Ginko International Co., Ltd.
and Subsidiaries

Consolidated Financial Statements

with Independent Auditors’ Report
For the Years Ended December 31, 2020 and 2019

Address: **P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands**
Tel: **86 21 57076088**

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.

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

Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Ginko International Co., Ltd. and Subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2020 and 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") .

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion. in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition

   Please refer to note 4(n) “Revenue” for the accounting policy of revenue, note 5(a) “Revenue recognition” for significant accounting assumptions, judgments, and major sources of estimation uncertainty, and note 6(r) “Revenue from contract with customers” for estimation of allowance for sales discount and sales return of the consolidated financial statements.

   How the matter was addressed in our audit:

   When the Group recognized revenue, it recorded sales return and allowance that were agreed upon in negotiated contracts to clients. The Group's management recognized the estimated sales return and allowance as a deduction to revenue. Since revenue is regarded as the main index of the Group’s financial and sales performance for investors and management, the correct period and amount for revenue recognition have a major impact on the consolidated financial statements. Therefore, sales revenue, return and allowance have been identified as one of the key judgmental areas for our audit.

   Our principal audit procedures included:

   Our key audit procedures performed for the above included testing the revenue cycle transactions and its relevant controls, inspecting the Group’s sales contracts and relevant documents, reviewing and assessing client’s information, conducting analytical reviews for changes of sales from major clients and product categories, adopting sales cut-off test to ensure that sales were recorded in the proper period and assessing the adequacy of the Group’s disclosures of its revenue recognition policy and other related disclosures.

   The key audit procedures for the Group’s estimated sales return and allowance included assessing the estimation adopted by the Group's management, comparing the estimation to internal or external sources and examining any significant sales return and allowance after the end of the reporting period.

2. Inventories Evaluation

   Please refer to note 4(h) "Inventories" for the accounting policy of inventory valuation, note 5(b) "Net realizable value of inventory" for the estimation and assumption uncertainty of the valuation of inventory, and note 6(d) "Inventories" for description of the significant account in the consolidated financial statements.

   How the matter was addressed in our audit:

   The Group's major operation activities are manufacturing and distrubuting contact lenses, lens care solutions and eye-care products. The Group’s production and research activities are based on market demand, and the products are unique in the market. The probable changes in market demand and price can cause relevant product demand to fluctuate. The inventories are valued at the lower of cost or net realizable value, and the Group’s management assesses the product price through internal and external relevant information. Therefore, inventory has been identified as one of the key judgmental areas for our audit.

   Our principal audit procedures included:

   Our key audit procedures performed included assessing whether the policies for valuation of inventory obsolescence and inventory allowance are in accordance with the rules of communique provisions, reviewing inventory aging report, analyzing the changes in inventory aging report, reviewing selling condition, and assessing the reasonableness of the lower of cost or net realizable value adopted by the Group. Thus, the reasonableness of inventory allowance valuation can be verified, and the relevant information of inventory allowance valuation is properly disclosed by the Group’s management.

3. Trade Receivables Evaluation

   Please refer to note 4(g) "Financial instruments" for the accounting policy of trade receivables, note 5(c) "Impairment loss of trade receivables" for estimation and assumption uncertainty of trade receivables, and note 6(c) "Notes and trade receivables" for description of the significant account in the consolidated financial statements.

   How the matter was addressed in our audit:

   The Group has a broad base of customers with various account collection terms. Therefore, the Group's management has evaluated the expected credit loss based on historical experience. Thus, the valuation of trade receivables has been identified as one of the key judgmental areas for our audit.

   Our principal audit procedures included:

   Our key audit procedures performed for the valuation of trade receivables allowance included, using the expected credit loss rate as basis to estimate a loss allowance, assessing historical collection records, analyzing the industrial environment, reviewing customers' recent credit status, assessing the extent of credit risk concentration and other relevant information. By performing the above, we are able to evaluate whether the valuation method for the loss allowance is appropriate and whether the amount recognized is reasonable.

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

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

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

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are

Yu-Feng Hsu and Yuan-Chen Mei.

KPMG

Taipei, Taiwan (Republic of China)
March 26, 2021

Notes to Readers

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

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

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

Ginko International Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in thousands of currency)

		December 31, 2020			December 31, 2019		
	Assets	**CNY**	**TWD**	**%**	**CNY**	**TWD**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 654,304	2,863,887	13	545,753	2,349,467	11
1150	Notes receivable, net (note 6(c))	3,542	15,505	-	5,468	23,540	-
1170	Trade receivables, net (note 6(c))	845,826	3,702,182	17	884,901	3,809,500	17
1181	Trade receivables from related parties (notes 6(c) and 7)	26,276	115,007	1	39,390	169,574	1
1200	Other receivables (including related parties) (note 7)	8,389	36,718	-	16,246	69,940	-
130X	Inventory (note 6(d))	649,584	2,843,228	13	562,724	2,422,528	11
1410	Prepayments (note 6(e))	118,171	517,233	2	101,584	437,317	2
1476	Other financial assets (notes 6(b) and 8)	776,737	3,399,777	15	883,034	3,801,460	17
1470	Other current assets	5,287	23,144	-	18,090	77,878	-
	Total current assets	3,088,116	13,516,681	61	3,057,190	13,161,204	59
	Non-Current assets:						
1600	Property, plant and equipment (notes 6(f) and 8)	1,830,600	8,012,537	36	1,919,497	8,263,435	38
1755	Right-of-use assets (notes 6(g) and 8)	88,248	386,263	2	100,030	430,628	2
1780	Intangible assets (note 6(h))	8,768	38,378	-	10,038	43,216	-
1840	Deferred income tax assets (note 6(o))	33,948	148,589	1	30,931	133,157	1
1915	Prepayments on purchase of equipment (note 9)	3,055	13,372	-	15,719	67,667	-
1932	Long-term receivables (note 6(c))	13,073	57,222	-	23,512	101,220	-
1990	Other non-current assets (notes 6(i), 7 and 8)	2,155	9,431	-	10,181	43,830	-
	Total non-current assets	1,979,847	8,665,792	39	2,109,908	9,083,153	41
	Total assets	$ 5,067,963	22,182,473	100	5,167,098	22,244,357	100

		December 31, 2020			December 31, 2019		
	Liabilities and equity	**CNY**	**TWD**	**%**	**CNY**	**TWD**	**%**
	Current liabilities:						
2100	Short-term bank loans (notes 6(j), (w) and 8)	$ 1,027,291	4,496,451	20	1,407,900	6,061,008	28
2130	Current contract liabilities (note 6(r))	15,685	68,654	-	13,247	57,030	-
2150	Notes payable	9,046	39,594	-	14,950	64,360	-
2170	Trade payables	108,595	475,321	2	102,863	442,824	2
2180	Trade payables to related parties (note 7)	12,343	54,025	-	14,952	64,370	-
2200	Other payables (notes 6(l) and (s))	131,411	575,184	3	144,046	620,120	3
2220	Other payables to related parties (note 7)	2,996	13,115	-	5,858	25,223	-
2230	Current income tax liabilities	45,944	201,099	1	51,378	221,183	1
2280	Current lease liabilities (note 6(k))	8,840	38,693	-	8,725	37,555	-
2322	Long-term loans within a year (notes 6(j) and (w))	46,836	205,000	1	17,422	75,000	-
2365	Current refund liabilities (note 6(m))	27,306	119,519	1	30,105	129,603	1
	Total current liabilities	1,436,293	6,286,655	28	1,811,446	7,798,276	35
	Non-current liabilities:						
2540	Long-term bank loans (notes 6(j), (w) and 8)	920,174	4,027,600	18	787,828	3,391,600	15
2570	Deferred income tax liabilities (note 6(o))	6,670	29,194	-	4,652	20,027	-
2580	Non-current lease liabilities (note 6(k))	59,719	261,390	2	68,719	295,834	1
	Total non-current liabilities	986,563	4,318,184	20	861,199	3,707,461	16
	Total liabilities	2,422,856	10,604,839	48	2,672,645	11,505,737	51
	Equity attributable to owners of parent (note 6(p)):						
3110	Share capital - common stock	202,938	970,730	4	191,908	924,505	4
3200	Capital surplus	676,407	3,073,227	13	676,407	3,073,227	13
3300	Retained earnings	1,785,804	8,388,325	35	1,630,890	7,718,125	32
3410	Exchange differences on translation of foreign financial statements	(17,004)	(841,369)	-	(887)	(960,598)	-
	Equity attributable to owners of the parent	2,648,145	11,590,913	52	2,498,318	10,755,259	49
	Non-Controlling Interest:						
36XX	Non-controlling interest	(3,038)	(13,279)	-	(3,865)	(16,639)	-
	Total equity	2,645,107	11,577,634	52	2,494,453	10,738,620	49
	Total liabilities and equity	$ 5,067,963	22,182,473	100	5,167,098	22,244,357	100

See accompanying notes to financial statements.

