,376	7	150	656
More than 1 year past due		2,755	12,056	63	1,745	7,638
	$	**144,987**	**634,611**		**1,983**	**8,681**

		Gross carrying amount CNY	Gross carrying amount TWD	September 30, 2020 Weighted average loss rate	Loss allowance provision CNY	Loss allowance provision TWD
Current	$	115,212	491,841	0	-	-
1 to 30 days past due		30,250	129,137	0	-	-
31 to 90 days past due		886	3,782	1	9	38
91 to 180 days past due		11,667	49,805	1	172	734
181 to 360 days past due		4,795	20,470	7	336	1,433
More than 1 year past due		3,282	14,007	46	1,517	6,475
	$	**166,092**	**709,042**		**2,034**	**8,680**

(Continued)

The movement in the allowance for notes and trade receivables were as follows:

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Balance at January 1	$ 47,528	208,030	49,442	212,848
Impairment losses recognized	-	-	11,838	50,424
Reversal of impairment losses	(5,731)	(24,860)	-	-
Amounts written off	(928)	(3,989)	(756)	(3,219)
Foreign exchange gains (losses)	48	(3,033)	17	(1,603)
Balance at September 30	**$ 40,917**	**176,148**	**60,541**	**258,450**

As of September 30, 2021, December 31 and September 30, 2020, the notes and trade receivables of the Group were not discounted or pledged as collateral.

(d) Inventories

i) The details were as follows:

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	$ 351,434	1,512,924	368,913	1,614,732	363,689	1,552,587
Work in process	251,644	1,083,327	222,624	974,425	251,892	1,075,328
Raw materials	52,364	225,427	46,116	201,849	46,939	200,383
Low value consumables	15,218	65,513	11,931	52,222	11,513	49,149
	$ 670,660	**2,887,191**	**649,584**	**2,843,228**	**674,033**	**2,877,447**

ii) The details of the cost of good sales

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Cost of inventories sold	$ 203,674	876,377	171,070	728,304
Inventory scrap loss	46,872	202,558	23,889	101,722
Inventory obsolescence (gain) loss	(17,223)	(74,667)	(2,821)	(12,016)
	$ 233,323	**1,004,268**	**192,138**	**818,010**

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Cost of inventories sold	$ 644,694	2,796,359	476,363	2,029,067
Inventory scrap loss	93,648	406,198	52,122	222,014
Inventory obsolescence (gain) loss	(19,554)	(84,815)	(2,693)	(11,471)
	$ 718,788	**3,117,742**	**525,792**	**2,239,610**

(Continued)

(e) Prepayments

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Input Tax	$ 85,628	368,629	89,803	393,066	74,546	318,241
Other prepaid expenses	17,406	74,931	13,798	60,394	12,822	54,728
Prepaid purchases	11,915	51,293	951	4,162	5,389	23,010
Prepaid advertisement	1,131	4,869	3,179	13,912	9,647	41,183
Prepaid insurance	556	2,392	784	3,432	572	2,441
Other prepayments	15,798	68,009	9,656	42,267	13,199	56,346
	$ 132,434	**570,123**	**118,171**	**517,233**	**116,175**	**495,949**

(f) Acquisition of subsidiary

In order for the Group to extend its retail coverage in the competitive contact lenses market and to achieve its retail expansion goal, the Group's Board of Directors approved the acquisition of 100% shares and full control of Asiastar Co., Ltd. on December 31, 2020. The rights and obligations of Asiastar Co., Ltd. were transferred on January 4, 2021, which was also deemed as the acquisition date.

Asiastar Co., Ltd. is mainly engaged in the distribution of contact lenses, lens care products and eye-moisturizing products.

Each major class of consideration transferred, assets acquired and liabilities assumed on the acquisition date, and goodwill recognized are summarized below:

i) The following table summarizes the acquisition-date fair value of each major class of consideration transferred.

	CNY	TWD
Cash	**$ 7,366**	**32,000**

ii) The following table summarizes the fair value of the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

	CNY	TWD
Intangible assets - patents and customer relationship	3,190	13,856
Inventories	25,545	110,969
Trade receivables	12,531	54,433
Cash and cash equivalents	2,017	8,762
Prepaid expenses	1,782	7,741
Other current assets	341	1,480
Notes payable to related parties	(35)	(150)
Trade payables	(41,844)	(181,772)
Accrued expenses	(311)	(1,349)
Other current liabilities	(168)	(731)
Total identifiable net assets acquired	**$ 3,048**	**13,239**

(Continued)

The fair value of intangible assets (including patents and customer relationships) of TWD $13,856 thousand has been determined provisionally pending completion of an independent valuation.

If there is information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which lead to an adjustment to the above-mentioned provision amounts, or any additional provisions at the acquisition date, then the acquisition accounting will be revised.

iii) Goodwill

Goodwill arising from the acquisition has been recognized as follows:

	CNY	TWD
Consideration transferred	7,366	32,000
Less: Fair value of identifiable net assets	3,048	13,239
Goodwill	**$ 4,318**	**18,761**

The goodwill is mainly attributable to the synergies expected to be achieved from revenue growth and future market development. Since these benefits do not meet the definition of identifiable intangible assets, the Group does not recognize them separately. None of the goodwill recognized is expected to be deductible for tax purposes.

iv) Intangible assets

Acquired intangible assets - patents and customer relationships, as mentioned above, are amortized over their useful life of three years, under the straight-line method.

(g) Property, plant and equipment

	For the nine months ended September 30, 2021									
	Beginning balance		Additions		Disposals		Reclassification and exchange rate difference		Ending balance	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Cost:										
Building	$ 777,156	3,401,613	25,369	110,036	(1,561)	(6,772)	79,404	285,108	880,368	3,789,985
Leasehold improvements	128,177	561,031	158	687	(2,383)	(10,337)	(68,956)	(306,013)	56,996	245,368
Machinery	1,770,372	7,749,111	42,999	186,507	(39,407)	(170,928)	43,637	60,082	1,817,601	7,824,772
Transportation equipment	10,280	44,995	995	4,315	(1,084)	(4,702)	33	(594)	10,224	44,014
Other equipment	28,151	123,214	96	415	(3,148)	(13,653)	89	(1,543)	25,188	108,433
Construction in process	90,947	397,882	149,419	648,107	-	-	(76,607)	(341,006)	163,759	704,983
Subtotal	2,805,083	12,277,846	219,036	950,067	(47,583)	(206,392)	(22,400)	(303,966)	2,954,136	12,717,555
Accumulated depreciation:										
Building	154,898	677,986	22,538	97,757	(1,262)	(5,473)	1,377	(5,913)	177,551	764,357
Leasehold improvements	26,257	114,935	2,354	10,209	(2,378)	(10,314)	80	(1,553)	26,313	113,277
Machinery	764,510	3,346,263	113,358	491,692	(38,459)	(166,816)	6,694	(28,666)	846,103	3,642,473
Transportation equipment	7,214	31,576	592	2,568	(1,004)	(4,354)	17	(434)	6,819	29,356
Other equipment	21,604	94,549	1,323	5,738	(3,122)	(13,541)	105	(1,034)	19,910	85,712
Subtotal	974,483	4,265,309	140,165	607,964	(46,225)	(200,498)	8,273	(37,600)	1,076,696	4,635,175
Property, plant and equipment, net	**$ 1,830,600**	**8,012,537**	**78,871**	**342,103**	**(1,358)**	**(5,894)**	**(30,673)**	**(266,366)**	**1,877,440**	**8,082,380**

(Continued)

	For the nine months ended September 30, 2020									
	Beginning balance		Additions		Disposals		Reclassification and exchange rate difference		Ending balance	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Cost:										
Building	$ 777,459	3,346,961	2,670	11,371	(798)	(3,401)	13,376	29,132	792,707	3,384,063
Leasehold improvements	149,732	644,596	1,227	5,227	-	-	(22,676)	(102,184)	128,283	547,639
Machinery	1,641,762	7,067,785	42,604	181,470	(3,661)	(15,595)	99,463	366,068	1,780,168	7,599,728
Transportation equipment	12,054	51,892	840	3,577	(2,584)	(11,008)	24	(346)	10,334	44,115
Other equipment	31,355	134,983	462	1,970	(2,858)	(12,173)	130	(596)	29,089	124,184
Construction in process	135,082	581,528	44,186	188,018	(20,258)	(87,210)	(80,738)	(348,384)	78,272	333,952
Subtotal	2,747,444	11,827,745	91,989	391,633	(30,159)	(129,387)	9,579	(56,310)	2,818,853	12,033,681
Accumulated depreciation:										
Building	134,316	578,230	27,200	115,858	(296)	(1,260)	(7,476)	(36,496)	153,744	656,332
Leasehold improvements	31,210	134,359	2,536	10,804	-	-	(8,113)	(35,728)	25,633	109,435
Machinery	630,505	2,714,324	108,717	463,080	(3,380)	(14,399)	2,553	(10,807)	738,395	3,152,198
Transportation equipment	9,058	38,993	471	2,007	(2,385)	(10,157)	12	(292)	7,156	30,551
Other equipment	22,858	98,404	1,752	7,465	(2,851)	(12,145)	83	(482)	21,842	93,242
Subtotal	827,947	3,564,310	140,676	599,214	(8,912)	(37,961)	(12,941)	(83,805)	946,770	4,041,758
Property, plant and equipment, net	**$ 1,919,497**	**8,263,435**	**(48,687)**	**(207,581)**	**(21,247)**	**(91,426)**	**22,520**	**27,495**	**1,872,083**	**7,991,923**

The Group's interest expense for the nine months ended September 30, 2021 and 2020 amounted to CNY24,061 thousand (TWD104,367 thousand) and CNY34,646 thousand (TWD147,573 thousand), respectively, wherein the amounts of CNY379 thousand (TWD1,645 thousand) and CNY1,150 thousand (TWD4,899 thousand) were accounted for as capitalized borrowing cost for the acquisition of fixed assets (construction in process and prepayments of equipment) at the capitalization rate of 1.5862% and 1.5907%, respectively; please refer to note 6(u).

The property, plant and equipment of the Group have been pledged as collateral for long-term borrowings; please refer to note 8.

