



2020年報

淘帝國際控股有限公司

TOPBI INTERNATIONAL HOLDINGS LIMITED

淘帝國際控股有限公司編制

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13 May 2021

Title	Name	Nationality	Main Experiences
Chairman	Zhou Xun Cai	Hong Kong	Chairman of TOPBI International Holdings Limited
Director	Lien Chih Chi	Taiwan	Vice President of Overseas Business Division, Zord Trade (Shanghai) Co., Ltd Deputy General Manager of Liang Jeng Industrial Co.,Ltd Supervisor of trade of Taiwan Toprich International Ltd
Independent Director	Wu Chin Shan	Taiwan	Division Director of Taiwan Life Insurance Enterprise Financing Associate Professor of Department of Finance, Tamkang University
Independent Director	Lai Tiao Tsan	Taiwan	Chairman of Shanghai Taiwei Medical Equipment Co. LTD Chairman of Hong Kong Zhuo Hang International Holding Limited President of China Industrial and Economic Development Association
Independent Director	Chen DongSheng	China	Dean of Min Jiang University, Fashion and Arts Engineering College Director of Min Jiang University, Textile and Apparel Research Institute Vice President of Jiangxi Institute of Fashion Technology

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Accounting firm : ShineWing Taiwan

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7. Places where the overseas securities are listed and traded and the way to inquire about the overseas securities information: None

8. Company website : <http://www.topbi.com.tw/>

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I. Letter to shareholders

Dear shareholders,

Thank you for coming to our company's annual general meeting in 2021. The annual operating performance of 2020 and the business plan for 2021 are summarized as follows:

1. Operating performance in 2020

(1) Implementation results of the previous year's plan

Since the epidemic in 2020, the consumer industry has been confronted with unprecedented challenges and crises. In particular, the optional consumer goods, which are mainly sold by offline channels, the impact is particularly significant especially the clothing industry. The major adverse environment has a serious impact on the company's operation, mainly from the following aspects:

First, the COVID-19 epidemic has led to profound changes in the garment market at home and abroad. The business environment of enterprises is extremely severe and complex, with increasing uncertainties, and the pressure of the company's production and operation is suddenly increased. Continued weakness in the domestic garment market, high cost of manufacturing raw materials, sluggish growth of wholesale and retail prices, inventory growth, discounted shipments and other factors have resulted in a severe compression of the company's profit margin, which has significantly increased the operating pressure of the company.

Second, under the influence of factors such as sluggish demand in the international market, escalating trade friction between China and the United States, and increasingly fierce market competition, China's garment export has decreased significantly. The adjustment of international market structure and domestic regional layout is accelerated. a large number of children's wear enterprises selling abroad turn to domestic market, which further intensifies the competition in the domestic children's wear market and lower the price of end products, leading to price competition in the market.

Third, the epidemic has accelerated the transformation of children's wear consumption to online channels, so that major challenge facing by traditional offline wholesale and retail enterprises. The new retail model puts forward higher requirements for the integration and reform of the sales and supply side of enterprises, and channel transformation and

upgrading has become the only way for enterprises to overcome the difficulties. The company's online channel layout is relatively insufficient, and it is difficult to adjust in the process of responding to the market channel reform.

Fourth, although the COVID-19 epidemic has been alleviated after the summer of 2020, the floods at the south regional came suddenly and spread in 24 provinces, the damage is comparable to the flood in 1988. Moreover, the disaster ravaged areas are mostly major market with booming sales of Topbi. Planning to reconstruction of the market after end of the flood, but the second wave of the epidemic once again in autumn and winter season, the market at home and abroad into a panic mood, the performance of the Topbi's agents worse.

In conclusion, in the face of the complex under severe market challenges, the company to avoid backlog of inventory, make greater efforts to clear the goods for the agent of shipping discount and lead to decline in the sales gross margin, caused the company operating performance in 2020 has a big recession, compared with 2019 revenue of 2.808 billion yuan, a 60.83% decline in 2019.

(2) Budget implementation

The company's 2020 annual budget has ensured that the funds are used according to the planned purposes, and the company's fixed assets procurement, various marketing expenses and intangible assets expenditure are strictly carried out in accordance with the internal control procedures. The expenses are slightly reduced due to the impact of the epidemic, and the budget implementation is still in good condition.

(3) The financial revenues and expenditures and profitability analysis

In terms of financial performance, the company's consolidated revenue in 2020 was NT\$2.808 billion, declined 60.83 percent from its consolidated revenue of NT\$7.170 billion in 2019; Net loss after tax for 2020 was NT\$2.235billion, declined 296.92 percent from NT\$1.135 million net profit after tax in 2019; Earnings per share after tax for 2020 was a loss of NT\$20.44. (see table below).