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

Ginko International Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in thousands of Chinese Yuan)

		2020 Amount	%	2019 Amount	%
4000	**Operating revenue (notes 6(r) and 7)**	$ 1,711,913	100	1,829,118	100
5000	**Operating costs (notes 6(d), (f), (n), 7 and 12)**	778,055	45	834,692	46
	Gross profit from operations	933,858	55	994,426	54
	Operating expenses (notes 6(c), (f), (g), (h), (n), (s) 7, 9, and 12):				
6100	Selling expenses	462,979	27	448,654	25
6200	General and administrative expenses	157,105	9	156,341	9
6300	Research and development expenses	45,385	3	43,073	2
6450	Reversal of impairment loss determined in accordance with IFRS 9	(1,125)	-	(13,486)	(1)
	Total operating expenses	664,344	39	634,582	35
	Operating Profit	269,514	16	359,844	19
	Non-operating income and expenses (note 6(t)):				
7100	Interest income	23,600	1	14,370	1
7010	Other income	11,825	1	11,448	-
7020	Other gains and losses	31,252	2	18,429	1
7050	Financial costs	(42,796)	(2)	(56,678)	(3)
	Total non-operating income and expenses	23,881	2	(12,431)	(1)
7900	**Profit before income tax**	293,395	18	347,413	18
7950	**Income tax expense (note 6(o))**	60,487	4	79,169	4
	Net income for the year	232,908	14	268,244	14
	Other comprehensive income (loss):				
8360	**Items that may be subsequently reclassified into profit or loss**				
8361	Foreign currency translation differences for foreign operations	(16,077)	(1)	5,501	-
8399	Income tax relating to components of other comprehensive income	-	-	-	-
	Total items that may be subsequently reclassified into profit or loss	(16,077)	(1)	5,501	-
8300	**Other comprehensive income (loss), net of tax**	(16,077)	(1)	5,501	-
8500	**Total comprehensive income for the year**	**$ 216,831**	**13**	**273,745**	**14**
	Profit attributable to:				
8610	Shareholders of the parent	$ 232,121	14	268,224	14
8620	Non-controlling interest	787	-	20	-
		$ 232,908	14	268,244	14
	Comprehensive income attributable to:				
8710	Shareholders of the parent	$ 216,004	13	273,841	14
8720	Non-controlling interest	827	-	(96)	-
		$ 216,831	**13**	**273,745**	**14**
9710	**Basic earnings per share (expressed in Chinese Yuan) (note 6(q))**	**$**	**2.39**		**2.76**
9810	**Diluted earnings per share (expressed in Chinese Yuan) (note 6(q))**	**$**	**2.38**		**2.75**

See accompanying notes to financial statements.

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

Ginko International Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan Dollars)

		2020 Amount	%	2019 Amount	%
4000	**Operating revenue (notes 6(r) and 7)**	$ 7,329,725	100	8,180,183	100
5000	**Operating costs (notes 6(d), (f), (n), 7 and 12)**	3,331,319	45	3,732,910	46
	Gross profit from operations	3,998,406	55	4,447,273	54
	Operating expenses (notes 6(c), (f), (g), (h), (n), (s) 7, 9, and 12):				
6100	Selling expenses	1,982,292	27	2,006,471	25
6200	General and administrative expenses	672,659	9	699,190	9
6300	Research and development expenses	194,320	3	192,630	2
6450	Reversal of impairment loss determined in accordance with IFRS 9	(4,818)	-	(60,313)	(1)
	Total operating expenses	2,844,453	39	2,837,978	35
	Operating Profit	1,153,953	16	1,609,295	19
	Non-operating income and expenses (note 6(t)):				
7100	Interest income	101,047	1	64,266	1
7010	Other income	50,628	1	51,199	-
7020	Other gains and losses	133,807	2	82,417	1
7050	Financial costs	(183,233)	(2)	(253,476)	(3)
	Total non-operating income and expenses	102,249	2	(55,594)	(1)
7900	**Profit before income tax**	1,256,202	18	1,553,701	18
7950	**Income tax expense (note 6(o))**	258,982	4	354,058	4
	Net income for the year	997,220	14	1,199,643	14
	Other comprehensive income (loss):				
8360	**Items that may be subsequently reclassified into profit or loss**				
8361	Foreign currency translation differences for foreign operations	119,145	2	(384,906)	(5)
8399	Income tax relating to components of other comprehensive income	-	-	-	-
	Total items that may be subsequently reclassified into profit or loss	119,145	2	(384,906)	(5)
8300	**Other comprehensive income (loss), net of tax**	119,145	2	(384,906)	(5)
8500	**Total comprehensive income for the year**	**$ 1,116,365**	**16**	**814,737**	**9**
	Profit attributable to:				
8610	Shareholders of the parent	$ 993,776	14	1,199,556	14
8620	Non-controlling interest	3,444	-	87	-
		$ 997,220	14	1,199,643	14
	Comprehensive income attributable to:				
8710	Shareholders of the parent	$ 1,113,005	16	814,608	9
8720	Non-controlling interest	3,360	-	129	-
		$ 1,116,365	**16**	**814,737**	**9**
9710	**Basic earnings per share (expressed in New Taiwan Dollars) (note 6(q))**	**$ 10.24**		**12.36**	
9810	**Diluted earnings per share (expressed in New Taiwan Dollars) (note 6(q))**	**$ 10.19**		**12.32**	

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

Ginko International Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

(Expressed in thousands of currency)

	Equity attributable to owners of parent																			
					Retained Earnings															
	Share capital - Common stock		Capital surplus		Legal reserve		Special reserve		Undistributed earnings		Total		Foreign currency translation differences		Equity attributable to owners of the parent		Non-controlling interest		Total equity	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	NCY	TWD
Balance at January 1, 2019	$ 191,908	924,505	676,407	3,073,227	183,992	876,518	35,641	505,265	1,244,806	5,599,038	1,464,439	6,980,821	(6,504)	(575,563)	2,326,250	10,402,990	(3,769)	(16,855)	2,322,481	10,386,135
Consolidated profit for the year	-	-	-	-	-	-	-	-	268,224	1,199,556	268,224	1,199,556	-	-	268,224	1,199,556	20	87	268,244	1,199,643
Other comprehensive income, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	5,617	(385,035)	5,617	(385,035)	(116)	129	5,501	(384,906)
Total comprehensive income, net of income tax	-	-	-	-	-	-	-	-	268,224	1,199,556	268,224	1,199,556	5,617	(385,035)	273,841	814,521	(96)	216	273,745	814,737
Appropriation and distribution of retained earnings:																				
Legal reserve	-	-	-	-	18,348	83,338	-	-	(18,348)	(83,338)	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	15,477	70,298	(15,477)	(70,298)	-	-	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	-	-	(101,773)	(462,252)	(101,773)	(462,252)	-	-	(101,773)	(462,252)	-	-	(101,773)	(462,252)
Balance at December 31, 2019	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
Consolidated profit for the year	-	-	-	-	-	-	-	-	232,121	993,776	232,121	993,776	-	-	232,121	993,776	787	3,444	232,908	997,220
Other comprehensive income, net of income tax	-	-	-	-	-	-	-	-	-	-	-	-	(16,117)	119,229	(16,117)	119,229	40	(84)	(16,077)	119,145
Total comprehensive income, net of income tax	-	-	-	-	-	-	-	-	232,121	993,776	232,121	993,776	(16,117)	119,229	216,004	1,113,005	827	3,360	216,831	1,116,365
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 December 31, 2020	**$ 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**

See accompanying notes to financial statements.

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

Ginko International Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in thousands of currency)

		2020 CNY	2020 TWD	2019 CNY	2019 TWD
Cash flows from operating activities:					
Profit before tax	$	293,395	1,256,202	347,413	1,553,701
Adjustments:					
Adjustments to reconcile profit (loss)					
Depreciation		201,727	863,720	176,769	790,550
Amortization		1,446	6,191	1,956	8,748
Expected credit gain		(1,125)	(4,818)	(13,486)	(60,313)
Interest income		(23,600)	(101,047)	(14,370)	(64,266)
Financial cost		42,796	183,233	56,678	253,476
Loss on disposal of property, plant, and equipment		821	3,516	1,405	6,283
Loss (gain) on financial liabilities at fair value through profit or loss		14,007	59,975	(14,772)	(66,062)
Gain on lease modification		554	1,374	-	-
Total adjustments to reconcile profit and loss		236,626	1,012,144	194,180	868,416
Change in operating assets and liabilities:					
Decrease (increase) in notes receivable		1,926	8,035	3,455	16,361
Decrease (increase) in trade receivables		43,185	124,917	(40,855)	(26,667)
Decrease (increase) in trade receivables from related parties		13,114	54,567	(12,383)	(48,797)
Decrease (increase) in other receivables		7,857	33,222	7,339	35,531
Decrease (increase) in inventories		(86,860)	(420,700)	(46,266)	(112,927)
Decrease (increase) in prepayments		(16,587)	(79,916)	9,889	61,891
Decrease (increase) in other current assets		12,803	54,734	9,419	45,142
Decrease (increase) in other non – current assets		4,217	18,155	10,020	44,673
Increase (decrease) in contract liabilities		2,438	11,624	(1,264)	(7,863)
Increase (decrease) in notes payable		(5,904)	(24,766)	(245)	(3,593)
Increase (decrease) in trade payables		5,732	32,497	15,750	53,254
Increase (decrease) in trade payables to related parties		(2,609)	(10,345)	14,952	64,370
Increase (decrease) in other payables		(12,635)	(44,936)	13,538	36,539
Increase (decrease) in other payables to related parties		(2,862)	(12,108)	2,286	9,250
Increase (decrease) in provisions for liabilities		(2,799)	(10,084)	13,857	56,942
Net changes in operating assets and liabilities		(38,984)	(265,104)	(508)	224,106
Total reconciliation adjustment		197,642	747,040	193,672	1,092,522
Cash provided by operating activities		491,037	2,003,242	541,085	2,646,223
Income taxes paid		(66,920)	(285,331)	(42,006)	(192,057)
Net cash flows from operating activities		424,117	1,717,911	499,079	2,454,166
Cash flows used in investing activities:					
Acquisition of property, plant and equipment		(107,011)	(457,987)	(299,659)	(1,340,116)
Proceeds from disposal of property, plant and equipment		259	1,108	1,217	5,441
Increase in prepayments on purchase of equipment		(1,628)	(7,234)	(24,624)	(100,471)
Acquisition of intangible assets		(179)	(777)	(245)	(1,096)
Decrease (increase) in long-term receivables		7,454	31,217	7,570	37,777
Decrease (increase) in other financial assets		110,106	469,533	(370,180)	(1,507,977)
Increase in other non-current assets		-	-	(872)	(2,903)
Acquisition of right-of-use assets		-	-	(7,735)	(34,593)
Interest received		23,600	101,047	14,370	64,266
Net cash flows from (used in) investing activities		32,601	136,907	(680,158)	(2,879,672)
Cash flows from financing activities:					
Increase in short-term bank loans		(330,988)	(1,417,162)	148,843	665,656
Increase in long-term bank loans		314,367	1,346,000	177,228	792,600
Repayment of long-term bank loans		(135,463)	(580,000)	(64,398)	(288,000)
Cash dividends paid		(66,177)	(277,351)	(101,773)	(462,252)
Repayment of lease principal		(10,966)	(47,549)	(11,429)	(49,831)
Interest paid		(41,523)	(177,784)	(56,709)	(253,666)
Net cash flows from (used in) financing activities		(270,750)	(1,153,846)	91,762	404,507
Effect of exchange rate changes on cash and cash equivalents		(77,417)	(186,552)	25,520	(355,442)
Net increase (decrease) in cash and cash equivalents		108,551	514,420	(63,797)	(376,441)
Cash and cash equivalents, beginning of the year		545,753	2,349,467	609,550	2,725,908
Cash and cash equivalents, end of the year	$	**654,304**	**2,863,887**	**545,753**	**2,349,467**

See accompanying notes to financial statements.