(h) Right-of-use assets

The Group leases many assets including land and buildings, machinery, vehicles, etc. Information regarding the cost and depreciation of these leases are presented below:

	CNY				
	Land	Buildings	Machinery	Vehicles	Total
Cost:					
Balance at January 1, 2021	$ 76,965	32,440	2,683	1,417	113,505
Additions	12,207	4,542	84	452	17,285
Disposal/Write-off	-	(719)	(538)	(32)	(1,289)
Foreign currency translation difference	1,005	120	45	24	1,194
Balance at September 30, 2021	**$ 90,177**	**36,383**	**2,274**	**1,861**	**130,695**

(Continued)

		Land	Buildings	CNY Machinery	Vehicles	Total
Balance at January 1, 2020	$	78,706	30,607	1,932	1,195	112,440
Additions		6	2,607	753	451	3,817
Disposal/Write-off		-	(280)	-	(257)	(537)
Foreign currency translation difference		522	138	16	10	686
Balance at September 30, 2020	**$**	**79,234**	**33,072**	**2,701**	**1,399**	**116,406**
Accumulated depreciation and impairment losses:						
Balance at January 1, 2021	$	3,345	19,966	1,272	674	25,257
Depreciation for the year		1,307	7,982	439	437	10,165
Disposal/Write-off		-	(469)	-	-	(469)
Foreign currency translation difference		48	47	25	15	135
Balance at September 30, 2021	**$**	**4,700**	**27,526**	**1,736**	**1,126**	**35,088**
Balance at January 1, 2020	$	1,698	9,747	609	356	12,410
Depreciation for the year		1,289	7,940	486	434	10,149
Disposal/Write-off		-	(115)	-	-	(115)
Foreign currency translation difference		8	24	4	(250)	(214)
Balance at September 30, 2020	**$**	**2,995**	**17,596**	**1,099**	**540**	**22,230**
Carrying amount:						
Balance at January 1, 2021	**$**	**73,620**	**12,474**	**1,411**	**743**	**88,248**
Balance at September 30, 2021	**$**	**85,477**	**8,857**	**538**	**735**	**95,607**
Balance at September 30, 2020	**$**	**76,239**	**15,476**	**1,602**	**859**	**94,176**
Balance at January 1, 2020	**$**	**77,008**	**20,860**	**1,323**	**839**	**100,030**

		Land	Buildings	TWD Machinery	Vehicles	Total
Cost:						
Balance at January 1, 2021	$	336,879	141,998	11,742	6,198	496,817
Additions		52,551	19,554	360	1,948	74,413
Disposal/Write-off		-	(3,094)	(2,317)	(140)	(5,551)
Foreign currency translation difference		(1,215)	(1,818)	-	-	(3,033)
Balance at September 30, 2021	**$**	**388,215**	**156,640**	**9,785**	**8,006**	**562,646**
Balance at January 1, 2020	$	338,834	131,769	8,313	5,138	484,054
Additions		24	11,130	3,215	1,935	16,304
Disposal/Write-off		-	(1,195)	-	(1,099)	(2,294)
Foreign currency translation difference		(606)	(513)	-	-	(1,119)
Balance at September 30, 2020	**$**	**338,252**	**141,191**	**11,528**	**5,974**	**496,945**

(Continued)

		Land	Buildings	CNY Machinery	Vehicles	Total
Accumulated depreciation and impairment losses:						
Balance at January 1, 2021	$	14,643	87,393	5,566	2,952	110,554
Depreciation for the year		5,670	34,621	1,903	1,894	44,088
Disposal/Write-off		-	(2,035)	-	-	(2,035)
Foreign currency translation difference		(75)	(1,475)	-	-	(1,550)
Balance at September 30, 2021	**$**	**20,238**	**118,504**	**7,469**	**4,846**	**151,057**
Balance at January 1, 2020	$	7,310	41,962	2,622	1,532	53,426
Depreciation for the year		5,492	33,820	2,069	1,850	43,231
Disposal/Write-off		-	(490)	-	(1,077)	(1,567)
Foreign currency translation difference		(13)	(168)	-	-	(181)
Balance at September 30, 2020	**$**	**12,789**	**75,124**	**4,691**	**2,305**	**94,909**
Carrying amount:						
Balance at January 1, 2021	**$**	**322,236**	**54,605**	**6,176**	**3,246**	**386,263**
Balance at September 30, 2021	**$**	**367,977**	**38,136**	**2,316**	**3,160**	**411,589**
Balance at September 30, 2020	**$**	**325,463**	**66,067**	**6,837**	**3,669**	**402,036**
Balance at January 1, 2020	**$**	**331,524**	**89,807**	**5,691**	**3,606**	**430,628**

The right-of-use assets of the Group have been pledged as collateral; please refer to note 8.

(i) Intangible assets

i) Goodwill

		September 30, 2021 CNY	September 30, 2021 TWD	December 31, 2020 CNY	December 31, 2020 TWD	September 30, 2020 CNY	September 30, 2020 TWD
Beginning balance	$	7,831	34,276	7,831	33,712	7,831	33,712
Acquisition through business combinations		4,318	18,761	-	-	-	-
Effect of change in exchange rates		42	(555)	-	564	-	(282)
	$	**12,191**	**52,482**	**7,831**	**34,276**	**7,831**	**33,430**

The goodwill was generated through the acquisition of 100% equity shares of Asiastar Corporation, Shanghai Horien Corporation and Yung Sheng Corporation on January 4 ,2021, April 1, 2013 and September 1, 2010, respectively. Please refer to note 6(f) for details regarding the goodwill generated from acquisition through business combinations.

ii) Others intangible assets

		September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Original cost	$	26,567	136,879	26,388	136,102	26,388	136,102
Acquisition through business combinations		3,193	13,856	-	-	-	-
Plus: Additions		-	-	179	777	182	775
Less: Disposals		-	-	-	-	(2)	(9)
Less: Accumulated amortization		(27,139)	(116,833)	(25,648)	(112,261)	(25,285)	(107,942)
Effect of change in exchange rates		451	(20,675)	18	(20,516)	23	(23,351)
	$	**3,072**	**13,227**	**937**	**4,102**	**1,306**	**5,575**

The accumulated amortization was as follows:

		September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Beginning balance	$	25,648	112,261	24,202	104,190	24,202	104,190
Plus: Amortization for the year		1,079	4,681	1,446	6,191	1,085	4,623
Less: Disposals		-	-	-	-	(2)	(9)
Effect of change in exchange rates		412	(109)	-	1,880	-	(862)
	$	**27,139**	**116,833**	**25,648**	**112,261**	**25,285**	**107,942**

For the production process of contact lenses and related products, the Group had to acquire trademark, patent, technology-know-how, concession, license, franchise and customer relationship, which are allocated to general and administrative expenses.

Please refer to note 6(f) for details regarding the goodwill generated from acquisition through business combinations.

(j) Other non-current assets

		September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Restricted deposits	$	1,098	4,727	1,709	7,481	2,487	10,618
Refundable deposits-non-current		453	1,950	446	1,950	457	1,950
Total	**$**	**1,551**	**6,677**	**2,155**	**9,431**	**2,944**	**12,568**

(Continued)

(k) Bank loans

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Current:						
Unsecured loans	$ 361,199	1,554,960	441,684	1,933,251	484,669	2,069,051
Secured loans	799,538	3,442,015	585,607	2,563,200	638,714	2,726,670
Long-term loans within a year	30,225	130,118	46,836	205,000	17,569	75,000
Subtotal	1,190,962	5,127,093	1,074,127	4,701,451	1,140,952	4,870,721
Non-current:						
Unsecured loans	$ 58,072	250,000	57,117	250,000	670,321	2,861,600
Secured loans	896,117	3,857,782	863,057	3,777,600	281,096	1,200,000
Subtotal	954,189	4,107,782	920,174	4,027,600	951,417	4,061,600
Total	**$ 2,145,151**	**9,234,875**	**1,994,301**	**8,729,051**	**2,092,369**	**8,932,321**
Interest rates		**0.55%~3.42%**		**0.75%~3.6%**		**0.7%~4.05%**

Please refer to note 8 for the Group's pledged assets as collateral for bank loans as of September 30, 2021, December 31 and September 30, 2020.

i) On June 17, 2019, the Group's subsidiary, Yungsheng Corporation, entered into a syndicated loan agreement with twelve financial institutions, with Chang Hwa Commercial Bank acting as the leading bank. Yungsheng Corporation issued a corporate commercial paper for the redemption of its loan amounting to TWD4,100,000 thousand, with TWD2,800,000 thousand being guaranteed by the Company. The total loan of TWD4,100,000 thousand is divided into three separate credit lines: Credit line A amounting to TWD2,400,000 thousand; Credit line B amounting to TWD350,000 thousand; and Credit line C amounting to TWD1,350,000 thousand. The total amount of loan commitments is to be used for the expansion of the subsidiary's factories, acquisition of machinery and other relevant equipment. The remaining amount of loan is to be used for settling current loans and to provide liquidity to its working capital.

ii) Throughout the duration of the syndicated loan agreement, the Group should comply with the following financial covenants, which require Yungsheng Corporation to maintain certain financial ratios based on Yungsheng Corporation's individual annual and semi-annual financial statements and to comply with the listed clauses as follows:

i. Current ratio (current assets / current liabilities) should be higher than or equal to 100%;

ii. Liability ratio (total liabilities / tangible net value) should be less than or equal to 250%;

iii. Times interest earned ratio [(profit before income tax+ interest expense + depreciation +amortization) / interest expense] should not be less than 3;

iv. Tangible net assets (total equity - intangible assets) should not be less than TWD2,000,000 thousand;

v. The Company needs to ensure that its investment in Yungsheng Corporation, Haichang Corporation, Shanghai Horien and Horien Corporation, should not be less than 75%. It should have substantial control over the aforementioned subsidiaries and is not allowed to pledge its shares in the subsidiaries as collateral to any third party.

(Continued)

If the abovementioned terms are not met, the Group will have to improve within a given period of time after the annual or semi-annual reporting date. During the improvement period, non-compliance with the clauses will not be regarded as a breach of contract, but the loan interest rate will be raised.

iii) There are seven repayment terms in total. Twenty-four months after the initiation of Credit line A and C will be deemed as the first term, and then every 6 months thereafter, will be deemed as one term.

As of September 30, 2021, December 31 and September 30, 2020, the withdrawal amounts of the 2019 syndicated loan were CNY802,081 thousand (TWD3,452,960 thousand), CNY743,112 thousand (TWD3,252,600 thousand) and CNY760,344 thousand (TWD3,252,600 thousand). These withdrawals were mainly used for reimbursement and capital expenditures. For the months ended September 30, 2021, December 31 and September 30, 2020, the Group has not breach any of the above-mentioned financial covenants or clauses.

(l) Lease liabilities

The carrying amount of the Group's lease liabilities were as follows:

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Current	$ 8,092	34,835	8,840	38,693	9,404	40,146
Non-current	$ 73,023	314,362	59,719	261,390	64,043	273,398

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Interest on lease liabilities	$ 309	1,324	432	1,842
Expenses relating to short-term leases	$ 168	721	260	1,107
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 86	372	57	242

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Interest on lease liabilities	$ 960	4,159	1,220	5,198
Expenses relating to short-term leases	$ 554	2,403	283	1,205
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 294	1,276	187	795

(Continued)

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

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Total cash outflow for leases	$ 11,465	49,500	9,572	40,392

i) Real estate leases

The Group leases land and buildings for its office space. The leases of these office spaces typically run for a period of 3 to 50 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some machinery and equipment leases contain extension or cancellation options. 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 cases where the lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

ii) Other leases

The Group also leases machinery and vehicles with contract terms of 3 to 5 years. Copying machines and other IT equipment have contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(m) Other payables

		September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Accrued expenses and other payables	$	149,900	645,318	59,120	258,768	50,498	215,576
Accrued salary and bonus		35,833	154,260	52,335	229,069	44,365	189,394
Tax payable		10,251	44,130	19,956	87,347	13,791	58,874
	$	195,984	843,708	131,411	575,184	108,654	463,844

Payables as mentioned above were expected to redeem within 1 year.