Analysis of the project		Year	2020	2019	Increase (decrease) ratio (%)
		Profit and loss analysis	Operating income (thousand)	2,808,383	7,169,864
Operating margin (thousand)	-1,357,552		2,802,906	-148.43	
After-tax profit (thousand)	-2,234,698		1,134,819	-296.92	
Profitability	Net profit rate (%)	-79.57%	15.83%	-602.65	
	EPS (NT)	-20.44	12.01	-270.19	

(4) Research and development status

The epidemic in 2020 will have a significant impact on the company's business. The company will increase investment in product research and development, in addition to keeping up with the changes of 5G technology to the garment industry and continuing to study the seamless integration of supply chain and sales end, so as to realize flexible production and smart sales. As a children's clothing enterprise, in order to better protect children from bacteria and viruses, spend a safe and healthy childhood, the company will pay more attention to the results of the market related new antibacterial fabrics. At the same time with Minjiang College, Fuzhou University Arts and Technology Institute and Jiangxi Institute of Clothing and other institutions of higher learning close cooperation, investment in the research of healthy antibacterial new materials, the application of new technology in the field of children's wear, so that enhance children's wear with antibacterial ability, improve the safety of children's wear products in the face of uncertain pollution environment, but also improve the degree of technological innovation of children's wear to a certain extent, and create more differentiated advantages for the company's children's wear products.

2. Business plan for 2021

(1) Business objectives

In 2020, the epidemic, flood and trade frictions between China and US will have a great impact on the domestic macro economy, and the growth rate of people's consumption will begin to slow down, and the consumption power will be significantly reduced. Through the investigation of the clothing industry, many brands of children's wear for autumn and winter

2020 are overstocked in stores. According to public information reports, many well-known clothing brands are in a desperate situation. The sales of international clothing brands such as C&A and Forever 21 are miserable. There is many news such as withdrawing from the China market, continuing losses in performance and large-scale store closures. Reflects the weak economic environment at the beginning of 2021 and the competition situation of children's wear industry in 2021 will become more complicated.

- (a) Not only relying on big brands, 1980's and 1990's parents are very concern about the safety, comfort and style of children's clothes. In particular, the post-90s children's wear consumer group will become the consumer mainstream of the children's wear market and the new generation of mothers reflects the following characteristics: not sensitive to the price, high requirements for fashion and comfort. Therefore, the new generation of children's wear market consumers put forward higher requirements for the design and development of children's wear products of the company.
- (b) Famous children's clothing accelerated expansion, domestic adult clothing brands began to compete for children's clothing market. Adult clothing brands have taken advantage of existing advertising to occupy mainstream channels of department stores and street shops in the first and second tier cities and form a greater competitive pressure on the publicity of traditional children's wear brands. The company's agent stores are mainly department stores and community stores. The brand awareness and reputation of the company are slightly lower than that of the well-known adult clothes. Therefore, it is necessary to strengthen the response to the competitive brands and future market changes.
- (c) Before the epidemic, fast fashion clothing brands gradually began to upgrade due to the consumption upgrading of the market, which had forced the clothing industry to transform online. However, this epidemic accelerated this process. In the era of digital prevalence, the rapid development of the Internet economy and the constant changes in consumer demands have made traditional retail channels increasingly fragmented, and enterprises have to face the continuous challenges of Internet and consumption scenarios and diversified demands.

In this situation, the company carefully examined its own strengths and weaknesses and business conditions, and determined the business policy for 2021 as follows: Strengthen the transformation of online channels, improve product quality and value, maintain brand awareness and reputation, improve the efficiency of warehousing and logistics, assist agents to improve the turnover rate of core stores, improve the profit level of agents, promote the benign return of funds, and ensure the steady development of the enterprise.

(2) Sales forecast and sales policy

The epidemic COVID-19 in 2020 has brought an unprecedented trouble to the children's wear industry. According to scout's research data show that the total sales of children's clothing in this year may shrink by 45% (about 80 billion yuan) affected by the epidemic. It was thought that with the gradual disappearance of the national epidemic, the business of stores would improve, but the market continued to be depressed, consumer purchasing power showed a declining trend, agents did not dare to open stores to purchase goods, market confidence is seriously insufficient. Many clothing brands have closed a large number of stores due to the epidemic, and their performance has been significantly impacted. Nike, Puma, Levi's, Columbia, Muji and others closed more than 50% of their stores. Adidas's sales in China have plunged 85% since the 2020 Chinese New Year. Old Navy, part of the Gap Group, announced it was pulling out of the market altogether on March 1. Even though the impact of the epidemic is gradually fading, it will have a lasting impact on the clothing industry. With the change of consumers' shopping mode, the business of children's wear relying on offline experience sales will be more difficult. Therefore, 2021 business expectations of the company are remaining cautious attitude, is expected to take a conservative development trend in this year, according to the market conditions to appropriately adjust the business strategy.