(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 of the company as of and for the year ended December 31, 2020 and 2019 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 lense care products.

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

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on March 10, 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, 2020.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020

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"	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 IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"	January 1, 2022

(Continued)

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023

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

Issuance / Release Dates	Standards or Interpretations	Content of amendment
January 23, 2020	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.

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

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(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.

(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:

Subsidiary	Establishment Location and date	Shareholding ratio Direct	Shareholding ratio Indirect	Paid-in / Registered capital	Nature of business
Prosper Link International Limited (Prosper Link)	British Virgin Islands September 5, 2007	100%	-	USD5,560 thousand / USD5,560 thousand	Holding company
Yung Sheng Optical Co.,Ltd. (Yungsheng Corporation)	Taiwan October 14, 1995	100%	-	TWD1,600,000 thousand/ TWD1,600,000 thousand	Manufacturing and selling contact lenses and contact lens solution
Haichang International Limited (Haichang International)	Hong Kong October 9, 2007	-	100%	HKD21,000 thousand / HKD21,000 thousand	Holding company. Selling contact lenses and lens care products
Haichang Contact Lens Co., Ltd. (Haichang Corporation)	China November 17, 1995	-	100%	USD66,319 thousand / USD66,319 thousand	Manufacturing and selling of contact lenses, contact lens solution and other eye-related appliance
Jiangsu Horien Contact Lens Co., Ltd. (Horien Corporation)	China April 11, 2005	-	100%	CNY15,000 thousand / CNY15,000 thousand	Manufacturing and selling of contact lenses, contact lens solution and other eye-related appliance

Subsidiary	Establishment Location and date	Shareholding ratio Direct	Indirect	Paid-in / Registered capital	Nature of business
Shanghai Horien Contact Lens Optical Co.,Ltd (Shanghai Horien)	China April 19, 2010	-	100%	CNY75,000 thousand / CNY75,000 thousand	Selling of contact lenses and eye care solution
Gain Bless Management Ltd. (Gain Bless)	British Virgin Islands July 28, 2015	-	100%	USD1,150 thousand / USD1,150 thousand	Holding Company
Horien Optic (Malaysia) Sdn. Bhd. (Horien Malaysia)	Malaysia May 12, 2014	-	70%	MYR2,500 thousand / MYR2,500 thousand	Selling of contact lens and eye care solution
Master Harvest Global Ltd. (Master Harvest)	Anguilla May 24, 2016	-	100%	USD10,000 thousand / USD10,000 thousand	Holding Company
Yung Sheng Optical Japan Co., Ltd. (Yung Sheng Japan)	Japan April 22,2014	-	70%	JPY90,000 thousand / JPY90,000 thousand	Selling of contact lens and eye care solution
Shanghai Fushiyuan Contact Lens Co., Ltd. (Shanghai Fushiyuan)	China September 28, 2016	-	100%	CNY25,000 thousand / CNY25,000 thousand	Selling of contact lens and eye care solution
Uni-Beauty Co., Ltd. (Uni-Beauty)	Japan January 19, 2018	-	100%	JPY190,000 thousand / JPY190,000 thousand	Selling of contact lens and eye care solution

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.

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.

(Continued)

(f) Cash and cash equivalents

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

(g) Financial instruments

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).

(Continued)

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.

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.

(Continued)

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 charge 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.

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.

(Continued)

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 offseted 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.

(Continued)

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:

– 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

(Continued)

(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 leasee

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

(Continued)

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

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

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

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

(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.

(Continued)

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

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

(iv) Revenue from contracts with customers

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

i) 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.

(Continued)

(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 occured

(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

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

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

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

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

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

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

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

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

i. the same taxable entity; or

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

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

(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.

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

(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.

(Continued)

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

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the IASB requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

Any assumptions and estimates deriving from uncertainty with the risk of causing major adjustments to the consolidated financial statements in the following period are listed as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) Revenue Recognition

The Group records an expected value or the most likely amount for estimated future returns and allowances based on historical experiences, market and economic conditions, and any other known factors. In the period when the sale of the product actually occurs, the Group records the amount as a deduction to sales. The adequacy of estimations is reviewed periodically. The fierce market competition and evolution of technology could result in significant adjustments to the estimation made. For information on estimations of sales return and allowances, please refer to notes 6(m) and (r).

(b) Net realizable value of inventory

Since inventory should be measured at the lower of cost or net realizable value, the Group reevaluates the amount of inventory that is deteriorating from wear and tear, obsolescence or has no market value at the reporting date. The cost of those inventories is then reduced to their net realizable value. The uniqueness of the Group’s products calls for inventory valuation, seeing that its sales are influenced by market demand and prices, which inevitably affects the value of its inventory. For details on the valuation of inventory, please refer to note 6(d).

(c) Impairment loss of trade receivables

The Group has estimated the loss allowance of trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. For the relevant assumptions and input values, please refer to note 6(c).

(6) Description of Significant Accounts

(a) Cash and cash equivalents

	December 31, 2020		December 31, 2019	
	CNY	TWD	CNY	TWD
Cash on hand	$ 1,721	7,533	5,022	21,620
Check deposits	581,363	2,544,624	484,881	2,087,413
Demand deposits	71,220	311,730	55,850	240,434
	$ 654,304	**2,863,887**	**545,753**	**2,349,467**

(Continued)

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

(b) Other financial assets

Item	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Restricted deposits	$ 577,472	2,527,593	742,098	3,194,732
Time deposits－maturity more than three-month	199,265	872,184	140,936	606,728
Total	$ **776,737**	**3,399,777**	**883,034**	**3,801,460**

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

(c) Notes and trade receivables

i) The details were as follows:

	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Notes receivables	$ 3,542	15,505	5,468	23,540
Trade receivables	860,395	3,765,950	907,030	3,904,766
Trade receivables from related parties	26,276	115,007	39,390	169,574
Long-term receivables	46,032	201,484	50,825	218,802
	936,245	4,097,946	1,002,713	4,316,682
Less: Loss allowance	47,528	208,030	49,442	212,848
	$ **888,717**	**3,889,916**	**953,271**	**4,103,834**

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 in Mainland China and Malaysia were determined as follows:

	December 31, 2020				
	Gross carrying amount CNY	Gross carrying amount TWD	Weight-average loss rate	Loss allowance provision CNY	Loss allowance provision 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**

(Continued)

	December 31, 2019				
	Gross carrying amount		Weight-average	Loss allowance provision	
	CNY	TWD	loss rate	CNY	TWD
Current	$ 603,670	2,598,799	1	6,037	25,988
1 to 30 days past due	34,426	148,206	2	689	2,964
31 to 90 days past due	66,589	286,666	4	2,664	11,467
91 to 180 days past due	47,444	204,248	8	3,796	16,340
181 to 360 days past due	24,137	103,913	16	3,862	16,626
More than 1 year past due	34,263	147,504	86	29,623	127,529
	$ **810,529**	**3,489,336**		**46,671**	**200,914**

The loss allowance provision in Taiwan and Japan as of December 31,2020 was determined as follows:

	December 31, 2020				
	Gross carrying amount		Weight-average	Loss allowance provision	
	CNY	TWD	loss rate	CNY	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**

	December 31, 2019				
	Gross carrying amount		Weight-average	Loss allowance provision	
	CNY	TWD	loss rate	CNY	TWD
Current	$ 176,794	761,090	0	-	-
1 to 30 days past due	10,169	43,776	2	203	876
31 to 90 days past due	1,440	6,201	5	72	310
91 to 180 days past due	981	4,223	9	88	380
181 to 360 days past due	529	2,279	26	137	591
More than 1 year past due	2,271	9,777	100	2,271	9,777
	$ **192,184**	**827,346**		**2,771**	**11,934**

(Continued)

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

		For the years ended December 31,			
		2020		2019	
		CNY	TWD	CNY	TWD
Balance at January 1	$	49,442	212,848	63,634	284,572
Reversal of impairment losses		(1,125)	(4,818)	(13,486)	(60,313)
Amounts written off		(756)	(3,307)	(810)	(3,622)
Foreign exchange gains (losses)		(33)	3,307	104	(7,789)
Balance at December 31	**$**	**47,528**	**208,030**	**49,442**	**212,848**

As of December 31, 2020 and 2019, the notes and trade receivables of the Group were not discounted or pledged as collateral.