(n) Current refundable liabilities

i) Allowance for sales discount

	Allowance for sales discount	
	CNY	TWD
Balance at January 1, 2021	$ 27,306	119,519
Allowance made during the period	301,748	1,308,831
Allowance used during the period	(296,840)	(1,287,544)
Effect of changes in foreign exchange rate	281	(914)
Balance at September 30, 2021	$ 32,495	139,892

(Continued)

		Allowance for sales discount	
		CNY	TWD
Balance at January 1, 2020	$	30,105	129,603
Allowance made during the period		177,752	757,130
Allowance used during the period		(185,304)	(789,297)
Effect of changes in foreign exchange rate		(3,263)	(15,087)
Balance at September 30, 2020	**$**	**19,290**	**82,349**

(o) Employee benefit

The defined contribution plan recognized by the Group as employee benefit expense in the employee' s labor service period is determined as follows:

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Pension expense	**$ 5,394**	**23,236**	**2,588**	**11,015**

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Pension expense	**$ 15,411**	**66,845**	**9,586**	**40,832**

(p) Income tax expense

i) Income tax expense

The income tax expense for the nine months ended September 30, 2021 and 2020, were as follows:

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Current income tax expense				
Currently incurred	$ 10,276	43,999	13,703	58,322
Adjustment to prior year's income tax charged to current income tax	(7)	110	-	-
	10,269	44,109	13,703	58,322
Deferred tax expense				
The origination and reversal of temporary differences unrecognized tax losses	421	1,822	5,011	21,366
Income tax expenses	**$ 10,690**	**45,931**	**18,714**	**79,688**

(Continued)

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Current income tax expense				
Currently incurred	$ 46,209	200,451	49,979	212,884
Adjustment to prior year's income tax charged to current income tax	(8,775)	(38,061)	(2,037)	(8,680)
	37,434	162,390	47,942	204,204
Deferred tax expense				
The origination and reversal of temporary differences	686	2,956	(8,460)	(36,030)
Income tax expenses	**$ 38,120**	**165,346**	**39,482**	**168,174**

The Group has no income tax recognized in other comprehensive income or equity for the nine months ended September 30, 2021 and 2020.

Ginko, Prosper Link, Gain Bless, and Master Harvest, have no tax liabilities for the nine months ended September 30, 2021 and 2020, since they were incorporated in income-tax free countries.

According to Hong Kong's corporate tax regulations, Haichang International is subject to a tax rate of 16.5% for domestically earned profits.

In accordance with the Income Tax Law of the People's Republic of China, the standard tax rate for Haichang Corporation, Horien Corporation, Shanghai Horien, and Shanghai Fushiyuan is 25%, in the case of no tax incentives.

A tax incentive is granted to Haichang Corporation and Horien Corporation for qualifying as a high-tech enterprise in China on November 28, 2018 and December 2, 2020 respectively. The tax reduction is applicable for three years after the issuance date; the tax rate remains at 15%.

According to the Income Tax Law of the People's Republic of China, all foreign investors are subject to 10% withholding tax on their dividend income derived from their investment in local Chinese companies effective since January 2008.

However, some specific foreign investors would qualify for a reduced tax rate of 5% for dividend income according to Letter No.601 [2009] of the State Administration of Taxation issued on October 27, 2009. Since April 1, 2018, Letter No. 601[2009] has been replaced by Letter No.9 [2018] of the State Administration of Taxation.

In accordance with the Income Tax Act of the Republic of China, the corporate income tax rate for Yungsheng Corporation is 20% and a surtax of 5% on its prior year's undistributed earnings.

According to the Income Tax Act of Malaysia, Horien (Malaysia) is subject to a tax rate of 18%, given that the entity has a paid-up capital of less than MYR2500 thousand and does not benefit from any other tax incentives.

(Continued)

In accordance with the Income Tax Act of Japan, Yungsheng (Japan) has a stated capital exceeding JPY100,000 thousand, conforms to a standard tax rate of 23%. On the other hand, Uni-Beauty, with a stated capital less than JPY100,000 thousand and a taxable income of less than JPY8,000 thousand, is subject to a tax rate of 15%. However, if its taxable income exceeds JPY8,000 thousand, a tax rate of 23% applies.

ii) Uncertainty over income tax treatments

Filed tax returns, which are not yet assessed by the tax authorities, create uncertainty over income tax treatments. Therefore, the Group has measured the impact of probable outcomes through relevant tax rulings and historical experiences, and thus, recorded sufficient tax liabilities.

iii) Assessment of tax

Yungsheng Corporation's tax returns for the years through 2018 were assessed by the National Tax Administration.

(q) Capital and other equity interest

i) Share capital

As of September 30, 2021, December 31 and September 30, 2020, the total value of common shares issued by the Group were all TWD970,730 thousand (CNY202,938 thousand), with par value of TWD10 per share.

ii) Nature and purposes of capital surplus

i. Share premium

According to the Company Act of the Cayman Islands, share premium can only be issued if the Group could redeem debts and maintain normal operations after dividend distribution.

ii. Paid-in capital

Paid-in capital on consolidated financial statements consists of paid-in capital from equity restructuring, share premium, and share options of convertible bonds.

iii) Cumulative translation adjustment

Cumulative translation adjustment is the difference arising from the different conversion rates used in the financial statements of each subsidiary.

iv) Appropriations of retained earnings from subsidiaries which is the actual operating entity

i. P.R.C. statutory reserve

According to the regulations of the PRC and the Article of Incorporation of the subsidiaries registered in China, the subsidiaries should allocate retained earnings to the statutory reserve fund approved by the board of directors. The statutory reserve fund may be used to offset a deficit (if any), or increase capital; however, the increased capital should not be less than 25% of registered capital. According to the laws and regulations of the PRC, each subsidiary which is 100% held by a parent company in the PRC has to allocate 10% of its net income to the general reserve fund before distributing dividends to shareholders until the balance of reserve fund reaches up to 50% of registered capital.

ii. R.O.C. Legal reserve

According to the Company's Articles of Incorporation, when the subsidiary incurs no loss, the profit must first be used to pay the income tax expense, offset any prior years' deficits, then retain 10% of its after-tax annual earnings as legal reserve until such retention equals the amount of the total capital.

v) Appropriation of earnings

The Company's Articles of Incorporation stipulate that the Group's annual net earnings, if any, should be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval, listed in the following order:

i. to settle the applicable amount of income tax;

ii. to offset prior years' deficit, if any;

iii. to appropriate 10% as legal reserve, unless the accumulated amount of the legal reserve already equals the total paid-up capital of the Company;

iv. to appropriate an amount to special reserve, pursuant to applicable laws and regulations;

v. then the remain earnings (i.e. after deducting items (i) to (iv) from net earnings, plus, previously unappropriated retained earnings) will be proposed for distribution by the Board of Directors during the shareholder's meeting for approval based on applicable regulations. The dividends distributed may not be less than 30% of the earnings after the abovementioned appropriations, items (i) to (iv), were made. Distribution shall be in the form of cash dividends and/or bonus shares, whereas the cash dividends shall not be less than 30% of total dividends.

(Continued)

Earnings distributions for 2020 and 2019 were decided by the resolution adopted at the general meeting of shareholders held on July 12, 2021 and June 23, 2020, respectively. The relevant dividend distributions to shareholders were as follows:

	2020		2019	
	Share distribution rate (in TWD)	TWD	Share distribution rate (in TWD)	TWD
Dividends attributable to ordinary shareholders:				
Cash	$ 6.00	582,438	3.00	277,351
Shares	-	-	0.50	46,225
Total		**$ 582,438**		**323,576**

(r) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the three months ended September 30, 2021 and 2020 were as follows:

Shares: thousand

	For the three months ended September 30, after tax			
	2021		2020	
	CNY	TWD	CNY	TWD
Basic EPS:				
Profit	**$ 29,197**	**124,201**	**86,755**	**369,452**
Weighted-average number of ordinary shares	**97,073**	**97,073**	**97,073**	**97,073**
Basic EPS (in Chinese Yuan and New Taiwan Dollars)	**$ 0.30**	**1.28**	**0.89**	**3.81**
Diluted EPS:				
Profit	$ 29,197	124,201	86,755	369,452
Profit (diluted)	**$ 29,197**	**124,201**	**86,755**	**369,452**
Weighted-average number of ordinary shares	97,073	97,073	97,073	97,073
Effect of potentially dilutive ordinary shares				
－Employee stock bonuses	153	153	131	131
Weighted-average number of ordinary shares outstanding (diluted)	**97,226**	**97,226**	**97,204**	**97,204**
Diluted EPS (in Chinese Yuan and New Taiwan Dollars)	**$ 0.30**	**1.28**	**0.89**	**3.80**

(Continued)

Shares: thousand

	For the nine months ended September 30, after tax			
	2021		2020	
	CNY	TWD	CNY	TWD
Basic EPS:				
Profit attributable to ordinary shareholders of the Group	**$ 181,612**	**787,746**	**148,177**	**631,154**
Weighted-average number of ordinary shares	**97,073**	**97,073**	**97,073**	**97,073**
Basic EPS (in Chinese Yuan and New Taiwan Dollars)	**$ 1.87**	**8.11**	**1.53**	**6.50**
Diluted EPS:				
Profit attributable to ordinary shareholders of the Group	$ 181,612	787,746	148,177	631,154
Profit attributable to ordinary shareholders of the Group (diluted)	**$ 181,612**	**787,746**	**148,177**	**631,154**
Weighted-average number of ordinary shares	97,073	97,073	97,073	97,073
Effect of potentially dilutive ordinary shares				
－Employee stock bonuses	264	264	368	368
Weighted-average number of ordinary shares outstanding (diluted)	**97,337**	**97,337**	**97,441**	**97,441**
Diluted EPS (in Chinese Yuan and New Taiwan Dollars)	**$ 1.86**	**8.09**	**1.52**	**6.48**

(s) Revenue from contract with customers

i) Details of revenue

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Primary geographical markets:				
Mainland China	$ 406,966	1,752,376	292,987	1,247,427
Taiwan	38,186	163,296	82,596	351,627
North-east Asia	20,001	86,065	45,928	195,521
Europe	7,372	31,751	6,329	26,936
South-east Asia	1,358	5,843	1,594	6,785
Other countries	510	2,206	208	886
	$ 474,393	**2,041,537**	**429,642**	**1,829,182**
Major products:				
Contact lenses	$ 397,005	1,708,511	351,787	1,497,705
Contact lenses care solution	77,388	333,026	77,855	331,477
	$ 474,393	**2,041,537**	**429,642**	**1,829,182**

(Continued)

		For the nine months ended September 30, 2021		2020	
		CNY	TWD	CNY	TWD
Primary geographical markets:					
Mainland China	$	1,209,432	5,245,911	758,853	3,232,342
Taiwan		184,177	798,868	238,788	1,017,114
North-east Asia		63,079	273,605	135,096	575,439
Europe		21,439	92,992	24,092	102,619
South-east Asia		4,346	18,851	4,830	20,573
Other countries		863	3,743	319	1,359
	$	**1,483,336**	**6,433,970**	**1,161,978**	**4,949,446**
Major products:					
Contact lenses	$	1,240,648	5,381,311	965,668	4,113,268
Contact lens care solution		242,688	1,052,659	196,310	836,178
	$	**1,483,336**	**6,433,970**	**1,161,978**	**4,949,446**

ii) Contract balance

		September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Notes and trade receivables	$	886,329	3,815,649	936,245	4,097,946	1,001,323	4,274,650
Less: allowance for impairment		(40,917)	(176,148)	(47,528)	(208,030)	(60,541)	(258,450)
Total	**$**	**845,412**	**3,639,501**	**888,717**	**3,889,916**	**940,782**	**4,016,200**

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	CNY	CNY	CNY
Contract liabilities-current	**$ 22,895**	**98,564**	**15,685**	**68,654**	**16,478**	**70,344**

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

The contract liabilities primarily relate to the difference between the point at which the goods or services are delivered to the customer (performance obligation is fulfilled), but the payment has not been received.