(3) Important production and marketing policies

(a) Strengthen the diversified transformation of channels and strive for a greater breakthrough in online channel

Starting from 2021, the company will more actively layout the online retail market. Since the epidemic, leading domestic clothing brands have made rapid responses to channel changes, seized the opportunity of consumers' mobile terminal time greatly increased to develop online retail, and actively carried out sales business. Some domestic brands use WeChat member special show, small program distribution, live broadcast and other forms to boost online channels, which greatly reduces the impact of the sluggish offline channels on performance. In the past two years, the rapidly rising short video platform has also brought more chances to online channels. Some children's wear brands have entered various short video platforms to realize multi-dimensional interaction with consumers. Under the influence of the epidemic, the residential economy has accelerated the growth of the content of short videos. Some clothing brands, following the development opportunity, have launched various short video platforms to

interact with consumers in a multi-dimensional way and build emotional connections. For example, a domestic clothing brand released a video on Douyin, promising that "clothes" would be safe in the face of the epidemic. It shows the brand's full preparation in the epidemic period and it strengthens consumers' trust in the brand and converts traffic into sales through social networking platforms. Therefore, in this year, the company will seek diversified development of online channels, actively try different online platforms, and strive to explore the way of rapid response in the channel change period.

(b) Promote brand diversification of Topbi and Enhance product quality and value

Affected by the epidemic, the launch date of Mini Topb has been postponed continuously due to the continuous failure of the flexible supply chain to meet the standards. However, under the epidemic situation, the clothing industry's sales channel accelerated to the online transformation proved that the company's strategy is correct. In the future, the company will still accelerate the construction of MINI TOPBI brand and accelerate the launch of products. In the process of synchronizing the development of the entity brand TOPBI and the e-commerce MINI TOPBI, the company will realize the realization of multiple brands to perform their duties and do not interfere with each other online and offline. By refining product categories, the company will fill the market segments. To complete the shopping experience to help Topbi development in the next decade. The company will further enhance the quality value of online and offline dual brand products, healthy, antibacterial and other new fabrics to enhance the Topbi product technological innovation degree, ensure Topbi brand safety, environmental protection, healthy, comfort and other multiple connotations, truly enhance the quality value of Topbi products.

(c) Reform the logistics system and improve the efficiency of Topbi's warehousing and logistics

In the future, the company will accelerate to build a new omni-channel retail model based on online channels. Therefore, in order to adapt to the requirements of online channels on the logistics system, the company will continue to promote the e-commerce industrial park project in this year. Due to the epidemic, the replacement of the company's online and offline agents are increased. In the future there will be more powerful online or offline agents to join, it is bound to be a great test for logistics warehousing and distribution. The wisdom of warehousing

and logistics plays an important role in improving the efficiency of the supply chain, shortening the material distribution and circulation cycle in the process of product processing, and speeding up the market response. It is also regarded by more and more enterprises as one of the core competitiveness in the future. Therefore, the company will continue to promote the construction of warehousing and logistics system in east China, build Topbi e-commerce logistics industrial park, shorten the distribution time of logistics in the national market, and reduce costs.

3. The impact of the external competition environment, regulatory environment and macroeconomic conditions

At present, China has more than 10,000 children's clothing enterprises, and industrial clusters are mainly distributed in Guangdong, Zhejiang, Fujian and other places. The brand of children's wear industry in China started late. From the perspective of industry cycle, the industry is still in the growth stage, and it is the most important growth force of the clothing industry. In recent years, the market size of the industry has achieved rapid expansion. From 2015 to 2019, the compound growth rate of the market size of China's children's wear industry reached 14.32%. In 2020, the scale of the industry affected by the epidemic will decline. Although the epidemic has hit the industry hard, but it has given new business opportunities to the industry. In the future, consumers will pay more attention to children's wear products that have special effects in terms of health and functionality. Therefore, there will be considerable growth opportunities in children's health clothing industry, functional clothing industry and child protective equipment. During the epidemic period, the intelligent application of data linked by digital technology was extended to the garment supply chain, manufacturing, research and development and other links, promoting the digital and intelligent collective upgrading of China's garment industry. Online and offline multi-channel integrated marketing to promote the application of intelligent wearable clothing. To deepen brand culture and improve brand awareness is a major direction for the revitalization of the industry. But at the same time, the grasp of industrial business opportunities and to the final results need a longer period of market operation and keep up with the market changes. Therefore, in the post-epidemic era, the company will continue to make efforts in the direction of channel reform, product improvement, brand strengthening and other directions, actively seek new driving forces for enterprise growth, and create greater value for shareholders.