(d) Inventories

i) The details were as follows:

		December 31, 2020		December 31, 2019	
		CNY	TWD	CNY	TWD
Finished goods	$	368,913	1,614,732	248,876	1,071,412
Work in process		222,624	974,425	255,973	1,101,964
Raw materials		46,116	201,849	46,217	198,964
Low value consumables		11,931	52,222	11,658	50,188
	$	**649,584**	**2,843,228**	**562,724**	**2,422,528**

ii) Cost of goods sold recognized in 2020 and 2019 were as follows:

		2020		2019	
		CNY	TWD	CNY	TWD
Cost of inventories sold	$	704,321	3,015,618	749,650	3,352,585
Allowance for inventory abandonment loss		78,908	337,854	71,535	319,919
Allowance for inventory obsolescence loss (gain)		(5,174)	(22,153)	13,507	60,406
	$	**778,055**	**3,331,319**	**834,692**	**3,732,910**

(e) Prepayments

	December 31, 2020		December 31, 2019	
	CNY	TWD	CNY	TWD
Value added tax	$ 89,803	393,066	64,604	278,120
Other prepaid expenses	13,798	60,394	11,781	50,707
Prepaid purchases	951	4,162	969	4,174
Prepaid advertisement	3,179	13,912	14,887	64,093
Prepaid insurance	784	3,432	746	3,211
Other prepayments	9,656	42,267	8,597	37,012
	$ 118,171	517,233	101,584	437,317

(f) Property, plant and equipment

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	109	469	(1,795)	(7,684)	1,383	61,867	777,156	3,401,613
Leasehold improvements	149,732	644,596	1,183	5,065	(59)	(252)	(22,679)	(88,378)	128,177	561,031
Machinery	1,641,762	7,067,785	47,585	203,742	(5,594)	(23,951)	86,619	501,535	1,770,372	7,749,111
Transportation equipment	12,054	51,892	-	-	(2,581)	(11,052)	807	4,155	10,280	44,995
Other equipment	31,355	134,983	541	2,314	(3,560)	(15,244)	(185)	1,161	28,151	123,214
Construction in process	135,082	581,528	57,593	246,397	-	-	(101,728)	(430,043)	90,947	397,882
Subtotal	2,747,444	11,827,745	107,011	457,987	(13,589)	(58,183)	(35,783)	50,297	2,805,083	12,277,846
Accumulated depreciation:										
Building	134,316	578,230	35,998	154,130	(1,292)	(5,532)	(14,124)	(48,842)	154,898	677,986
Leasehold improvements	31,210	134,359	3,354	14,362	(51)	(220)	(8,256)	(33,566)	26,257	114,935
Machinery	630,505	2,714,324	145,944	624,876	(5,285)	(22,629)	(6,654)	29,692	764,510	3,346,263
Transportation equipment	9,058	38,993	554	2,371	(2,382)	(10,197)	(16)	409	7,214	31,576
Other equipment	22,858	98,404	2,369	10,143	(3,499)	(14,981)	(124)	983	21,604	94,549
Subtotal	827,947	3,564,310	188,219	805,882	(12,509)	(53,559)	(29,174)	(51,324)	974,483	4,265,309
Property, plant and equipment, net	$ 1,919,497	8,263,435	(81,208)	(347,895)	(1,080)	(4,624)	(6,609)	101,621	1,830,600	8,012,537

2019

	Beginning balance		Additions		Disposals		Reclassification and exchange rate difference		Ending balance	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Cost:										
Building	$ 452,112	2,021,845	15,471	69,188	(334)	(1,492)	310,210	1,257,420	777,459	3,346,961
Leasehold improvements	79,439	355,251	-	-	(138)	(616)	70,431	289,961	149,732	644,596
Machinery	1,450,880	6,488,335	90,713	405,687	(21,179)	(94,798)	121,348	268,561	1,641,762	7,067,785
Transportation equipment	11,443	51,173	502	2,246	-	-	109	(1,527)	12,054	51,892
Other equipment	31,421	140,515	1,047	4,682	(1,769)	(7,912)	656	(2,302)	31,355	134,983
Construction in process	341,569	1,527,497	191,926	858,313	-	-	(398,413)	(1,804,282)	135,082	581,528
Subtotal	2,366,864	10,584,616	299,659	1,340,116	(23,420)	(104,818)	104,341	7,831	2,747,444	11,827,745

	2019									
	Beginning balance		Additions		Disposals		Reclassification and exchange rate difference		Ending balance	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Accumulated depreciation:										
Building	106,648	476,930	25,529	114,173	(334)	(1,492)	2,473	(11,381)	134,316	578,230
Leasehold improvements	27,350	122,309	4,594	20,547	(113)	(505)	(621)	(7,992)	31,210	134,359
Machinery	507,026	2,267,420	131,039	586,033	(18,626)	(83,380)	11,066	(55,749)	630,505	2,714,324
Transportation equipment	7,506	33,567	644	2,881	-	-	908	2,545	9,058	38,993
Other equipment	21,189	94,758	2,794	12,495	(1,725)	(7,717)	600	(1,132)	22,858	98,404
Subtotal	669,719	2,994,984	164,600	736,129	(20,798)	(93,094)	14,426	(73,709)	827,947	3,564,310
Property, plant and equipment, net	$ 1,697,145	7,589,632	135,059	603,987	(2,622)	(11,724)	89,915	81,540	1,919,497	8,263,435

The Group's interest expense for the years ended 2020 and 2019 amounted to CNY42,948 thousand (TWD183,881 thousand) and CNY59,425 thousand (TWD265,762 thousand), respectively, wherein the amounts of CNY1,424 thousand (TWD6,097 thousand) and CNY4,357 thousand (TWD19,486 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 1.6782% and 1.7376%, respectively; please refer to note 6(t).

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

(g) 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 and equipment	Vehicles	Total
Cost:					
Balance at January 1, 2020	$ 78,706	30,607	1,932	1,195	112,440
Additions	6	2,700	783	493	3,982
Disposal/Write-off	(730)	(595)	-	(251)	(1,576)
Foreign currency translation difference	(1,017)	(272)	(32)	(20)	(1,341)
Balance at December 31, 2020	$ 76,965	32,440	2,683	1,417	113,505
Balance at January 1, 2019	$ 76,349	25,226	1,590	246	103,411
Additions	48	6,515	269	903	7,735
Disposal/Write-off	-	(1,771)	-	-	(1,771)
Foreign currency translation difference	2,309	637	73	46	3,065
Balance at December 31, 2019	$ 78,706	30,607	1,932	1,195	112,440

(Continued)

	CNY				
	Land	Buildings	Machinery and equipment	Vehicles	Total
Accumulated depreciation and impairment losses:					
Balance at January 1, 2020	$ 1,698	9,747	609	356	12,410
Depreciation for the year	1,695	10,546	688	579	13,508
Impairment loss	-	(115)	-	-	(115)
Foreign currency translation difference	(48)	(212)	(25)	(261)	(546)
Balance at December 31, 2020	**$ 3,345**	**19,966**	**1,272**	**674**	**25,257**
Balance at January 1, 2019	$ -	-	-	-	-
Depreciation for the year	1,651	9,589	586	343	12,169
Foreign currency translation difference	47	158	23	13	241
Balance at December 31, 2019	**$ 1,698**	**9,747**	**609**	**356**	**12,410**
Carrying amount:					
Balance at December 31, 2020	**$ 73,620**	**12,474**	**1,411**	**743**	**88,248**
Balance at December 31, 2019	**$ 77,008**	**20,860**	**1,323**	**839**	**100,030**
Balance at January 1, 2019	**$ 76,349**	**25,226**	**1,590**	**246**	**103,411**

	TWD				
	Land	Buildings	Machinery and equipment	Vehicles	Total
Cost:					
Balance at January 1, 2020	$ 338,834	131,769	8,313	5,138	484,054
Additions	25	11,819	3,429	2,159	17,432
Disposal/Write-off	(3,194)	(2,604)	-	(1,099)	(6,897)
Foreign currency translation difference	1,214	1,014	-	-	2,228
Balance at December 31, 2020	**$ 336,879**	**141,998**	**11,742**	**6,198**	**496,817**
Balance at January 1, 2019	$ 341,435	112,813	7,108	1,099	462,455
Additions	216	29,133	1,205	4,039	34,593
Disposal/Write-off	-	(7,919)	-	-	(7,919)
Foreign currency translation difference	(2,817)	(2,258)	-	-	(5,075)
Balance at December 31, 2019	**$ 338,834**	**131,769**	**8,313**	**5,138**	**484,054**
Accumulated depreciation and impairment losses:					
Balance at January 1, 2020	$ 7,310	41,962	2,622	1,532	53,426
Depreciation for the year	7,258	45,156	2,944	2,480	57,838
Impairment loss	-	(493)	-	(1,060)	(1,553)
Foreign currency translation difference	75	768	-	-	843
Balance at December 31, 2020	**$ 14,643**	**87,393**	**5,566**	**2,952**	**110,554**

(Continued)

	CNY				
	Land	Buildings	Machinery and equipment	Vehicles	Total
Balance at January 1, 2019	$ -	-	-	-	-
Depreciation for the year	7,385	42,882	2,622	1,532	54,421
Foreign currency translation difference	(75)	(920)	-	-	(995)
Balance at December 31, 2019	**$ 7,310**	**41,962**	**2,622**	**1,532**	**53,426**
Carrying amount:					
Balance at December 31, 2020	**$ 322,236**	**54,605**	**6,176**	**3,246**	**386,263**
Balance at December 31, 2019	**$ 331,524**	**89,807**	**5,691**	**3,606**	**430,628**
Balance at January 1, 2019	**$ 341,435**	**112,813**	**7,108**	**1,099**	**462,455**

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

(h) Intangible assets

i) Goodwill

	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Beginning balance	$ 7,831	33,712	7,831	35,020
Effect of change in exchange rates	-	564	-	(1,308)
	$ 7,831	**34,276**	**7,831**	**33,712**

The goodwill was generated 100% equity shares from the acquisition of Shanghai Horien Corporation and Yung Sheng Corporation on April 1, 2013 and September 1, 2010, respectively.

ii) Others

	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Original cost	$ 26,388	136,102	26,437	136,323
Plus: Additions	179	777	245	1,096
Less: Disposals	-	-	(294)	(1,317)
Less: Accumulated amortization	(25,648)	(112,261)	(24,202)	(104,190)
Effect of change in exchange rates	18	(20,516)	21	(22,408)
	$ 937	**4,102**	**2,207**	**9,504**

The accumulated amortization in 2020 and 2019 were as follows:

	December 31, 2020		December 31, 2019	
	CNY	TWD	CNY	TWD
Beginning balance	$ 24,202	104,190	22,540	100,799
Plus: Amortization for the year	1,446	6,191	1,956	8,748
Less: Disposals	-	-	(294)	(1,317)
Effect of change in exchange rates	-	1,880	-	(4,040)
	$ 25,648	**112,261**	**24,202**	**104,190**

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.