(t) Employee compensation and directors' and supervisors' remuneration

In accordance with the Articles of Incorporation, the Group should contribute between 1.5% and 10% of its net profit before tax as employee compensation, and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, if the Group has accumulated deficits, the profit should be reserved to offset the deficit. The distribution of remuneration of each director and supervisor, and compensation for qualified employees, will have to be approved during the board meeting attended by two-thirds or more board directors.

For the nine months ended September 30, 2021 and 2020, the Group estimated its employee remuneration amounting to TWD34,978 thousand (CNY8,064 thousand) and TWD29,221 thousand (CNY6,860 thousand); and directors' and supervisors' remuneration amounting to TWD5,996 thousand (CNY1,382 thousand) and TWD5,009 thousand (CNY1,176 thousand), respectively. The estimated amounts mentioned above are calculated based on the net profit before tax multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses. If there is a change in the estimated amounts after the annual consolidated financial statements are authorized for issuance, the difference is recorded as change in accounting estimates and will be recognized as profit or loss in the following year's consolidated financial statements.

For the year ended December 31, 2020, the actual distribution of employee compensation was TWD45,802 thousand (CNY10,466 thousand), and the actual distribution of directors' and supervisors' remuneration was TWD7,852 thousand (CNY1,794 thousand). The actual amounts paid for employee compensation and directors' and supervisors' remuneration were higher than the amounts stated in the consolidated financial statements, with the difference being TWD1,217 thousand (CNY278 thousand) in total, which will be regarded as a change in accounting estimate and recorded as profit or loss in the year 2021. For more details, please visit the Market Observation Post System website.

(u) Non-operating income and expenses

i) Interest income

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Interest income from bank deposits	**$ 8,290**	**35,798**	**15,233**	**64,876**

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Interest income from bank deposits	**$ 18,181**	**78,858**	**22,401**	**95,419**

ii) Other income

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Subsidy income from the government	$ 99	371	2,894	12,322
Others	2,400	10,375	2,683	11,429
	$ 2,499	**10,746**	**5,577**	**23,751**

(Continued)

		For the nine months ended September 30, 2021		2020	
		CNY	TWD	CNY	TWD
Subsidy income from the government	$	3,966	17,205	3,942	16,789
Others		4,386	19,023	3,736	15,913
	$	**8,352**	**36,228**	**7,678**	**32,702**

Subsidy income from the government is an unconditional subsidy given by Mainland China government for rewarding the Group' s contribution to local economic development and the stabilization of local employment.

iii) Other gains or losses

		For the three months ended September 30, 2021		2020	
		CNY	TWD	CNY	TWD
Foreign exchange gains or losses	$	(1,792)	(7,912)	12,150	51,746
Losses on disposal of property, plant, and equipment		(127)	(537)	(13)	(54)
Bank fees		(524)	(2,264)	(1,044)	(4,444)
Others		(187)	(806)	(230)	(978)
	$	**(2,630)**	**(11,519)**	**10,863**	**46,270**

		For the nine months ended September 30, 2021		2020	
		CNY	TWD	CNY	TWD
Foreign exchange gains or losses	$	6,697	29,049	16,429	69,979
Losses on disposal of property, plant, and equipment		(980)	(4,251)	(840)	(3,583)
Bank fees		(1,059)	(4,595)	(1,360)	(5,790)
Donation contributions		(20)	(87)	(20)	(86)
Others		(474)	(2,056)	(427)	(1,812)
	$	**4,164**	**18,060**	**13,782**	**58,708**

iv) Financial costs

		For the three months ended September 30, 2021		2020	
		CNY	TWD	CNY	TWD
Interest expenses of bank loans	$	7,632	32,844	9,430	40,130
Less: capitalized interest		(99)	(424)	(311)	(1,321)
Other (note 6(l))		309	1,324	432	1,842
	$	**7,842**	**33,744**	**9,551**	**40,651**

(Continued)

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Interest expenses of bank loans	$ 24,061	104,367	34,646	147,573
Less: capitalized interest	(379)	(1,645)	(1,150)	(4,899)
Other (note 6(l))	960	4,159	1,220	5,198
	$ 24,642	**106,881**	**34,716**	**147,872**

(v) Financial risk management and fair value

i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group' s receivables from customers. As at reporting date, the Group's exposure to credit risk was mainly from its trade receivables and other receivables. The management established policies on mitigating its exposure to risk and continues to monitor emerging risks.

Credit evaluation is performed on customers with past-due accounts. The evaluation is based on the customer's current financial condition, historical payment records, customer relationship and other factors. Each customer has different payment terms, ranging from 90~300 days, depending on their assessed credit ratings. The Group should first collect payments for overdue accounts before giving these customers extra or extended credits. Additional approval will be required for unusual situations. Please refer to note 6(c) for the disclosure of the Group' s maximum amount of credit risk exposure for its trade receivables and other receivables.

The Group's credit risk is mainly influenced by individual customers and not by the industry of the customer or its overall economic environment.

As of September 30, 2021, December 31 and September 30, 2020, the credit risk concentration of the Group's top five customers consisted less than 21%, 24% and 22%, respectively, of its trade receivables.

The Group is not exposed to credit risk due to any financial guarantees. The Group's restricted deposits, cash and cash equivalents, are secured in major banks in Taiwan and Mainland China, which are all deemed creditworthy, and thus, not exposed to material credit risk.

The highest credit risk for each financial asset was recognized at the net value after deducting the allowance for impairment.

ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. When it is unable to do so, the Group will suffer a loss in profit or equity and even risking damage to the Group's reputation. The Group manages liquidity risk by periodically monitoring and maintaining its current and expected liquidity level, to ensure that it is able to settle short-term and long-term liabilities.

(Continued)

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

	September 30, 2021							
	Carrying amount		Nominal principal		Within 1 year		Long-term	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Unsecured loans	$ 361,199	1,554,960	367,018	1,580,015	367,018	1,580,015	-	-
Secured loans	799,538	3,442,015	801,008	3,448,338	801,008	3,448,338	-	-
Notes payable, Trade payables and other payables	318,227	1,369,961	318,227	1,369,961	318,227	1,369,961	-	-
Current contract liabilities	22,895	98,564	22,895	98,564	22,895	98,564	-	-
Long-term loans due within a year	30,225	130,118	30,766	132,447	30,766	132,447	-	-
Lease liabilities	81,115	349,197	111,321	479,235	9,427	40,582	101,894	438,653
Long-term loans	954,189	4,107,782	1,001,052	4,309,528	-	-	1,001,052	4,309,528
Total	**$ 2,567,388**	**11,052,597**	**2,652,287**	**11,418,088**	**1,549,341**	**6,669,907**	**1,102,946**	**4,748,181**

	December 31, 2020							
	Carrying amount		Nominal principal		Within 1 year		Long-term	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Unsecured loans	$ 441,684	1,933,251	449,637	1,968,061	449,637	1,968,061	-	-
Secured loans	585,607	2,563,200	586,872	2,568,739	586,872	2,568,739	-	-
Notes payable, Trade payables and other payables	264,391	1,157,239	264,391	1,157,239	264,391	1,157,239	-	-
Current contract liabilities	15,685	68,654	15,685	68,654	15,685	68,654	-	-
Long-term loans due within a year	46,836	205,000	49,629	217,222	49,629	217,222	-	-
Lease liabilities	68,559	300,083	96,979	424,477	10,055	44,011	86,924	380,466
Long-term loans	920,174	4,027,600	973,333	4,260,282	-	-	973,333	4,260,282
Total	**$ 2,342,936**	**10,255,027**	**2,436,526**	**10,664,674**	**1,376,269**	**6,023,926**	**1,060,257**	**4,640,748**

	September 30, 2020							
	Carrying amount		Nominal principal		Within 1 year		Long-term	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Unsecured loans	$ 484,669	2,069,051	504,994	2,155,819	504,994	2,155,819	-	-
Secured loans	638,714	2,726,670	640,691	2,735,109	640,691	2,735,109	-	-
Notes payable, Trade payables and other payables	231,712	989,178	231,712	989,178	231,712	989,178	-	-
Current contract liabilities	16,478	70,344	16,478	70,344	16,478	70,344	-	-
Long-term loans due within a year	17,569	75,000	18,602	79,411	18,602	79,411	-	-
Lease liabilities	73,447	313,544	103,320	441,073	10,751	45,896	92,569	395,177
Long-term loans	951,417	4,061,600	1,010,112	4,312,167	-	-	1,010,112	4,312,167
Total	**$ 2,414,006**	**10,305,387**	**2,525,909**	**10,783,101**	**1,423,228**	**6,075,757**	**1,102,681**	**4,707,344**

The Group is not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(Continued)

iii) Interest rate risk

i. Interest rate table

	September 30, 2021		
	CNY	TWD	Average interest rate (%)
Fixed interest rate:			
Time deposits (booked as cash and cash equivalents)	$ 54,445	234,388	2.10
Other current financial assets	918,424	3,953,815	1.99
Other non-current financial assets	1,551	6,677	0.24
Bank loans	(1,358,182)	(5,846,975)	1.17
	$ (383,762)	**(1,652,095)**	
Variable interest rate:			
Cash and cash equivalents	$ 643,189	2,768,929	0.25
Bank loans	(786,969)	(3,387,900)	1.72
	$ (143,780)	**(618,971)**	