From Chairman Zhou Xun Cai

II. Corporate Profile

1. Establishment date and group profile

- (1) TOPBI International Holdings Limited (hereinafter called "the company", "the group" or "TOPBI International company" established on October 3, 2012, in the British Cayman Islands, and completed the restructuring of the group in the fourth quarter. Our important investments are TOPBI Children Apparel Co., Limited, Fujian SDO Textile & Industry Goods Corp., Limited, TOPBI (China) Fashion Co., Limited and Fujian Shengrenda Medical Technology Co., Limited. TOPBI Children Apparel Co., Limited is the main operating entity of the group, while the remaining re-investment companies are the investment holding company. Fujian Shengrenda Medical Technology Co., Limited is mainly engaged in the production and sales of medical devices and medical supplies. Since its establishment in 2020, there has been no sales activity.
- (2) The group is mainly engaged in the design of children's clothing from 1 to 16 years old and its sales target is the agents in China. The company has set up sales point in 16 provinces and 3 municipalities under the central government in China through 18 agents and targeted to Chinese consumers. In addition to maintaining long-term and stable cooperation with agents, the company also keeps abreast of the latest development direction and fashion trends of the market, and designs products with both fashion concepts and consumer demands. The management team of the company has rich experience in the children's clothing industry. Since its establishment, with the help of the high-quality management team, the company has been recognized as one of the top ten children's clothing brands in China by the China clothing association, which helps the company in business development and has a considerable competitive advantage and market position in the industry.
- (3) Risk Analysis: Please refer to the section 7 item 6 of this annual report.

(4) Group structure:

December 31, 2021



2. Company History

Annual	Important notes on the evolution of the company and the group
February 2004	Fuzhou Topbi Clothing Co. LTD was registered and established (Fuzhou Topbi Company)
September 2005	FUJIAN SDO TEXTILE &INDUSTRY GOODS CORP., LTD was registered and established (SDO Company)
October 2007	The change of the business scope of Fuzhou Topbi (from "production and processing of various clothing products" to "production and processing of all kinds of clothing products, TOPBI clothing products franchising")
December 2007	Obtain the product quality award of Fuzhou city by the people's government of Fuzhou city
March 2010	"TOPBI" brand was awarded the second "top ten children's clothing brand" issued by the China apparel association.
February 2011	TOPBI Children Apparel Co., Limited was registered and established (Hong Kong Topbi Company)
December 2011	TOPBI graphics trademark was appraised by Fujian provincial administration of industry and commerce as "famous trademark of Fujian province"
October 2012	Topbi International Holdings Limited was registered and established (Topbi International Company)
October 2012	TOPBI international company has acquired 100% of the Hong Kong TOPBI company by issuing new shares in exchange for equity
November 2012	Obtained by the ministry of industry and information technology and the China textile industry association as the "key tracking and cultivation of Chinese clothing home textile independent brand enterprises."
December 2012	The company's equity restructuring registration completed
May 2013	"TOPBI" brand has been awarded the 3rd "China's top 10 children's clothing brands" by the China apparel association.
December 2013	TOPBI international company successfully listed in Taiwan
January 2014	The total investment of TOPBI in Fuzhou increased from RMB 63 million to RMB 180 million
March 2014	"TOPBI" brand was awarded the "best visual merchandise award" by the organizing committee of China international garment fair