(i) Other non-current assets

	December 31, 2020		December 31, 2019	
	CNY	TWD	CNY	TWD
Restricted deposits	$ 1,709	7,481	5,511	23,725
Non-current deposits	446	1,950	453	1,950
Long-term deferred expenses	-	-	4,217	18,155
Total	**$ 2,155**	**9,431**	**10,181**	**43,830**

(j) Bank loans

	December 31, 2020		December 31, 2019	
	CNY	TWD	CNY	TWD
Current:				
Secured loans	$ 441,684	1,933,251	465,298	2,003,106
Unsecured loans	585,607	2,563,200	942,602	4,057,902
Long-term loans within a year	46,836	205,000	17,422	75,000
Subtotal	1,074,127	4,701,451	1,425,322	6,136,008
Non-current:				
Secured loans	57,117	250,000	439,396	1,891,600
Unsecured loans	863,057	3,777,600	348,432	1,500,000
Subtotal	920,174	4,027,600	787,828	3,391,600
Total	**$ 1,994,301**	**8,729,051**	**2,213,150**	**9,527,608**
Interest rates		**0.75%~3.6%**		**1.35%~4.79%**

Please refer to note 8 for the Group’s pledged assets as collateral for bank loans as of December 31, 2020 and 2019.

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 entity'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 its audited 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.

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 December 31, 2020, the total withdrawal amount of the 2019 syndicated loan of CNY743,112 thousand (TWD3,252,600 thousand) was mainly used for reimbursement and capital expenditures. For the years ended December 31, 2020 and 2019, the Group has not breach any of the financial covenants or clauses.

(k) Lease liabilities

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

		December 31, 2020		December 31, 2019	
		CNY	TWD	CNY	TWD
Current	$	8,840	38,693	8,725	37,555
Non-current	$	59,719	261,390	68,719	295,834

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

The amounts recognized in profit or loss were as follows:

		December 31, 2020		December 31, 2019	
		CNY	TWD	CNY	TWD
Interest on lease liabilities	$	1,273	5,449	1,610	7,200
Expenses relating to short-term leases	$	404	1,729	2,249	5,906
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$	491	2,102	305	1,155

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

		For the year ended December 31, 2020		For the year ended December 31, 2019	
		CNY	TWD	CNY	TWD
Total cash outflow for leases	$	11,861	51,381	15,593	64,092

i) Real estate leases

As of December 31, 2019, the Group leases land and buildings for its office space. The leases of office space 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 its right-of-use assets and lease liabilities for these leases.

(l) Other payables

	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Accrued expenses and others payables	$ 59,120	258,768	74,329	319,987
Accrued salary and bonus	52,335	229,069	55,316	238,136
Tax payable	19,956	87,347	14,401	61,997
	$ 131,411	**575,184**	**144,046**	**620,120**

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

(m) Current refundable liabilities

i) Allowance for sales discount

	Allowance for sales discount CNY	Allowance for sales discount TWD
Balance at January 1, 2020	$ 30,105	129,603
Allowance made during the year	273,072	1,169,188
Allowance used during the year	(276,489)	(1,183,821)
Effect of changes in foreign exchange rate	618	4,549
Balance at December 31, 2020	**$ 27,306**	**119,519**

	Allowance for sales discount CNY	Allowance for sales discount TWD
Balance at January 1, 2019	$ 16,248	72,661
Allowance made during the year	275,858	1,233,693
Allowance used during the year	(262,675)	(1,174,733)
Effect of changes in foreign exchange rate	674	(2,018)
Balance at December 31, 2019	**$ 30,105**	**129,603**

(n) 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:

	2020 CNY	2020 TWD	2019 CNY	2019 TWD
Pension expense	**$ 14,064**	**60,217**	**20,611**	**92,175**

(o) Income tax expense

i) Income tax expense

The income tax expense for the years ended December 31, 2020 and 2019, were as follows:

		2020		2019	
		CNY	TWD	CNY	TWD
Current income tax expense					
Currently incurred	$	68,229	292,149	84,378	377,360
Adjustment to prior year’s income tax charged to current income tax		(6,708)	(28,721)	(13,661)	(61,093)
		61,521	263,428	70,717	316,267
Deferred tax expense					
The origination and reversal of temporary differences unrecognized tax losses		(1,034)	(4,446)	8,452	37,791
Income tax expenses	$	**60,487**	**258,982**	**79,169**	**354,058**

The Group has no income tax recognized in other comprehensive income or equity for 2020 and 2019.

The Group’s reconciliations of tax expenses and profit before tax in 2020 and 2019 were as follows:

		2020		2019	
		CNY	TWD	CNY	TWD
Profit before tax	$	**293,395**	**1,256,202**	**347,413**	**1,553,701**
Computing tax using the Group's domestic tax rate	$	65,998	282,576	67,936	303,823
Effect of tax rate in foreign jurisdiction		4,568	19,557	22,579	100,976
Tax-exempt income		(32,736)	(140,163)	(14,369)	(64,261)
Prior year's income tax adjustment		(6,708)	(28,721)	(13,661)	(61,093)
China's subsidiaries' projected surplus' withholding tax		11,423	48,908	4,652	20,805
Non-deductible expenses and losses		2,641	11,309	4,454	19,921
Change in unrecognized temporary differences		811	3,474	1,279	5,721
Other temporary differences		12,731	54,509	6,299	28,166
ROC entites' undistributed earnings additional tax		1,759	7,533	-	-
Total	$	**60,487**	**258,982**	**79,169**	**354,058**

Ginko, Prosper Link, Gain Bless, and Master Harvest, have no tax liabilities in the years 2020 and 2019, 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.

(Continued)

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 for qualifying as a high-tech enterprise in China on November 28, 2018. The tax reduction is applicable for three years after the issuance date; therefore, 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 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 unappropriated 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.

In accordance with the Income Tax Act of Japan, Yungsheng (Japan), that 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) Deferred tax assets and liabilities

i. Unrecognized deferred tax assets

The details of the Group’s unrecognized deferred tax assets were as follows:

	December 31, 2020		December 31, 2019	
	CNY	**TWD**	**CNY**	**TWD**
Deductible temporary differences	$ **4,232**	**18,522**	**3,421**	**15,048**

(Continued)

ii. Recognized deferred tax assets and liabilities

The changes of deferred tax assets and liabilities in 2020 and 2019 were as follows:

Deferred tax assets:

	Allowance for doubtful account		Allowance for inventory impairment loss		Others		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
January 1, 2020	$ 8,954	38,550	7,071	30,444	14,906	64,163	30,931	133,157
Recognized in profit (loss)	(187)	(796)	(1,301)	(5,568)	4,545	19,463	3,057	13,099
Effect of change in exchange rates	1	628	(17)	301	(24)	1,404	(40)	2,333
December 31, 2020	**$ 8,768**	**38,382**	**5,753**	**25,177**	**19,427**	**85,030**	**33,948**	**148,589**
January 1, 2019	$ 11,816	52,841	4,374	19,561	18,307	81,867	34,497	154,269
Recognized in profit (loss)	(2,875)	(12,854)	2,661	11,901	(3,586)	(16,033)	(3,800)	(16,986)
Effect of change in exchange rates	13	(1,437)	36	(1,018)	185	(1,671)	234	(4,126)
December 31, 2019	**$ 8,954**	**38,550**	**7,071**	**30,444**	**14,906**	**64,163**	**30,931**	**133,157**

Deferred tax liabilities:

	Tax of earnings distributed	
	CNY	TWD
January 1, 2020	$ 4,652	20,027
Recognized in loss (profit)	2,023	8,653
Effect of change in exchange rates	(5)	514
December 31, 2020	**$ 6,670**	**29,194**
January 1, 2019	$ -	-
Recognized in loss (profit)	4,652	20,805
Effect of change in exchange rates	-	(778)
December 31, 2019	**$ 4,652**	**20,027**

iii) 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.

iv) Assessment of tax

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

(p) Capital and other equity interest

i) Share capital

As of December 31, 2020 and 2019, the total value of common shares issued by the Group were TWD970,730 thousand (CNY202,938 thousand) and TWD924,505 thousand (CNY191,908 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.