	December 31, 2020		
	CNY	TWD	Average interest rate (%)
Fixed interest rate:			
Time deposits (booked as cash and cash equivalents)	$ 71,220	311,730	2.15
Other current financial assets	776,607	3,399,207	2.13
Other non-current financial assets	2,155	9,431	0.18
Bank loans	(1,251,188)	(5,476,451)	1.37
	$ (401,206)	**(1,756,083)**	
Variable interest rate:			
Cash and cash equivalents	$ 581,363	2,544,624	0.25
Bank loans	(743,112)	(3,252,600)	1.75
	$ (161,749)	**(707,976)**	

(Continued)

		September 30, 2020		
		CNY	TWD	Average interest rate (%)
Fixed interest rate:				
Time deposits (booked as cash and cash equivalents)	$	14,913	63,666	2.14
Other current financial assets		760,874	3,248,169	2.20
Other non-current financial assets		2,944	12,568	0.23
Bank loans		(1,345,917)	(5,745,721)	1.40
	$	**(567,186)**	**(2,421,318)**	
Variable interest rate:				
Cash and cash equivalents	$	498,929	2,129,929	0.26
Bank loans		(746,452)	(3,186,600)	1.79
	$	**(247,523)**	**(1,056,671)**	

ii. Sensitivity Analysis

The Group's exposure to interest rate risk arises from change in market interest rates that would affect the fair value of financial instruments and future cash flows. The sensitivity analysis is based on the assumption that the amount of loans and liabilities with variable interest rates at the reporting date was outstanding throughout the year and equity is not affected by floating interest rates. If the interest rate had increased or decreased by 100 basis points, the Group's net income would have increased or decreased by CNY1,183 thousand (TWD5,092 thousand) and CNY1,956 thousand (TWD8,353 thousand) for the nine months ended September 30, 2021 and 2020, assuming that all other variables remain constant.

The assumption stated above is used as the basis for revaluation of the Group's exposure to interest rate risk deriving from its derivative and non-derivative financial instruments at fair value on the reporting date.

iv) Foreign exchange risk

Financial assets and liabilities that are exposed to foreign exchange risk are as follows:

		Amounts	Rate	CNY	TWD
September 30, 2021					
Financial assets					
USD	$	28,207	6.4696	182,488	785,611
JPY		1,965,707	0.0578	113,618	489,125
MYR		2,104	1.4816	3,117	13,420
HKD		1,672	0.8307	1,389	5,979
Financial liabilities					
USD		154,843	6.4696	1,001,772	4,312,630
JPY		904,234	0.0578	52,265	225,000
HKD		487	0.8307	405	1,742

(Continued)

		Amounts	Rate	CNY	TWD
December 31, 2020					
Financial assets					
USD	$	22,194	6.5067	144,411	632,085
JPY		1,465,788	0.0631	92,528	404,997
MYR		2,804	1.5512	4,349	19,038
HKD		5,038	0.8392	4,228	18,505
Financial liabilities					
USD		128,376	6.5067	835,309	3,656,148
JPY		4,171	0.0631	263	1,152
HKD		277	0.8392	232	1,017

		Amounts	Rate	CNY	TWD
September 30, 2020					
Financial assets					
USD	$	19,640	6.8166	133,878	571,524
JPY		1,897,617	0.0646	122,507	522,983
MYR		2,804	1.5703	4,403	18,797
HKD		5,778	0.8794	5,081	21,691
Financial liabilities					
USD		126,227	6.8166	860,437	3,673,206
JPY		1,356,194	0.0646	87,554	373,767
HKD		4,085	0.8794	3,592	15,335

If the foreign currencies were to change on the reporting date, the effect on net income and retained earnings would have been as follows:

		Increase(decrease) in net income and retained earnings					
		September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
USD							
－CNY appreciation 5%	$	32,771	141,081	27,636	120,963	29,062	124,067
－CNY depreciation 5%		(32,771)	(141,081)	(27,636)	(120,963)	(29,062)	(124,067)
JPY							
－CNY appreciation 5%		(2,454)	(10,565)	(3,691)	(16,154)	(1,398)	(5,969)
－CNY depreciation 5%		2,454	10,565	3,691	16,154	1,398	5,969
Other							
－CNY appreciation 5%		(164)	(706)	(334)	(1,461)	(236)	(1,006)
－CNY depreciation 5%		164	706	334	1,461	236	1,006

The Group’s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses for cash and cash equivalents, restricted deposits, bank loans, trade and other receivables, and trade and other payables that are denominated in foreign currencies.

(Continued)

A strengthening or weakening of 5% of the CNY and TWD against the USD, JPY or other currencies as of September 30, 2021 and 2020 would have increased or decreased the net income by CNY30,153 thousand (TWD129,810 thousand) and CNY27,428 thousand (TWD117,092 thousand), respectively. The analysis assumes that all other variables remain constant.

The above analysis does not include the exchange differences on translation of foreign financial statements.

v) Fair value information

i. Categories and fair value of financial instruments.

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 for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required.

Currency: CNY

		September 30, 2021			
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:					
Cash and cash equivalents	$ 699,770	-	-	-	-
Notes receivable, trade receivables and long-term receivables (including related parties)	845,412	-	-	-	-
Other receivables (including related parties)	13,196	-	-	-	-
Other financial assets	919,975	-	-	-	-
Total	**$ 2,478,353**	-	-	-	-
Financial liabilities at amortized cost:					
Short-term loans	$ 1,160,737	-	-	-	-
Current contract liabilities	22,895	-	-	-	-
Trade payables, notes payable, and other payables (including related parties)	318,227	-	-	-	-
Long-term loans due within a year	30,225	-	-	-	-
Lease liabilities	81,115	-	-	-	-
Long-term loans	954,189	-	-	-	-
Total	**$ 2,567,388**	-	-	-	-

		December 31, 2020			
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 654,304	-	-	-	-
Notes receivable, trade receivables and long-term receivables (including related parties)	888,717	-	-	-	-
Other receivables (including related parties)	8,389	-	-	-	-
Other financial assets	778,892	-	-	-	-
Total	**$ 2,330,302**	-	-	-	-

(Continued)

	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost:					
Short-term loans	$ 1,027,291	-	-	-	-
Current contract liabilities	15,685	-	-	-	-
Trade payables, notes payable, and other payables (including related parties)	264,391	-	-	-	-
Long-term loans due within a year	46,836	-	-	-	-
Lease liabilities	68,559	-	-	-	-
Long-term loans	920,174	-	-	-	-
Total	**$ 2,342,936**	**-**	**-**	**-**	**-**

	September 30, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:					
Cash and cash equivalents	$ 515,679	-	-	-	-
Notes receivable, trade receivables and long-term receivables (including related parties)	940,782	-	-	-	-
Other receivables (including related parties)	10,326	-	-	-	-
Other financial assets	763,818	-	-	-	-
Total	**$ 2,230,605**	**-**	**-**	**-**	**-**
Financial liabilities at amortized cost:					
Short-term loans	1,123,383	-	-	-	-
Current contract liabilities	16,478	-	-	-	-
Trade payables, notes payable, and other payables (including related parties)	231,712	-	-	-	-
Long-term loans due within a year	17,569	-	-	-	-
Lease liabilities	73,447	-	-	-	-
Long-term loans	951,417	-	-	-	-
Total	**$ 2,414,006**	**-**	**-**	**-**	**-**

(Continued)

Currency: TWD

	September 30, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:					
Cash and cash equivalents	$ 3,012,511	-	-	-	-
Notes receivable, trade receivables and long-term receivables (including related parties)	3,639,501	-	-	-	-
Other receivables (including related parties)	56,809	-	-	-	-
Other financial assets	3,960,492	-	-	-	-
Total	**$ 10,669,313**	-	-	-	-
Financial liabilities at amortized cost:					
Short-term loans	$ 4,996,975	-	-	-	-
Current contract liabilities	98,564	-	-	-	-
Trade payables, notes payable, and other payables (including related parties)	1,369,961	-	-	-	-
Long-term loans due within a year	130,118	-	-	-	-
Lease liabilities	349,197	-	-	-	-
Long-term loans	4,107,782	-	-	-	-
Total	**$ 11,052,597**	-	-	-	-

	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:					
Cash and cash equivalents	$ 2,863,887	-	-	-	-
Notes receivable, trade receivables and long-term receivables (including related parties)	3,889,916	-	-	-	-
Other receivables (including related parties)	36,718	-	-	-	-
Other financial assets	3,409,208	-	-	-	-
Total	**$ 10,199,729**	-	-	-	-
Financial liabilities at amortized cost:					
Short-term loans	$ 4,496,451	-	-	-	-
Current contract liabilities	68,654	-	-	-	-
Trade payables, notes payable, and other payables (including related parties)	1,157,239	-	-	-	-
Long-term loans due within a year	205,000	-	-	-	-
Lease liabilities	300,083	-	-	-	-
Long-term loans	4,027,600	-	-	-	-
Total	**$ 10,255,027**	-	-	-	-

(Continued)

	September 30, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:					
Cash and cash equivalents	$ 2,201,435	-	-	-	-
Notes receivable, trade receivables and long-term receivables (including related parties)	4,016,200	-	-	-	-
Other receivables (including related parties)	44,083	-	-	-	-
Other financial assets	3,260,737	-	-	-	-
Total	**$ 9,522,455**	-	-	-	-
Financial liabilities at amortized cost:					
Short-term loans	4,795,721	-	-	-	-
Current contract liabilities	70,344	-	-	-	-
Trade payables, notes payable, and other payables (including-related parties)	989,178	-	-	-	-
Long- term loans due within a year	75,000	-	-	-	-
Lease liabilities	313,544	-	-	-	-
Long-term loans	4,061,600	-	-	-	-
Total	**$ 10,305,387**	-	-	-	-

ii Fair value hierarchy

The table above shows the financial instruments carried at fair value by the levels in the fair value hierarchy. The different levels have been defined as follows:

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

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

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

(w) Capital management

The purpose of capital management for the Group is to sustain future development of business and to maintain investors, creditor and market confidence.

The Group monitors and manages the capital structure periodically in order to strike a balance between investing high-rewards with heavy loans and maintaining stable and safe capital. It adjusts the capital structure based on economic environment.

In order to comply with operating activities, the Group takes net liabilities to capital ratio as means of monitoring capital structure. The Group defines net liabilities as total liabilities minus cash and cash equivalent, restricted deposits and time deposits. The Group's strategy is to keep net liabilities to capital ratio within 100%.

(Continued)

The Group's debt to adjusted capital ratio as of September 30, 2021, December 31 and September 30, 2020 were as follows:

		September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Total liabilities	$	2,628,673	11,316,431	2,422,856	10,604,839	2,474,402	10,563,216
Less: Other financial assets		(919,975)	(3,960,492)	(778,892)	(3,409,208)	(763,818)	(3,260,737)
Cash and cash equivalents		(699,770)	(3,012,511)	(654,304)	(2,863,887)	(515,679)	(2,201,435)
Net liabilities	**$**	**1,008,928**	**4,343,428**	**989,660**	**4,331,744**	**1,194,905**	**5,101,044**
Equity	**$**	**2,691,810**	**11,588,245**	**2,645,107**	**11,577,634**	**2,563,903**	**10,945,299**
Debt to adjusted capital ratio		**37 %**	**37 %**	**37 %**	**37 %**	**47 %**	**47 %**

The Group has not change nor been requested to change the policies of capital management for the nine months ended September 30, 2021 and 2020 or the year ended December 31, 2020.