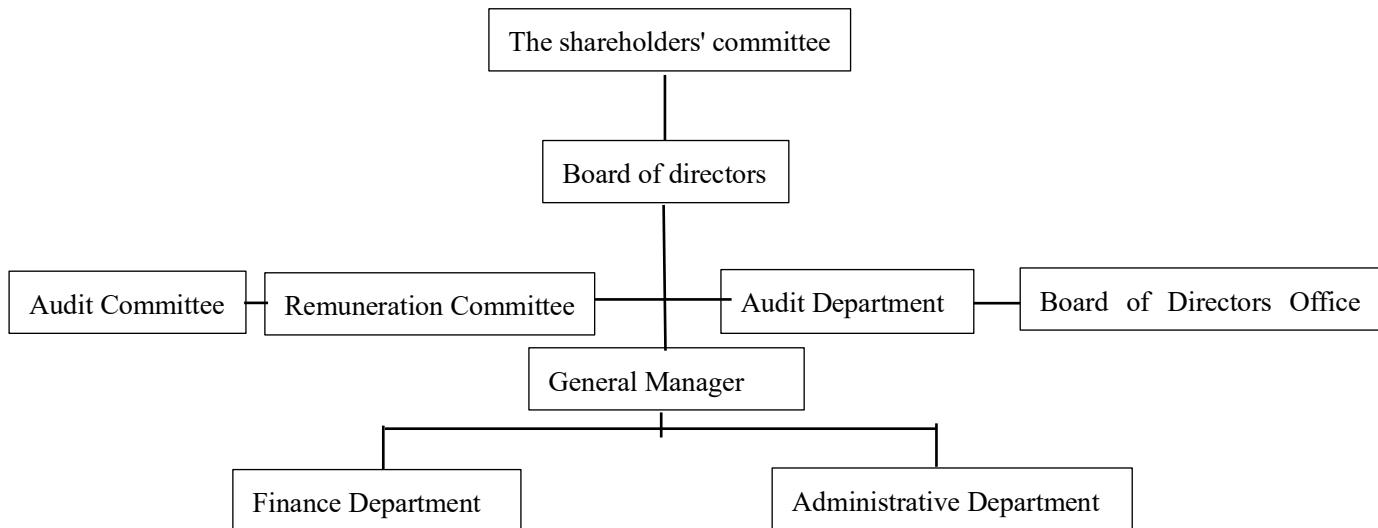
July 2014	Name changed from Fuzhou Topbi Clothing Co. LTD to Topbi (China) Fashion Corp., LTD. (Topbi China Company)
October 2015	The "TOPBI" brand has won the award of "excellence" in China's national garment quality supervision and inspection center
November 2015	TOPBI was awarded the top 200 list of small and medium sized enterprises in Asia in 2015
January 2016	"TOPBI" brand was awarded the top 10 babies clothing brand in 2015
March 2016	"TOPBI" brand was awarded the 4th "China's top 10 children's wear brand" by the Chinese apparel association
December 2016	"TOPBI" brand has been awarded the title of independent brand enterprise of apparel home textile in 2016
January 2017	"TOPBI" brand has won the "national children's clothing industry quality benchmark enterprise" issued by the Chinese apparel association.
November 2017	"TOPBI" brand has won the "Evaluation certificate of integrated management system of two industries" issued by China classification society quality certification company.
March 2018	"TOPBI" brand through the provincial department of industry and information technology provincial integration of key projects identified.
November 2018	"TOPBI" brand won the title of "Independent brand enterprise of clothing and home textile" in 2018.
May 2019	"TOPBI" brand was awarded "Advanced Private Enterprise" by FuJian branch of Agricultural Development Bank of China.
July 2019	"TOPBI" brand was awarded the title of "2018 top 100 enterprises in China's garment industry" by China Garment Association.
October 2020	"TOPBI" brand was awarded the title of "Star Service Sponsor of the 3rd Digital China Construction Summit" by the Organizing Committee of Digital China Construction Summit.
November 2020	"TOPBI" brand was awarded the title of "China Pregnancy, Infant and Child Brand Quality Strength List" issued by China National Textile and Textile Industry Council.
November 2020	Fujian Shengrenda Medical Technology Co., Limited was registered and established (Fujian Shengrenda)