Earnings distribution for 2019 and 2018 was decided by the resolution adopted, at the general meeting of shareholders held on June 23, 2020 and June 18, 2019, respectively. The relevant dividend distributions to shareholders were as follows

	2019		2018	
	Share distribution rate (in TWD)	**TWD**	**Share distribution rate (in TWD)**	**TWD**
Dividends attributable to ordinary shareholders:				
Cash	$ 3.00	277,351	5.00	462,252
Shares	0.50	46,225	-	-
Total		$ **323,576**	**5**	**462,252**

(q) Earnings per share

The calculation of basic earnings per share and diluted earnings per share for the year ended 2020 and 2019 were as follows:

Shares : thousand

	2020		2019	
	CNY	**TWD**	**CNY**	**TWD**
Basic EPS:				
Profit	$ **232,121**	**993,776**	**268,224**	**1,199,556**
Weighted-average number of ordinary shares	**97,073**	**97,073**	**97,073**	**97,073**
Basic EPS (in Chinese Yuan and New Taiwan Dollars)	$ **2.39**	**10.24**	**2.76**	**12.36**
Diluted EPS:				
Profit	$ 232,121	993,776	268,224	1,199,556
Effect of potentially dilutive ordinary shares				
Profit (diluted)	$ **232,121**	**993,776**	**268,224**	**1,199,556**
Weighted-average number of ordinary shares	97,073	97,073	97,073	97,073
Effect of potentially dilutive ordinary shares －Employee stock bonuses	406	406	302	302
Weighted-average number of ordinary shares outstanding (diluted)	**97,479**	**97,479**	**97,375**	**97,375**
Diluted EPS (in Chinese Yuan and New Taiwan Dollars)	$ **2.38**	**10.19**	**2.75**	**12.32**

(Continued)

(r) Revenue from contract with customers

i) Details of revenue

		2020		2019	
		CNY	TWD	CNY	TWD
Primary geographical markets:					
Mainland China	$	1,220,859	5,227,228	1,278,282	5,716,733
Taiwan		314,253	1,345,506	334,769	1,497,154
North-east Asia		137,320	587,949	179,476	802,653
Europe		30,377	130,062	31,961	142,935
South-east Asia		6,072	25,998	4,405	19,700
Other countries		3,032	12,982	225	1,008
	$	**1,711,913**	**7,329,725**	**1,829,118**	**8,180,183**
Major products:					
Contact lenses	$	1,434,600	6,142,381	1,534,743	6,863,679
Contact lens care solution		277,313	1,187,344	294,375	1,316,504
	$	**1,711,913**	**7,329,725**	**1,829,118**	**8,180,183**

For details on revenue for the year ended December 31, 2019, please refer to note 6(s).

ii) Contract balance

		December 31, 2020		December 31, 2019	
		CNY	TWD	CNY	TWD
Notes and trade receivables	$	936,245	4,097,946	1,002,713	4,316,682
Less: allowance for impairment		(47,528)	(208,030)	(49,442)	(212,848)
		-	-	-	-
Total	$	**888,717**	**3,889,916**	**953,271**	**4,103,834**

		December 31, 2020		December 31, 2019	
		CNY	TWD	CNY	CNY
Contract liabilities	$	**15,685**	**68,654**	**13,247**	**57,030**

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.

(s) 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 years ended December 31, 2020 and 2019, the Group estimated its employee remuneration amounting to TWD44,764 thousand (CNY10,455 thousand) and TWD56,577 thousand (CNY12,651 thousand) ; and directors' and supervisors' remuneration amounting to TWD7,674 thousand (CNY1,792 thousand) and TWD9,699 thousand (CNY2,169 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, 2019, the actual distribution of employee compensation was TWD56,699 thousand (CNY12,678 thousand), and the actual distribution of directors' and supervisors' remuneration was TWD9,720 thousand (CNY2,173 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 TWD143 thousand (CNY31 thousand) in total, which will be regarded as a change in accounting estimate and recorded as profit or loss in the year 2020. For more details, please visit the Market Observation Post System website.

(t) Non-operating income and expenses

i) Interest income

	2020		2019	
	CNY	**TWD**	**CNY**	**TWD**
Interest income from bank deposits	$ **23,600**	**101,047**	**14,370**	**64,266**

ii) Other income

The details of other income for 2020 and 2019 were as follows:

	2020		2019	
	CNY	**TWD**	**CNY**	**TWD**
Subsidy income from the government	$ 6,661	28,518	5,348	23,916
Others	5,164	22,110	6,100	27,283
	$ **11,825**	**50,628**	**11,448**	**51,199**

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.

(Continued)

iii) Other gains or losses

The details of other gains and losses for 2020 and 2019 were as follows

		2020		2019	
		CNY	TWD	CNY	TWD
Foreign exchange gains or losses	$	34,181	146,348	22,521	100,716
Losses on disposal of property, plant, and equipment		(821)	(3,516)	(1,405)	(6,283)
Bank fees		(1,398)	(5,987)	(2,313)	(10,344)
Donation contributions		(20)	(86)	(257)	(1,149)
Others		(690)	(2,952)	(117)	(523)
	$	31,252	133,807	18,429	82,417

iv) Financial costs

The details of finance costs for 2020 and 2019 were as follows:

		2020		2019	
		CNY	TWD	CNY	TWD
Interest expenses of bank loans	$	42,948	183,881	59,425	265,762
Less: capitalized interest		(1,424)	(6,097)	(4,357)	(19,486)
Other (note 6(k))		1,273	5,449	1,610	7,200
	$	42,797	183,233	56,678	253,476

(u) 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 a different payment term, 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, then additional approval will be required for unusual incidents. Please refer to note 6(c) for the disclosure of the Group’ s maximum amount of credit risk exposure in 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 December 31, 2020 and 2019., the credit risk concentration of the Group’ s top five customers consisted less than 24% and 20%, 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.

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

	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	-	-
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**

	December 31, 2019							
	Carrying amount		Nominal principal		Within 1 year		Long-term	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Unsecured loans	$ 465,298	2,003,106	474,641	2,043,329	474,641	2,043,329	-	-
Secured loans	942,602	4,057,902	960,658	4,135,632	960,658	4,135,632	-	-
Trade payables and other payables	282,669	1,216,897	282,669	1,216,897	282,669	1,216,897	-	-
Current contract liabilities	13,247	57,030	13,247	57,030	13,247	57,030	-	-
Long-term loans due within a year	17,422	75,000	18,746	80,701	18,746	80,701	-	-
Lease liabilities	77,444	333,389	108,263	466,073	10,297	44,329	97,966	421,744
Long-term loans	787,828	3,391,600	846,259	3,643,144	-	-	846,259	3,643,144
Total	**$ 2,586,510**	**11,134,924**	**2,704,483**	**11,642,806**	**1,760,258**	**7,577,918**	**944,225**	**4,064,888**

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

		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)**	

		December 31, 2019	
	CNY	TWD	Average interest rate (%)
Fixed interest rate:			
Time deposits (booked as other current assets)	$ 55,850	240,434	2.30
Restricted deposits (booked as other current assets)	883,034	3,801,460	2.21
Other non-current financial assets	5,964	25,675	0.13
Bank loans	(1,424,518)	(6,132,545)	2.52
	$ (479,670)	**(2,064,976)**	
Variable interest rate:			
Cash and cash equivalents	$ 484,881	2,087,413	0.29
Bank loans	(788,632)	(3,395,063)	2.04
	$ (303,751)	**(1,307,650)**	

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 CNY333 thousand (TWD1,459 thousand) and CNY700 thousand (TWD3,012 thousand) for the years ended December 31, 2020 and 2019, assuming that all other variables remain constant .

(Continued)

To manage its risk exposure on the fair value fluctuations of the financial instruments, the assumption stated above is used as the basis for evaluation 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
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
December 31, 2019				
Financial assets				
USD	$ 20,299	6.9640	141,362	608,564
JPY	941,991	0.0641	60,382	259,943
MYR	2,198	1.6337	3,591	15,459
HKD	18,010	0.8941	16,103	69,322
Financial liabilities				
USD	143,005	6.9640	995,887	4,287,293
MYR	7,628	1.6337	12,462	53,648
JPY	4,171	0.0641	267	1,151
HKD	4,173	0.8941	3,731	16,062

(Continued)

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			
		December 31, 2020		December 31, 2019	
		CNY	TWD	CNY	TWD
USD					
－CNY appreciation 5%	$	27,636	120,963	34,181	147,149
－CNY depreciation 5%		(27,636)	(120,963)	(34,181)	(147,149)
JPY					
－CNY appreciation 5%		(3,691)	(16,154)	(2,405)	(10,352)
－CNY depreciation 5%		3,691	16,154	2,405	10,352
Other					
－CNY appreciation 5%		(334)	(1,461)	(140)	(603)
－CNY depreciation 5%		334	1,461	140	603

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

A strengthening or weakening of 5% of the CNY and TWD against the USD, JPY or other currencies as of December 31, 2020 and 2019 would have increased or decreased the net income by CNY23,612 thousand (TWD103,348 thousand) and CNY31,636 thousand (TWD136,194 thousand), respectively. The analysis assumes that all other variables remain constant and ignores any impact arising from the different conversion rates used in the financial statements of each subsidiary.

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.