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

The Group's investing and financing activities which did not affect the current cash flow for the nine months ended September 30, 2021 and 2020 were as follows:

i) For the conversion of operating leases to right-of-use assets, please refer to notes 6(h).

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

Currency: CNY

		January 1, 2021	Cash flow	Non-cash changes: Acquisition	Non-cash changes: Disposal	Non-cash changes: Amortized interest expense	Non-cash changes: Exchange rate movement	September 30, 2021
Short-term borrowings	$	1,027,291	137,999	-	-	-	(4,553)	1,160,737
Long-term borrowings (including due within a year)		967,010	1,222	-	-	-	16,182	984,414
Lease liabilities		68,559	(10,617)	20,373	(832)	960	2,672	81,115
Total liabilities from financing activities	**$**	**2,062,860**	**128,604**	**20,373**	**(832)**	**960**	**14,301**	**2,226,266**

		January 1, 2020	Cash flow	Non-cash changes: Acquisition	Non-cash changes: Disposal	Non-cash changes: Amortized interest expense	Non-cash changes: Exchange rate movement	September 30, 2020
Short-term borrowings	$	1,407,900	(299,491)	-	-	-	14,974	1,123,383
Long-term borrowings (including due within a year)		805,250	157,019	-	-	-	6,717	968,986
Lease liabilities		77,444	(9,102)	3,437	(438)	1,220	886	73,447
Total liabilities from financing activities	**$**	**2,290,594**	**(151,574)**	**3,437**	**(438)**	**1,220**	**22,577**	**2,165,816**

(Continued)

Currency: TWD

	January 1, 2021	Cash flow	Acquisition	Non-cash changes Disposal	Amortized interest expense	Exchange rate movement	September 30, 2021
Short-term borrowings	$ 4,496,451	598,572	-	-	-	(598,048)	4,496,975
Long-term borrowings (including due within a year)	4,232,600	5,300	-	-	-	141,100	4,379,000
Lease liabilities	300,083	(45,821)	87,705	(3,584)	4,159	6,655	349,197
Total liabilities from financing activities	**$ 9,029,134**	**558,051**	**87,705**	**(3,584)**	**4,159**	**(450,293)**	**9,225,172**

	January 1, 2020	Cash flow	Acquisition	Non-cash changes Disposal	Amortized interest expense	Exchange rate movement	September 30, 2020
Short-term borrowings	$ 6,061,008	(1,277,929)	-	-	-	12,642	4,795,721
Long-term borrowings (including due within a year)	3,466,600	670,000	-	-	-	-	4,136,600
Lease liabilities	333,389	(38,392)	14,404	(1,847)	5,198	792	313,544
Total liabilities from financing activities	**$ 9,860,997**	**(646,321)**	**14,404**	**(1,847)**	**5,198**	**13,434**	**9,245,865**

(7) Related party transactions

(a) The ultimate parent company

The Company is the ultimate controlling party of the Group.

(b) Names and relationship with related parties

Names of the related parties	Relationships between its parent company
FORMOSA Optical Technology Co., Ltd. (FORMOSA)	Has significant influence on the Group
Pao Lien Optical Co., Ltd. (Pao Lien)	Other related parties
Kobayashi Optical Co., Ltd. (Kobayashi)	Other related parties
GRACE WAY ENTERPRISE Co., Ltd. (GRACE WAY)	Other related parties
Jiangsu East Optics Co., Ltd. (Jiangsu East)	Other related parties
Shanghai Jusheng Optics Co., Ltd. (Jusheng)	Other related parties
Sunder Biomedical Tech Co., Ltd. (Sunder)	Other related parties (Note)
JIANGSU SUNDEX BIO-TECH Co., Ltd. (SUNDEX)	Other related parties (Note)
Lian Chan Precision Co., Ltd. (Lian Chan)	Other related parties (Note)
Bsmo Co., Ltd. (Bsmo)	Other related parties
Tadashi Shimizu	Other related parties (Note)
ANW CO., LTD. (ANW)	Other related parties

(Continued)

Note : Became non-related parties since the beginning of the third quarter of 2021.

(c) Significant transactions with related parties

i) Revenue

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

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Other related parties - Pao Lien	$ 23,779	102,230	33,194	141,312
Other related parties - Kobayashi	4,056	17,414	6,130	26,097
Other related parties - ANW	11,780	51,096	-	-
	$ 39,615	**170,740**	**39,324**	**167,409**

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Other related parties - Pao Lien	$ 80,732	350,173	98,178	418,190
Other related parties - Kobayashi	15,063	65,334	16,559	70,531
Other related parties - ANW	11,780	51,096	-	-
	$ 107,575	**466,603**	**114,737**	**488,721**

The terms and pricing of sales transactions with related parties were not significantly different from those provided to third parties. The price is determined by the regional economic environment and the market competition.

ii) Purchases from related parties

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Other related parties-Lian Chan	$ 313	1,314	994	4,232
Other related parties-SUNDEX	2,791	11,855	8,537	38,627
	$ 3,104	**13,169**	**9,531**	**42,859**

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Other related parties-Lian Chan	$ 3,095	13,424	3,981	16,959
Other related parties-SUNDEX	18,519	80,328	21,063	91,998
	$ 21,614	**93,752**	**25,044**	**108,957**

(Continued)

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from two to three months, which are not significantly different from the payment terms given by other vendors.

iii) Lease from related parties

i. Rental expense

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Entity with significant influence over the Group-FORMOSA	$ 254	1,093	303	1,286
Other related parties-GRACE WAY	1,168	5,030	1,124	4,786
Other related parties-Bsmo	-	-	42	182
	$ 1,422	**6,123**	**1,469**	**6,254**

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Entity with significant influence over the Group-FORMOSA	$ 845	3,664	906	3,857
Other related parties-GRACE WAY	3,505	15,202	3,505	14,931
Other related parties-Bsmo	-	-	128	546
	$ 4,350	**18,866**	**4,539**	**19,334**

For the nine months ended September 30, 2021 and 2020, the Group recognized CNY126 thousand (TWD547 thousand) and CNY289 thousand (TWD1,230 thousand) as interest expense, respectively. As of September 30, 2021, December 31 and September 30, 2020, the balance of lease liabilities amounted to CNY2,635 thousand (TWD11,345 thousand), CNY6,913 thousand (TWD30,257 thousand) and CNY8,414 thousand (TWD35,921 thousand), respectively.

Lease deposits and refundable deposits for the lease contracts or amendments to the lease contract are listed in other receivables from related parties; please see below for further details.

ii. Refundable deposits

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Entity with significant influence over the Group	$ 163	700	160	700	164	700
Other related parties-GRACE WAY	25	108	-	-	-	-
	$ 188	**808**	**160**	**700**	**164**	**700**

(Continued)

iv) Receivables from related parties

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

Account	Classification of related parties	September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Trade receivables from related parties	Other related parties-Pao Lien	$ 18,242	78,533	21,202	92,802	22,578	96,387
	Other related parties-Kobayashi	4,013	17,277	5,074	22,205	6,172	26,347
	Other related parties-ANW	12,099	52,084	-	-	-	-
		$ 34,354	**147,894**	**26,276**	**115,007**	**28,750**	**122,734**

Account	Classification of related parties	September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Other receivables from related parties	Entity with significant influence over the Group-FORMOSA	$ 163	700	160	700	164	700
	Other related parties-SUNDEX	-	-	18	80	22	94
	Other related parties-GRACE WAY	1,481	6,375	-	-	-	-
		$ 1,644	**7,075**	**178**	**780**	**186**	**794**

The other receivables - related parties mainly comprise lease deposits, property management fees, advertising and event expense, and income derived from delivery on behalf of the Group.

v) Payables to related parties

The payables to related parties of the Group were as follows:

Account	Classification of related parties	September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Trade payables	Other related parties Lian Chan	$ -	-	1,872	8,194	1,497	6,391
	Other related parties SUNDEX	-	-	10,471	45,743	13,021	55,588
		$ -	**-**	**12,343**	**53,937**	**14,518**	**61,979**

Account	Classification of related parties	September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Other payables	Other related parties	**$ 45**	**192**	**2,996**	**13,115**	**2,027**	**8,656**

(Continued)

The other payables to related parties mainly comprise advertising and sponsorship fees, and trading fees between related parties.

(d) Compensation of key management personnel

The compensation to the key management personnel was as follows:

	For the three months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Short-term employee benefits	$ 5,484	23,731	6,225	26,509

	For the nine months ended September 30,			
	2021		2020	
	CNY	TWD	CNY	TWD
Short-term employee benefits	$ 9,004	39,054	9,864	42,014

(8) Pledged assets

The carrying values of pledged assets were as follows:

Name of pledged assets	Subject of pledged assets	September 30, 2021		December 31, 2020		September 30, 2020	
		CNY	TWD	CNY	TWD	CNY	TWD
Restricted deposits (booked as other current financial assets)	Short-term loan	$ 748,217	3,221,074	577,472	2,527,593	577,854	2,466,857
Trade receivables (note 1)	Short-term loan	9,000	38,745	-	-	-	-
Building (booked as property, plant and equipment)	Long-term and Short-term loans	438,828	1,889,155	438,776	1,920,523	447,696	1,911,214
Machinery (booked as property, plant and equipment)	Short-term loans	100,379	432,132	111,543	488,224	119,058	508,259
Right-of-use assets	Short-term loans	15,654	67,390	15,986	69,969	16,097	68,716
Restricted deposits (booked as other non-current assets)	Long-term loans	1,098	4,727	1,709	7,482	2,487	10,618
Restricted deposits (booked as other non-current assets)	Public utility guarantee	453	1,950	446	1,950	457	1,950
		$ 1,313,629	5,655,173	1,145,932	5,015,741	1,163,649	4,967,614

Note: The trade receivables from related parties are factored to banks; however, this balance is eliminated in the consolidated financial statements.

(9) Commitments and contingencies

Unrecognized contractual commitments are as follows:

	September 30, 2021		December 31, 2020		September 30, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Signed contracts for capital expenditure	$ 131,685	571,184	40,680	174,176	18,338	78,110

(10) Losses due to major disasters: None.

(11) Subsequent events

On November 8, 2021, the Board of Directors approved to reduce the capital of Uni Beauty to offset the accumulated deficits of JPY230,000 thousand, wherein Master Harvest can participate in the capital increase of Uni-Beauty at a maximum amount of JPY120,000 thousand.