III. Corporate Governance Report

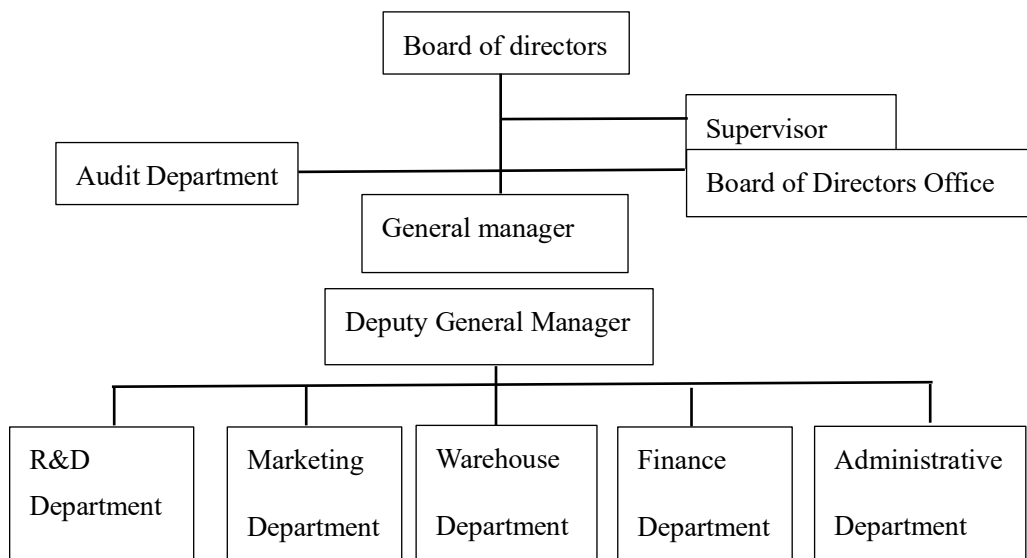
1. Organization

(1) Organizational Chart

Organization Chart of TOPBI International Company



Organization Chart of Topbi China Company



(2) Major Corporate Functions

Company	Department	Responsibilities
Topbi International Holdings Limited	Audit Division	To oversee the audits of the audit and internal controls, and track the progress
	Board of Directors Office	Assist management to implement projects
	Administrative Dept.	Handle group general affairs
	Finance Dept.	To deal with the company's investment and fund scheduling issues, and to coordinate the group's external statements to provide the the right information to investors
TOPBI (China) Fashion Corp., Ltd.	Marketing Dept.	Duty of product sales, customer service, marketing, industry trend analysis, market information collection, competitor's analysis. To maintain a clear and efficient distribution system, to cooperate with the overall marketing campaign and to achieve the strategic objective
	Administration Dept.	To deal with the general affairs, information technology and related matters, and to formulate employee standards and incentives, improving the overall employee standards
	Research and Development Division	Design related products according to market research and search for fashionable trends; Production of samples, unique designs and relevant fabric development, and to provide technical data on outsourced production
	Warehouse Dept.	Handle the company's turnover, inventory and other related matters. Warehouse planning, reasonable utilization of warehouse and various resources to make all kinds of materials appropriate and reasonable. Inventory and management of stock of all types of

		material, and provide accurate inventory data for production purchase and marketing departments
	Finance Dept.	Establish cost budget, accounting and control system and compile financial decision report. Participate in all economic activities of the company, participate in the operation and management of the company, and be responsible for daily accounting, tax declaration and financial management of the company

2. Information of directors, supervisors and management team:

(1) Information of directors and supervisors

(a) Name, education and major experience, current shareholding of directors

April 26, 2021; Unit: thousand shares

Title	Nationality	Name	Gender	Date elected	Term (Years)	Initial selection date	Shareholding when elected		Current shareholding		Spouse and minor share holding		Shareholding by nominee arrangement		Experience (Education)	Other Position	Executives, directors or supervisors who have a spouse or other relationship		
							Share	%	Share	%	Share	%	Share	%			Share	%	Title
Chairman	Hong Kong	Zhou Xun Cai	Male	2021.1.21	3 years	2013.3.8	Note 1	Note 1	Note 1	Note 1	-	-	-	-	College of Foreign Trade, Beijing University of International Business and Economics Chairman of Children's Wear Committee of China National Garment Association President of Taiwan Association of Enterprises	Chairman of Topbi International Holdings LTD Chairman of Topbi (China) Fashion Corp., LTD Chairman of Hong Kong Toprich Corp., Holdings Limited Chairman of TOPBI Children Apparel Co., Limited Chairman of Fujian SDO Textile & Industry Goods Corp., Limited	-	-	-
Director	Taiwan	Lien Chih Chi	Male	2021.1.21	3 years	2021.1.21	-	-	-	-	-	-	-	-	Major in International Trade, Chinese Culture University Vice President of Overseas Business Division, Zord Trade (Shanghai) Co., Ltd Deputy General Manager of Liang Jeng Industrial Co.,Ltd	Supervisor of trade of Taiwan Toprich International Ltd	-	-	-

Independent Director	China	Chen Dongsheng	Male	2021.1.21	3 years	2013.3.8	-	-	-	-	-	-	-	-	Doctor of Engineering, China Textile University Dean of College of Fashion and Art Engineering, Minjiang University Director of Institute of Textile and Garment, Minjiang University	Vice President of Jiangxi Institute of Fashion Technology	-	-	-
Independent Director	Taiwan	Wu Chin Shan	Male	2021.1.21	3 years	2021.1.21	-	-	-	-	-	-	-	-	Ph.D., of Finance, Tamkang University EMBA of National Taiwan University Division Director of Taiwan Life Insurance Enterprise Financing	Associate Professor, Department of Finance, Tamkang University	-	-	-
Independent Director	Taiwan	Lai Tiao Tsan	Male	2021.1.21	3 years	2021.1.21	-	-	-	-	-	-	-	-	Doctor of Finance, Southwestern University of Finance and Economics Chairman of Shanghai Taiwei Medical Equipment Co. LTD	Chairman of Hong Kong Zhuo Hang International Holding Limited President of China Industrial and Economic Development Association Independent Director of New Asia Construction & Development Corp.	-	-	-

Note 1: Zhou Xun Cai has a stake in the company through Topwealth International Holdings Limited, and the shares of the company were 16,061 thousand shares, and the shareholding ratio was 14.66%.