(Continued)

Currency: CNY

	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:					
Cash and cash equivalents	$ 654,304	-	-	-	-
Trade receivables, notes receivable and long-term receivables (including related parties)	888,717	-	-	-	-
Other receivables (including related parties)	8,389	-	-	-	-
Other financial assets	778,446	-	-	-	-
Total	**$ 2,329,856**	-	-	-	-
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**	-	-	-	-

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:					
Cash and cash equivalents	$ 545,753	-	-	-	-
Trade receivables, notes receivable and long-term receivables (including related parties)	953,271	-	-	-	-
Other receivables (including related parties)	16,246	-	-	-	-
Other financial assets	888,998	-	-	-	-
Total	**$ 2,404,268**	-	-	-	-
Financial liabilities at amortized cost:					
Short-term loans	1,407,900	-	-	-	-
Current contract liabilities	13,247	-	-	-	-
Trade payables, notes payable, and other payables (including related parties)	282,669	-	-	-	-
Long-term loans due within a year	17,422	-	-	-	-
Lease liabilities	77,444	-	-	-	-
Long-term loans	787,828	-	-	-	-
Total	**$ 2,586,510**	-	-	-	-

(Continued)

Ginko International Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements

Currency: TWD

	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	-	-	-	-
Trade receivables, notes receivable and long-term receivables (including related parties)	3,889,916	-	-	-	-
Other receivables (including related parties)	36,718	-	-	-	-
Other financial assets	3,407,258	-	-	-	-
Total	$ 10,197,779	-	-	-	-
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	-	-	-	-

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost:					
Cash and cash equivalents	$ 2,349,467	-	-	-	-
Trade receivables, notes receivable and long-term receivables (including related parties)	4,103,834	-	-	-	-
Other receivables (including related parties)	69,940	-	-	-	-
Other financial assets	3,827,135	-	-	-	-
Total	$ 10,350,376	-	-	-	-
Financial liabilities at amortized cost:					
Short-term loans	6,061,008	-	-	-	-
Current contract liabilities	57,030	-	-	-	-
Trade payables, notes payable, and other payables (including-related parties)	1,216,897	-	-	-	-
Long- term loans due within a year	75,000	-	-	-	-
Lease liabilities	333,389	-	-	-	-
Long-term loans	3,391,600	-	-	-	-
Total	$ 11,134,924	-	-	-	-

(Continued)

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).

(v) 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 liabilities to capital ratio within 100%.

The Group's debt to adjusted capital ratio for the years ended December 31, 2020 and 2019 were as follows:

	December 31, 2020		December 31, 2019	
	CNY	TWD	CNY	TWD
Total liabilities	$ 2,422,856	10,604,839	2,672,645	11,505,737
Less: Restricted deposits	(778,446)	(3,407,258)	(888,998)	(3,827,135)
Cash and cash equivalents	(654,304)	(2,863,887)	(545,753)	(2,349,467)
Net liabilities	**$ 990,106**	**4,333,694**	**1,237,894**	**5,329,135**
Equity	**$ 2,645,107**	**11,577,634**	**2,494,453**	**10,738,620**
Debt to adjusted capital ratio	**37 %**	**37 %**	**50 %**	**50 %**

Note: Booked as other current assets.

The Group has not change nor been requested to change the policies of capital management in 2020 and 2019.

(w) 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 years ended December 31, 2020 and 2019 were as follows:

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

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

Currency: CNY

	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	December 31, 2020
Short-term borrowings	$ 1,407,900	(330,988)	-	-	-	(49,621)	1,027,291
Long-term borrowings (including due within a year)	805,250	178,904	-	-	-	(17,144)	967,010
Lease liabilities	77,444	(10,966)	3,982	(907)	1,273	(2,267)	68,559
Total liabilities from financing activities	**$ 2,290,594**	**(163,050)**	**3,982**	**(907)**	**1,273**	**(69,032)**	**2,062,860**

Currency: NTD

	January 1, 2019	Cash flow	Non-cash changes: Disposal	Non-cash changes: Amortized interest expense	Non-cash changes: Exchange rate movement	December 31, 2019
Short-term borrowings	$ 1,237,314	148,843	-	-	21,743	1,407,900
Long-term borrowings (including due within a year)	662,344	112,830	-	-	30,076	805,250
Lease liabilities	86,557	(13,039)	(1,771)	1,610	4,087	77,444
Total liabilities from financing activities	**$ 1,986,215**	**248,634**	**(1,771)**	**1,610**	**55,906**	**2,290,594**

	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	December 31, 2020
Short-term borrowings	$ 6,061,008	(1,417,162)	-	-	-	(147,395)	4,496,451
Long-term borrowings (including due within a year)	3,466,600	766,000	-	-	-	-	4,232,600
Lease liabilities	333,389	(47,549)	17,432	(3,970)	5,449	(4,668)	300,083
Total liabilities from financing activities	**$ 9,860,997**	**(698,711)**	**17,432**	**(3,970)**	**5,449**	**(152,063)**	**9,029,134**

	January 1, 2019	Cash flow	Non-cash changes: Disposal	Non-cash changes: Amortized interest expense	Non-cash changes: Exchange rate movement	December 31, 2019
Short-term borrowings	$ 5,533,267	665,656	-	-	(137,915)	6,061,008
Long-term borrowings (including due within a year)	2,962,000	504,600	-	-	-	3,466,600
Lease liabilities	387,083	(57,031)	(7,919)	7,200	4,056	333,389
Total liabilities from financing activities	**$ 8,882,350**	**1,113,225**	**(7,919)**	**7,200**	**(133,859)**	**9,860,997**

(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
JIANGSU SUNDEX BIO-TECH Co., Ltd. (SUNDEX)	Other related parties
Lian Chan Precision Co., Ltd. (Lian Chan)	Other related parties
Bsmo Co., Ltd. (Bsmo)	Other related parties
Tadashi Shimizu	Other related parties

(c) Significant transactions with related parties

i) Revenue

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

	2020 CNY	2020 TWD	2019 CNY	2019 TWD
Other related parties - Pao Lien	$ 127,212	544,672	146,327	654,402
Other related parties - Kobayashi	21,049	90,123	28,537	127,624
	$ 148,261	**634,795**	**174,864**	**782,026**

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

	2020 CNY	2020 TWD	2019 CNY	2019 TWD
Other related parties-Lian Chan	$ 5,306	22,719	8,176	36,563
Other related parties-SUNDEX	36,238	155,157	28,533	127,605
	$ 41,544	**177,876**	**36,709**	**164,168**

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 were no different from the payment terms given by other vendors.

iii) Lease from related parties

i. Rental expense

	2020 CNY	2020 TWD	2019 CNY	2019 TWD
Entity with significant influence over the Group-FORMOSA	$ 1,201	5,143	1,150	5,143
Other related parties-GRACE WAY	4,673	20,008	5,890	26,341
Other related parties-Bsmo	170	727	417	1,866
	$ 6,044	**25,878**	**7,457**	**33,350**

For the years ended December 31, 2020 and 2019, the Group recognized CNY358 thousand (TWD1,533 thousand) and CNY555 thousand (TWD2,482 thousand) as interest expense, respectively. As of December 31, 2020 and 2019, the balance of lease liabilities amounted to CNY6,913 thousand (TWD30,257 thousand) and CNY14,793 thousand (TWD64,366 thousand).

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

	December 31, 2020		December 31, 2019	
	CNY	TWD	CNY	TWD
Entity with significant influence over the Group-FORMOSA	$ 160	700	163	700

iv) Receivables from related parties

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

Account	Classification of related parties	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Trade receivables from related parties	Other related parties-Pao Lien	$ 21,202	92,802	33,607	144,677
	Other related parties-Kobayashi	5,074	22,205	5,783	24,897
		$ 26,276	115,007	39,390	169,574

Account	Classification of related parties	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Other receivables from related parties	Entity with significant influence over the Group-FORMOSA	$ 160	700	163	700
	Other related parties-SUNDEX	18	80	22	99
		$ 178	780	185	799

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	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Accounts receivable	Other related prties lian Chan	$ 1,872	8,194	3,336	14,356
	Other related parties SUNDEX	10,471	45,743	11,616	50,014
		$ 12,343	53,937	14,952	64,370

(Continued)

Account	Classification of related parties	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Other payables	Other related parties	$ 2,996	13,115	5,858	25,223

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:

	2020 CNY	2020 TWD	2019 CNY	2019 TWD
Short-term employee benefits	$ 11,085	47,462	9,870	44,142

(8) Pledged assets

The carrying values of pledged assets were as follows:

Name of pledged assets	Subject of pledged assets	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Other financial asset:					
Certificate deposits	Short-term loan	$ 577,472	2,527,593	742,098	3,194,732
Property, plant, and equipment:					
Building	Long-term and Short-term loans	438,776	1,920,523	454,501	1,956,627
Machinery	Short-term loans	111,543	488,224	127,950	550,825
Other non-current asset:					
Right-of-use assets	Short-term loans	15,986	69,969	16,429	70,725
Certificate deposits	Long-term loans	1,709	7,482	5,511	23,725
Certificate deposits	Public utility guarantee	446	1,950	453	1,950
		$ 1,145,932	5,015,741	1,346,942	5,798,584

(9) Commitments and contingencies

(a) Capital expenditure:

i) Unrecognized contractual commitments are as follows:

	December 31, 2020 CNY	December 31, 2020 TWD	December 31, 2019 CNY	December 31, 2019 TWD
Signed contracts for capital expenditure	$ 40,680	174,176	99,758	446,138

(Continued)

(10) Losses due to major disasters: None.

(11) Subsequent events

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 of Asiastar Co., Ltd., with the hope of benefiting the Group in the future. The aggregate purchase price was TWD32,000 thousand, with the rights and obligations being transferred on January 4, 2021, which is also deemed as the acquisition date. The Group has completed the registration for the acquired entity on February 9, 2021.