(12) Others

The employee benefits, depreciation, depletion and amortization expenses categorized by function, were as follows:

Currency: CNY thousand

By function / By nature	For the three months period ended September 30, 2021			For the three months period ended September 30, 2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	62,517	20,351	82,868	56,303	25,503	81,806
Labor and health insurance	5,232	1,706	6,938	5,953	1,720	7,673
Pension	3,340	2,054	5,394	1,121	1,467	2,588
Others	6,640	3,636	10,276	7,352	4,083	11,435
Depreciation	43,187	7,298	50,485	46,656	4,462	51,118
Amortization	2	353	355	-	358	358

Currency: TWD thousand

By function / By nature	For the three months period ended September 30, 2021			For the three months period ended September 30, 2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	269,391	87,445	356,836	239,694	108,564	348,258
Labor and health insurance	22,526	7,349	29,875	25,344	7,322	32,666
Pension	14,385	8,851	23,236	4,769	6,246	11,015
Others	28,586	15,651	44,237	31,297	17,385	48,682
Depreciation	185,953	31,421	217,374	198,631	18,989	217,620
Amortization	9	1,522	1,531	-	1,524	1,524

(Continued)

Currency : CNY thousand

Function / Account	For the nine months ended September 30, 2021			For the nine months ended September 30, 2020		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit						
Salary	173,544	72,045	245,589	161,459	79,866	241,325
Health and labor insurance	15,762	4,900	20,662	16,067	5,046	21,113
Pension	9,710	5,701	15,411	5,462	4,124	9,586
Others	20,135	11,155	31,290	23,129	9,277	32,406
Depreciation	128,407	21,923	150,330	128,928	21,897	150,825
Amortization	9	1,070	1,079	-	1,085	1,085

Currency: TWD thousand

Function / Account	For the nine months ended September 30, 2020			For the nine months ended September 30, 2020		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit						
Salary	752,747	312,495	1,065,242	687,732	340,188	1,027,920
Health and labor insurance	68,368	21,254	89,622	68,437	21,493	89,930
Pension	42,117	24,728	66,845	23,265	17,567	40,832
Others	87,336	48,385	135,721	98,518	39,515	138,033
Depreciation	556,961	95,091	652,052	549,167	93,278	642,445
Amortization	39	4,642	4,681	-	4,623	4,623

(Continued)

(13) Other disclosures

(a) Related information of material transaction

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" of the Group for the nine months ended September 30, 2021:

i) Loans to other parties：

Unit: TWD thousand

Number	Company	Loan objects	Accounts	Related party	The highest balance this period	Ending balance (Note 4)	Actual used balance this period	Interest rate period	Property (Note 3)	Transaction amounts	Necessary reason for short-term finance	Allowance for doubtful accounts	Pledged		The limit of each loan object (Note 1)	The limit of total loan objects (Note 2)
													name	value		
0	Ginko International Ltd.	Prosper International Ltd.	Other receivables from related parties	Y	202,335 (CNY47,000)	202,335 (CNY47,000)	-	1.500 %	2	-	Operating Capital	-	-	-	4,635,500	4,635,500
0	Ginko International Ltd.	Horien Optic (Malaysia) Sdn Bhd.	Other receivables from related parties	Y	39,826	39,826	-	0.755 %	2	-	Operating Capital	-	-	-	4,635,500	4,635,500
5	Master Harvest Global Ltd.	Uni-Beauty Co., Ltd.	Other receivable from related parties	N	15,000 (USD60,241)	15,000 (USD60,241)	-	1.300 %	2	-	Operating Capital	-	-	-	62,642	62,642
5	Master Harvest Global Ltd.	Yung sheng Optical Japan Co., Ltd.	Other receivables from related parties	Y	55,602 (JPY223,300)	40,786 (JPY4)	40,786 (JPY163,800)	1.300 %	2	-	Operating Capital	-	-	-	62,642	62,642

Note 1：According to the loan operating procedure, if the counterparty is a 100% owned overseas subsidiary, owned directly or indirectly, by the Group, the loan is not limited to 40% of the net worth of the Group.
Note 2：The total loan limit to all parties of the Group should not exceed 40% of the Group's net worth.
Note 3：Nature of financing loans:
According to the table 5-1 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the rules of the Market Observation Post System, " 1" means a business relationship exists between the parties"2"means the need for short-term financing.
Note 4：The ending balance and still valid financing loan amount for the period.

ii) Guarantees and endorsements for other parties：

Unit: TWD thousand

Number	Guarantee company	Guaranteed objects		The limit of endorsement to single company (Note 1)	The highest balance of endorsement this period	Balance of endorsement at the end	Actual used amounts	Amounts of endorsement with pledged assets	Accumulated guarantee deposit of endorsement to net value of recent financial statement ratio	The highest amount of endorsement (Note 2)	Parent-to-subsidiary endorsement	Subsidiary – to-parent endorsement	Endorsement to China area
		Company	Relation (Note 3)										
0	Ginko International Co., Ltd.	Yung Sheng Optical Co., Ltd	2	11,588,749	4,800,000	4,800,000	3,650,000	-	41.42 %	11,588,749	Y	N	N
0	Ginko International Co., Ltd.	Haichang Contact Lens Co., Ltd.	2	11,588,749	835,800 (USD30,011)	278,500 (USD10,000)	236,775 (USD8,502)	-	2.40 %	11,588,749	Y	N	Y
1	Haichang Contact Lens Co., Ltd.	Horien Optic (Malaysia) Sdn Bhd.	4	10,937,019	1,393	1,393	1,393	-	0.01 %	10,937,019	Y	N	N
1	Haichang Contact Lens Co., Ltd.	Ginko International Co., Ltd.	4	10,937,019	3,202,750 (USD115,000)	3,202,750 (USD115,000)	2,812,850 (USD101,000)	-	29.28 %	10,937,019	N	Y	N

(Continued)

Number	Guarantee company	Guaranteed objects		The limit of endorsement to single company (Note 1)	The highest balance of endorsement this period	Balance of endorsement at the end	Actual used amounts	Amounts of endorsement with pledged assets	Accumulated guarantee deposit of endorsement to net value of recent financial statement ratio	The highest amount of endorsement (Note 2)	Parent-to-subsidiary endorsement	Subsidiary – to-parent endorsement	Endorsement to China area
		Company	Relation (Note 3)										
2	Jiangsu Horien Contact Lens Co., Ltd.	Yung Sheng Optical Co., Ltd	4	4,709,857	405,000	-	-	-	- %	4,709,857	N	N	N
2	Jiangsu Horien Contact Lens Co., Ltd.	Haichang Contact Lens Co., Ltd.	4	4,709,857	753,375 (CNY175,000)	731,850 (CNY170,000)	215,250 (CNY50,000)	-	15.54 %	4,709,857	N	Y	Y

Note 1：According to the guarantee operating procedure of each entity, guarantees provided to a single entity is limited to 20% of the entity's net worth. However, if the counterparty is a 100% owned subsidiary, owned directly or indirectly, by the Group, the guarantee provided is limited to less than 100% of each entity's net worth.
Note 2：According to the guarantee operating procedure of each entity, the total amount of the endorsement/guarantee provided by each subsidiary shall not exceed 50% of each subsidiary's net worth.
Note 3：Relationship between the guarantor and the guaranteed party:
"1" The entity with which it has business relations.
"2" Subsidiaries in which the entity holds more than 50% of its total outstanding common shares, directly or indirectly..
"3" The entities in which the parent company and the subsidiary together hold more than 50% of its outstanding common shares.
"4" The parent company which holds, directly or indirectly through a subsidiary, more than 90% of its outstanding common shares.
"5" Companies in the same type of business and providing mutual endorsements/ guarantees in favor of each other in accordance with the contractual obligations in order to fulfill the needs of the construction project.
"6" Shareholders making endorsements and/or guarantees for their mutually invested company in proportion to their shareholding percentage.
"7" Companies in the same industry associated with the Customer Protection Act for presale housing deposit guarantee.
Note 4：According to the guarantee operating procedure, the Group and its subsidiaries' guarantee aggregated amount is limited to a hundred percent of the Group's net worth.

iii) Condition of holding securities in ending period (excluded investment in subsidiary, investment in associates and part of joint control): None.

iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

v) Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

vi) Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.

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

Unit: TWD thousand

Company	Transaction object	Relationship	Condition of transaction				The reason and condition of difference between condition and normal transaction		Trade and Notes receivables (payables)		Note
			(Merchandise (sell)	Amounts	Total merchandise (sell) ratio%	Credit period	Price per unit	Credit period	Balance (Note 2)	Total notes and trade receivable (payable) ratio %	
Haichang Contact Lens Co., Ltd.	Shanghai Horien Contact Lens Optical Co., Ltd	Subsidiary	(sell)	1,293,822	20.11	300 days	-	Note 1	2,103,102	55.12	
Jiangsu Horien Contact Lens Co., Ltd.	Haichang Contact Lens Co., Ltd.	Subsidiary	(sell)	709,101	11.02	300 days	-	Note 1	2,721,093	71.31	
Yung Sheng Optical Co.,Ltd.	Yung sheng Optical Japan Co., Ltd.	Subsidiary	(sell)	243,882	3.79	90 days	-	Note 1	198,897	5.21	
Yung Sheng Optical Co., Ltd.	Pao Lien Optical Co., Ltd.	Affiliated company	(sell)	350,173	5.44	40 days	-		78,531	2.06	
Yung Sheng Optical Co.,Ltd.	Haichang Contact Lens Co., Ltd.	Subsidiary	(sell)	323,523	5.03	60 days	-	Note 1	221,460	0.06	

(Continued)

Company	Transaction object	Relationship	Condition of transaction				The reason and condition of difference between condition and normal transaction		Trade and Notes receivables (payables)		Note
			(Merchandise (sell)	Amounts	Total merchandise (sell) ratio%	Credit period	Price per unit	Credit period	Balance (Note 2)	Total notes and trade receivable (payable) ratio %	
Yung Sheng Optical Co.,Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	Subsidiary	(sell)	310,409	4.82	40 days	-	Note 1	331,072	0.09	

Note 1：The payment is adjusted according to capital management.
Note 2：The transactions within the Group, excluding related parties, are eliminated in the consolidated financial statements.