- (b) The main shareholder of the corporate shareholder: The directors of the company are not the representative of the legal person, so it is not applicable.
- (c) The major shareholders are the main shareholders of the legal person: The directors of the company are not the representative of the legal person, so it is not applicable.
- (d) The professional qualifications and independence analysis of directors :
- (e)

April 26, 2021

Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note 1)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Zhou Xun Cai			√				√				√	√	√	√	√	-
Lien Chih Chi			√		√	√	√	√	√	√	√	√	√	√	√	-
Chen DongSheng	√		√	√	√	√	√	√	√	√	√	√	√	√	√	-
Wu Chin Shan	√		√	√	√	√	√	√	√	√	√	√	√	√	√	-
Lai Tiao Tsan			√	√	√	√	√	√	√	√	√	√	√	√	√	1

Note 1 : Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

1. Not an employee of the company or any of its affiliates.
2. Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: **not** a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: **not** a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company.
11. Not having any of the situations set forth in Article 30 of the Company Act of the ROC.
12. Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC.

(2) Information of management team

May 13, 2021; Unit: thousand shares

Title	Name	Gender	Nationality	Date of election	Current shareholding		Spouse and minor shareholding		Shareholding by nominee arrangement		Experience (Education)	Other Position	A manager with a spouse or a close relationship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Managing Director of Topbi International	Zhou ZhiHong	Male	China	2016.02	—	—	—	—	—	—	MBA of Nanchang University Vice President of Bailide Group Co. Ltd Managing Director of Bailide Youth Clothing Co., LTD	Managing Director of Topbi (China) Fashion Corp., Ltd. Director of Topbi (China) Fashion Corp., Ltd. Chairman and Managing Director of Fujian Shengrenda Medical Tech. Co., LTD	—	—	—
Director of Administration Department of Topbi International	Wu DongFeng	Female	China	2006.06	—	—	—	—	—	—	Major in Administrative management, Sanming Junior College Assistant of General Manager of Fujian Teknik Group Co., LTD Manager of human resources department, Fujian Toprich Group Co., LTD	Director of Administration Department of Topbi (China) Fashion Corp., Ltd. Vice President of Fujian Toprich Group Co., LTD	—	—	—
CFO of Topbi International	Chen Chien Wei	Male	Taiwan	2020.11	—	—	—	—	—	—	Major in Agricultural Economics, Taiwan University Leader of Group of Deloitte & Touche Taiwan Deputy Director of the Audit Office of Tripod Technology Corporation Audit Supervisor of Topbi International	General Manager of Taiwan Toprich International Holdings Limited	—	—	—
Audit Supervisor of Topbi International	Jiang Ming	Male	China	2020.11	—	—	—	—	—	—	Major in Social Work and Management, Fuzhou University Internal Audit of Topbi (China) Fashion Corp., Ltd	—	—	—	—

Title	Name	Gender	Nationality	Date of election	Current shareholding		Spouse and minor shareholding		Shareholding by nominee arrangement		Experience (Education)	Other Position	A manager with a spouse or a close relationship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director of Finance Department of Topbi (China) Fashion Corp., Ltd.	Cheng Zhang Tao	Male	Hong Kong	2019.08	—	—	—	—	—	—	Major in International Finance, Wuhan University MBA, Fuzhou University Director of Financial Center of Topbi (China) Fashion Corp., Ltd CFO of General Nice Resources (HK) Limited Public Secretary and CFO of Fuzhou Wangcheng Food Development Co., LTD	Director of Fujian Shengrenda Medical Tech. Co., LTD	—	—	—
Director of R&D Department of Topbi (China) Fashion Corp., Ltd.	Guan YouJin	Male	China	2004.02	—	—	—	—	—	—	Major in Fashion Design and Engineering, Nanchang University Production Manager of Fuzhou Rongshengmei Textile Clothing Co., LTD.	—	—	—	—
Director of Marketing Department of Topbi (China) Fashion Corp., Ltd.	Lin, Yong	Male	China	2007.01	—	—	—	—	—	—	Major in Mathematics Computer Network, Fuzhou University Regional Manager of Feimaotui (Fujian) Electronics Co., LTD	—	—	—	—
Director of Warehouse Department of Topbi (China) Fashion Corp., Ltd.	Yang Wen	Female	China	2004.02	—	—	—	—	—	—	Major in Logistics Management, Minjiang Vocational University Brand Deputy Manager of Fujian Toprich Group Co., LTD	—	—	—	—
Board Secretary of Topbi (China) Fashion Corp., Ltd.	Zhuang, LingFeng	Male	China	2016.1	—	—	—	—	—	—	Major in Administrative Management, Fuzhou University Office Manager of the Board of Directors of Topbi (China) Fashion Corp., Ltd	Director of Topbi (China) Fashion Corp., Ltd Director of Fujian Shengrenda Medical Tech. Co., LTD Director of Fujian SDO Textile & Industry Goods Corp., Limited	—	—	—

(3) Remuneration of Directors, Independent Directors, Supervisors, President, and Vice Presidents