(12) Others

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

Currency : CNY thousand

Function / Account	2020			2019		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit						
Salary	214,478	90,826	305,304	220,213	93,188	313,401
Health and labor insurance	19,174	5,120	24,294	20,837	7,175	28,012
Pension	9,491	4,573	14,064	13,651	6,960	20,611
Others	26,887	15,240	42,127	28,020	10,374	38,394
Depreciation	172,628	29,099	201,727	142,757	34,012	176,769
Amortization	-	1,446	1,446	-	1,956	1,956

Currency : TWD thousand

Function / Account	2020			2019		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefit						
Salary	918,312	388,882	1,307,194	984,837	416,755	1,401,592
Health and labor insurance	82,096	21,922	104,018	93,187	32,088	125,275
Pension	40,637	19,580	60,217	61,050	31,125	92,175
Others	115,120	65,252	180,372	125,311	46,395	171,706
Depreciation	739,129	124,591	863,720	638,438	152,112	790,550
Amortization	-	6,191	6,191	-	8,748	8,748

(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 year ended 31 December 31, 2020:

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 name	Pledged value	The limit of each loan object (Note 1)	The limit of total loan objects (Note 2)
0	Ginko International Ltd.	Prosper International Ltd.	Other receivable from related parties		205,719 (CNY47,000)	205,719 (CNY47,000)	-	1.500 %	2	-	Operation turnover	-		-	4,636,365	4,636,365
0	Ginko International Ltd.	Horien Optic (Malaysia) Sdn Bhd.	Other receivable from related parties		40,726	40,726	-	0.755 %	2	-	Operation turnover	-		-	4,636,365	4,636,365
5	Master Harvest Global Ltd.	Yung sheng Optical Japan Co., Ltd.	Other receivable from related parties	Y	61,698 (JPY223,300)	45,258 (JPY163,800)	45,258 (JPY163,800)	1.800 %	2	-	Operation turnover	-		-	73,975	73,975

Note 1：According to the loan operating procedure, if the counterparty is a 100% owned overseas subsidiary, 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 excedd 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 Company	Guaranteed objects Relation (Note 3)	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
0	Ginko International Co., Ltd.	Yung Sheng Optical Co., Ltd	2	11,590,913	4,800,000	4,800,000	3,750,000	-	41.41 %	11,590,913	Y	N	N
0	Ginko International Co., Ltd.	Haichang Contact Lens Co., Ltd.	3	11,590,913	854,400 (USD30,000)	569,600 (USD20,000)	208,902 (USD7,335)	-	4.91 %	11,590,913	Y	N	Y
1	Haichang Contact Lens Co., Ltd.	Horien Optic (Malaysia) Sdn Bhd.	4	10,187,551	1,424	1,424	-	-	0.01 %	10,187,551	Y	N	N
1	Haichang Contact Lens Co., Ltd.	Ginko International Co., Ltd.	4	10,187,551	2,563,200 (CNY90,000)	2,563,200 (CNY90,000)	2,016,384 (CNY70,800)	-	25.16 %	10,187,551	N	Y	N
2	Jiangsu Horien Contact Lens Co., Ltd.	Yung Sheng Optical Co., Ltd	4	4,492,369	405,000	-	-	-	- %	4,492,369	N	N	N

(Continued)

Ginko International Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements

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.	Haichang Contact Lens Co., Ltd.	4	4,492,369	765,975 (CNY175,000)	765,975 (CNY175,000)	131,310 (CNY30,000)	-	17.05 %	4,492,369	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, 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 enitity 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 type of business 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 one-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)	1,437,991	19.62	120 days	-	Note 1	2,038,471	49.74	
Jiangsu Horien Contact Lens Co., Ltd.	Haichang Contact Lens Co., Ltd.	Subsidiary	(sell)	900,363	12.28	90-300 days	-	Note 1	2,642,296	64.48	
Yung Sheng Optical Co.,Ltd.	Yung sheng Optical Japan Co., Ltd.	Subsidiary	(sell)	379,206	5.17	90 days	-	Note 1	261,192	6.37	
Yung Sheng Optical Co.,Ltd.	Pao Lien Optical Co., Ltd.	Affiliated company	(sell)	544,672	7.43	40 days	-		92,802	2.26	
Yung Sheng Optical Co.,Ltd.	Haichang Contact Lens Co., Ltd.	Subsidiary	(sell)	528,985	7.22	60 days	-	Note 1	190,690	4.65	
Yung Sheng Optical Co.,Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	Subsidiary	(sell)	252,960	3.45	40 days	-	Note 1	184,999	4.51	

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.

(Continued)

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	2,038,471	1.06	529,022	Note 1	67,012	Note 2
Jiangsu Horien Contact Lens Co., Ltd.	Haichang Contact Lens Co., Ltd.	Subsidiary	2,642,296	0.52	1,743,334	Note 1	24,555	Note 2
Yung Sheng Optical Co.,Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	Subsidiary	184,999	2.30	-	Note 1	10,400	Note 2
Yung Sheng Optical Co.,Ltd.	Yung sheng Optical Japan Co., Ltd.	Subsidiary	261,192	1.38	-	Note 1	32,812	Note 2
Yung Sheng Optical Co.,Ltd.	Haichang Contact Lens Co., Ltd.	Subsidiary	190,690	4.52	-	Note 1	83,723	Note 2

Note 1：The payment is adjusted according to capital management.
Note 2：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.	Jiangsu Horien Contact Lens Co., Ltd.	3	Sales	2,462	Note 1	0.03 %
1	Haichang Contact Lens Co., Ltd.	Shanghai Horien Contact Lens Optical Co.,Ltd	1	Sales	1,437,991	Note 1	19.62 %
1	Haichang Contact Lens Co., Ltd.	Shanghai Horien Contact Lens Optical Co.,Ltd	1	Trade receivables	2,038,471	Note 1	9.19 %
1	Haichang Contact Lens Co., Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	1	Sales	27,201	Note 1	0.37 %
1	Haichang Contact Lens Co., Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	1	Trade receivables	13,087	Note 1	0.06 %
2	Jiangsu Horien Contact Lens Co., Ltd.	Haichang Contact Lens Co., Ltd.	3	Sales	900,363	Note 1	12.28 %
2	Jiangsu Horien Contact Lens Co., Ltd.	Haichang Contact Lens Co., Ltd.	3	Trade receivables	2,642,296	Note 1	11.91 %
3	Yung Sheng Optical Co., Ltd.	Haichang Contact Lens Co., Ltd.	3	Sales	528,985	Note 1	7.22 %
3	Yung Sheng Optical Co., Ltd.	Haichang Contact Lens Co., Ltd.	3	Trade receivables	190,690	Note 1	0.86 %
3	Yung Sheng Optical Co.,Ltd.	Yung sheng Optical Japan Co., Ltd.	3	Sales	379,206	Note 1	5.17 %
3	Yung Sheng Optical Co., Ltd.	Yung sheng Optical Japan Co., Ltd.	3	Trade receivables	261,192	Note 1	1.18 %
3	Yung Sheng Optical Co., Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	3	Sales	252,960	Note 2	3.45 %
3	Yung Sheng Optical Co., Ltd.	Shanghai Fushiyuan Contact Lens Co., Ltd.	3	Trade receivables	184,999	Note 2	0.83 %
3	Yung Sheng Optical Co., Ltd.	Horien Optic (Malaysia) Sdn Bhd	3	Sales	7,336	Note 2	0.10 %
3	Yung Sheng Optical Co., Ltd.	Horien Optic (Malaysia) Sdn Bhd	3	Trade receivables	65,923	Note 2	0.30 %
3	Yung Sheng Optical Co., Ltd.	Haichang International Ltd.	3	Sales	3,954	Note 2	0.05 %
3	Yung Sheng Optical Co., Ltd.	Haichang International Ltd.	3	Trade receivables	34,286	Note 2	0.15 %
3	Yung sheng Optical Japan Co., Ltd.	Uni-Beauty Co., Ltd.	3	Sales	5,642	Note 2	0.08 %

(Continued)

Ginko International Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements

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 Japan Co., Ltd.	Uni-Beauty Co., Ltd.	3	Trade receivables	2,341	Note 2	0.01 %
3	Yung Sheng Optical Co., Ltd.	Ginko International Co., Ltd.	2	Other receivables	6,885	Note 1	0.03 %
5	Master Harvest Global Ltd.	Yung Sheng Optical Co., Ltd.	3	Other receivables	45,258	Note 1	0.20 %

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 year ended December 31, 2020 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 %	14,540,495	995,975	995,975	
Ginko International Co., Ltd.	Yung Sheng Optical Co., Ltd.	Taiwan	Research, manufacture and distribution of contact lenses and lens care solution	1,600,000 0	1,600,000 0	160,000	100.00 %	3,607,767	67,873	81,996	
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 %	14,740,959	986,902	986,902	
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 %	26,624	10,610	10,610	
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 %	21,586	10,676	10,676	
Yung Sheng Optical Co., Ltd.	Master Harvest Global Ltd.	Anguilla	Investment control	309,027 (USD10,000)	309,027 (USD10,000)	10,000	100.00 %	176,914	(17,370)	(17,370)	
Yung Sheng Optical Co., Ltd.	Yuang Sheng Optical Japan Co., Lt.d	Japan	Sale of contact lenses and lens care solution	20,192 (JPY63,700)	20,192 (JPY63,700)	6,300	70.00 %	(28,041)	9,340	6,538	
Master Harvest Global Ltd.	Uni Bearty Co., Ltd.	Japan	Sale of contact lenses and lens care solution	78,910 (JPY290,000)	78,910 (JPY290,000)	29,000	100.00 %	14,810	(18,708)	(18,708)	

(Continued)

(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	914,471	100.00 %	914,471	10,187,551	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	299,092	100.00 %	299,092	4,492,369	-
Shanghai Horien Contact Lens Optical Co., Ltd	Distribution of contact lenses and lens care solution	380,020 (CNY75,000)	(Note 2)	-	-	-	-	(192,969)	100.00 %	(192,969)	187,674	-
Shanghai Fushiyuan Contact Lens Co., Ltd.	Distribution of contact lenses and lens care solution	113,620 (CNY25,000)	(Note 2)	-	-	-	-	36,159	100.00 %	36,159	344,521	-

Note 1：Remittance from Ginko International Co., Ltd. through Prosper Link International Ltd. and Haichang International Ltd..
Note 2：Remittance from Haichang Contact Lens Co., Ltd. with its own equity.
Note 3：Investment incomes or losses were recognized under equity method and based on the financial report audited by international accounting firms cooperating with ROC accounting firms.

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 note 4 "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 December 31, 2020 and 2019 or the consolidated statements of comprehensive income, consolidated statements of changes in equity and the consolidated statements of cash flow for the years ended 2020 and 2019.