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

Unit: TWD thousand

Company	Transaction objects	Relationship	Balance of trade receivables from related parties (Note 3)	Turnover rate	Overdue trade receivables from related parties		Recover of trade receivables from related parties after the period	Recognize allowance for doubtful accounts
					Amounts	Way of handle		
Haichang Contact Lens Co., Ltd.	Shanghai Horien Contact Lens Optical Co., Ltd	Subsidiary	2,103,102	0.83	423,685	Note 1	46,008	Note 2
Jiangsu Horien Contact Lens Co., Ltd.	Haichang Contact Lens Co., Ltd.	Subsidiary	2,721,093	0.35	1,843,034	Note 1	111,930	Note 2
Yung Sheng Optical Co., Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	Subsidiary	331,072	1.60	-	Note 1	-	Note 2
Yung Sheng Optical Co., Ltd.	Yung sheng Optical Japan Co., Ltd.	Subsidiary	198,897	1.41	-	Note 1	29,419	Note 2
Yung Sheng Optical Co., Ltd.	Haichang Contact Lens Co., Ltd.	Subsidiary	221,460	2.09	-	Note 1	65,808	Note 2
Yung Sheng Optical Co., Ltd.	Asiastar Co., Ltd.	Subsidiary	92,827	0.72	-	Note 1	-	Note 2

Note 1：The payment is adjusted according to capital management.
Note 2：After evaluation, no allowance for doubtful accounts were needed.
Note 3：The transactions within the Group are eliminated in the consolidated financial statements.

ix) Trading in derivative instruments: None.

x) The condition of business relationship and of material transaction between parent and subsidiaries:

Unit: TWD thousand

Number	Name	Objects	Relationship with trader (Note 2)	Condition of transaction in 2019			
				Accounts	Amounts	Transaction condition	To total revenue or to total assets ratio
1	Haichang Contact Lens Co., Ltd.	Shanghai Horien Contact Lens Optical Co., Ltd	3	Sales	1,293,822	Note 1	20.11 %
1	Haichang Contact Lens Co., Ltd.	Shanghai Horien Contact Lens Optical Co., Ltd	3	Trade receivables	2,103,102	Note 1	9.18 %
1	Haichang Contact Lens Co., Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	3	Sales	9,122	Note 1	0.14 %
1	Haichang Contact Lens Co., Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	3	Trade receivables	9,660	Note 1	0.04 %
2	Jiangsu Horien Contact Lens Co., Ltd.	Haichang Contact Lens Co., Ltd.	3	Sales	709,101	Note 1	11.02 %
2	Jiangsu Horien Contact Lens Co., Ltd.	Haichang Contact Lens Co., Ltd.	3	Trade receivables	2,721,093	Note 1	11.88 %
3	Yung Sheng Optical Co., Ltd.	Haichang Contact Lens Co., Ltd.	3	Sales	323,523	Note 1	5.03 %
3	Yung Sheng Optical Co., Ltd.	Haichang Contact Lens Co., Ltd.	3	Trade receivables	221,460	Note 1	0.97 %
3	Yung Sheng Optical Co., Ltd.	Yung sheng Optical Japan Co., Ltd.	3	Sales	243,882	Note 1	3.79 %

(Continued)

Number	Name	Objects	Relationship with trader (Note 2)	Condition of transaction in 2019			
				Accounts	Amounts	Transaction condition	To total revenue or to total assets ratio
3	Yung Sheng Optical Co., Ltd.	Yung sheng Optical Japan Co., Ltd.	3	Trade receivables	198,897	Note 1	0.87 %
3	Yung Sheng Optical Co., Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	3	Sales	310,409	Note 2	4.82 %
3	Yung Sheng Optical Co., Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	3	Trade receivables	331,072	Note 2	1.45 %
3	Yung Sheng Optical Co., Ltd.	Horien Optic (Malaysia) Sdn Bhd	3	Sales	8,795	Note 2	0.14 %
3	Yung Sheng Optical Co., Ltd.	Horien Optic (Malaysia) Sdn Bhd	3	Trade receivables	68,113	Note 2	0.30 %
3	Yung Sheng Optical Co., Ltd.	Haichang International Ltd.	3	Sales	4,284	Note 2	0.07 %
3	Yung Sheng Optical Co., Ltd.	Haichang International Ltd.	3	Trade receivables	38,571	Note 2	0.17 %
3	Yung Sheng Optical Co., Ltd.	Asiastar Co., Ltd.	3	Sales	73,553	Note 2	1.14 %
3	Yung Sheng Optical Co., Ltd.	Asiastar Co., Ltd.	3	Trade receivables	92,827	Note 2	0.41 %
3	Yung sheng Optical Japan Co., Ltd.	Uni-Beauty Co., Ltd.	3	Sales	7,631	Note 2	0.12 %
3	Yung Sheng Optical Co., Ltd.	Uni-Beauty Co., Ltd.	3	Trade receivables	11,834	Note 2	0.05 %
3	Yung Sheng Optical Co., Ltd.	Ginko International Co., Ltd.	2	Other receivables	6,885	Note 1	0.03 %
5	Master Haryest Global Ltd.	Yung Sheng Optical Japan Co., Ltd.	3	Other receivables	40,786	Note 1	0.18 %

Note 1：The Group does not have similar transactions with third-party customers, and therefore there is no comparable information. The transactions within the Group are eliminated in the consolidated financial statements.
Note 2：The selling price and trading terms between subsidiaries are based on the market competition and economic environment in which each entity operates. The selling price and trading terms are not significantly different from those with third parties and are all eliminated in the consolidated financial statements.
Note 3：The number represents the following:
1.Parent to subsidiary
2. Subsidiary to parent
3. Subsidiary to subsidiary

(b) Related information on reinvestment：

The Group's information on investees (excluding investees in Mainland China) for the nine months ended September 30, 2021 was as follows:

Unit: TWD thousand/thousand shares

Investor	Investee	Location	Main operation	Original investment amounts		Holding in ending period			Investee's net income or losses	Recognized investment gain or losses	Note
				Ending this year	Ending last year	shares	rate	carrying amount			
Ginko International Co., Ltd.	Prosper Link International Ltd.	British Virgin Islands	Investment control	83,328 (USD2,760)	83,328 (USD2,760)	5,560	100.00 %	15,451,976	911,482	911,482	
Ginko International Co., Ltd.	Yung Sheng Optical Co., Ltd.	Taiwan	Research, manufacture and distribution of contact lenses and lens care solution	1,600,000	1,600,000	160,000	100.00 %	3,521,127	(14,693)	(75,932)	
Prosper Link International Ltd.	Haichang International Ltd.	Hong Kong	Investment control and sale of contact lenses and lens care solution	80,883 (HKD21,000)	80,883 (HKD21,000)	2,100	100.00 %	15,653,697	912,739	912,739	
Haichang Contact Lens Co., Ltd.	Gain Bless Management Ltd.	British Virgin Islands	Investment control	37,449 (USD1,150)	37,449 (USD1,150)	1,150	100.00 %	25,091	(1,533)	(1,533)	
Gain Bless Management Ltd.	Horien Optic (Malaysia) Sdn Bhd	Malaysia	Sale of contact lenses and lens care solution	32,053 (USD971)	32,053 (USD971)	1,750	70.00 %	20,104	(1,482)	(1,482)	

(Continued)

Investor	Investee	Location	Main operation	Original investment amounts		Holding in ending period			Investee's net income or losses	Recognized investment gain or losses	Note
				Ending this year	Ending last year	shares	rate	carrying amount			
Yung Sheng Optical Co., Ltd.	Master Harvest Global Ltd.	Anguilla	Investment control	309,027 (USD10,000)	309,027 (USD10,000)	10,000	100.00 %	152,259	(13,947)	(13,947)	
Yung Sheng Optical Co., Ltd.	Asiastar Co., Ltd.	Taiwan	Sale of contact lenses and lens care solution	32,000	-	100	100.00 %	19,449	(8,900)	(12,551)	
Master Harvest Global Ltd.	Yung sheng Optical Japan Co., Ltd.	Japan	Sale of contact lenses and lens care solution	35,726 (JPY140,700)	20,192 (JPY63,700)	20,300	88.26 %	(5,362)	(1,819)	(2,116)	
Master Harvest Global Ltd.	Uni-Beauty Co., Ltd.	Japan	Sale of contact lenses and lens care solution	78,910 (JPY290,000)	78,910 (JPY290,000)	29,000	100.00 %	5,282	(9,528)	(9,528)	

(c) Information on investment in Mainland China：

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

Unit:TWD thousand

Investee in China	Main operation items	Capital	Investment way	Beginning accumulated invest-remitting amount from Taiwan this period	Remittance or withdraw investment during the period		Ending accumulated invest-remitting amount from Taiwan this period	Investee's net income	The Company 's holding ratio of direct or indirect investment	Recognized gain or losses	Ending carrying amount	Investment gain remitted back as of the end
					Remittance	Withdraw						
Haichang Contact Lens Co., Ltd	Research, manufacture and distribution of contact lenses and lens care solution	1,984,379 (USD66,319)	(Note 1)	111,152	-	-	111,152	749,468	100.00 %	749,468	10,937,019	2,066,955
Jiangsu Horien Contact Lens Co., Ltd.	Research and manufacture of contact lenses and lens care solution	72,090 (CNY15,000)	(Note 1) (Note 2)	9,610	-	-	9,610	217,488	100.00 %	217,488	4,709,857	-
Shanghai Horien Contact Lens Optical Co., Ltd	Distribution of contact lenses and lens care solution	380,020 (CNY75,000)	(Note 2)	-	-	-	-	(53,467)	100.00 %	(53,467)	134,207	-
Shanghai Fushiyuan Contact Lens Co., Ltd.	Distribution of contact lenses and lens care solution	113,620 (CNY25,000)	(Note 2)	-	-	-	-	(27,377)	100.00 %	(27,377)	317,143	-

Note 1：Investments are conducted through remittance from off-shore subsidiaries.
Note 2：Investments are generated from Haichang Contact Lens Co., Ltd.'s own capital.
Note 3：Investment profit or losses were recognized under equity method and based on the financial report audited by international accounting firms cooperating with ROC accounting firms.

(Continued)

ii) Limitation on investment in Mainland China：

Unit: TWD thousand

Ending accumulated amounts of China investment from Taiwan this period	Investment amounts approved by Investment Commission, MOEA	China investment limit according to Investment Commission, MOEA
120,762	120,762	Note 1

Note 1：Primary listing by a foreign issuer on the TPEx in Taiwan is not subject to the limitation of directly or indirectly investing in Mainland China and is not subject to the accumulated investment amount authorized by the Investment Commission, MOEA.

iii) Please refer to Note 13(a) x for material transaction between subsidiary in China.

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Hydron International Co., Ltd.	27,614,614	28.44 %
New Path International Co., Ltd.	17,853,399	18.39 %

(14) Segment Information

General information

The Group only has one reportable segment, which is its operating segment. This segment is mainly involved in developing, manufacturing and distributing contact lenses and contact lens care solutions. The operating segment accounting policies are the same as those described in the summary of significant accounting policies. The profit and loss of the operating segment is measured by operating profit and loss before tax, and it has been used as the basis for assessing performance. The Group's segments for revenue, profit and loss, and total asset information are the same as the consolidated financial report. For relevant information, please refer to the consolidated balance sheets and the consolidated statements of comprehensive income.

(15) Total difference illustration between IFRS and the IFRS approved by Financial Supervisory Commission R.O.C

There are some differences between IFRS and the IFRS approved by the Financial Supervisory Commission R.O.C on certain aspects. However, the difference has no material effect on the Group' s consolidated balance sheets on September 30, 2021, December 31 and September 30, 2020 or the consolidated statements of comprehensive income, consolidated statements of changes in equity and the consolidated statements of cash flow for three months and nine months ended September 30, 2021 and 2020.