(a) Payment of remuneration for directors and supervisors in the recent year

A. Remuneration of Directors and Independent Director

Unit: NT \$ (thousand)

Title	Name	Directors remuneration								The total amount of A, B, C and D accounts for the ratio of net profit after tax		Remuneration of part-time employees						The total amount of items A, B, C, D, E, F and G accounts for the ratio of net profit after tax		Whether or not to receive remuneration from outside the subsidiary		
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Business implementation expense (D)				Salaries, bonuses and special payments (E)		Retirement pension (F)		Employee compensation (G)						
		Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Cash bonus	Stock dividend amt	Cash bonus	Stock dividend amt	Our company	All companies in the financial report			
Director	Zhou Xun Cai (Chairman)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Zhou Zhi Hong	-	-	-	-	-	-	-	-	-	-	6,700	-	-	-	-	-	-	-	0.30%	-	
	Wang Kuan-Hua (Note1)	-	-	-	-	-	-	-	-	-	-	1,494	1,494	-	-	-	-	-	-	0.07%	0.07%	-
	Lee Tsung-Ju (Note 1)	299	299	-	-	-	-	16	16	0.01%	0.01%	-	-	-	-	-	-	-	-	0.01%	0.01%	-
Independent Director	Chen DongSheng	550	550	-	-	-	-	-	-	0.02%	0.02%	-	-	-	-	-	-	-	-	0.02%	0.02%	-
	Lin Horng-Chang (Note 1)	498	498	-	-	-	-	14	14	0.02%	0.02%	-	-	-	-	-	-	-	-	0.02%	0.02%	-
	Chang Chih-Peng (Note 1)	498	498	-	-	-	-	16	16	0.02%	0.02%	-	-	-	-	-	-	-	-	0.02%	0.02%	-

Note 1: Lee Tsung-Ju, Wang Kuan-Hua, Lin Horng-Chang, Chang Chih-Peng are resigned as directors and independent directors on November 27, 2020.

B. Remuneration of Supervisor: The company sets up the audit committee, so it does not apply.

(b) Remuneration of general manager and deputy general manager

Unit: NT \$ (thousand)

Title	Name	Salary (A)		Retirement pension (B)		Bonus and special fees and so on (C)		Employee compensation (D)				Total amount of such items as A, B, C and D is the proportion of net profit after tax (%)		Whether or not to receive remuneration from outside the subsidiary.
		Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company		All companies in the financial report		Our company	All companies in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Zhou ZhiHong	-	6,186	-	-	-	514	-	-	-	-	-	0.30%	-

(c) Name of the manager who appoints the remuneration for the employees and the assignment status:

The company does not distribute employee remuneration.

(4) Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

- (a) The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, president, and vice presidents of the Company, to the net income:

Unit : NT\$ (thousand)

Project	2019				2020			
	The company		Consolidated		The company		Consolidated	
	Amount	%	Amount	%	Amount	%	Amount	%
Director	6,782	0.60	14,792	1.30	3,385	-0.15	10,085	-0.45
General Manager & Deputy General Manager	—	—	7,118	0.63	—	—	7,214	-0.30
After-tax profit	1,134,819	100.00	1,134,819	100.00	-2,234,698	100.00	-2,234,698	100.00

Note: The company has an audit committee but no supervisors.

- (b) The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:
- A. The company has set up the remuneration board, which is chaired by the independent board of directors, and the remuneration board is responsible for regular review of policies, institutions, standards and structures of the board of directors and managers, and regularly assessing the salaries of directors and managers.
 - B. In accordance with article 85 from the articles of association, the remuneration of the directors shall be determined by the board of directors in accordance with the standards of the Republic of China, and shall be subject to the provisions of article 7 of the remuneration committee, which shall refer to the general level of the industry, taking into account of the time and responsibilities of the individual, the performance of the individuals, the performance of the position requirement, the remuneration of the company standards for the same position for the current financial year, the achievement of the company's short-term and long-term business objectives, the financial status of the company, and the rationality of the relationship between the performance of the company and future risks.

C. The manager's payroll, the scale of the firm's current operation and the amount of wages paid in the past year.

3. Implementation of Corporate Governance

(1) Operations of the board of directors

A total of 11 (A) meetings of the Board of Directors were held in the previous period. The attendance of director as follows:

Title	Name	Attendance in Person (B)	By proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Zhou Xun Cai	11	-	100%	Re-appointed on June 14, 2019
Director	Zhou Zhi Hong	11	-	100%	Newly appointed on June 14, 2019
Director	Wang Kuan-Hua	8	-	100%	Resigned on November 27, 2020
Director	Lee Tsung-Ju	8	-	100%	Resigned on November 27, 2020
Independent director	Chen DongSheng	10	1	90.90%	Re-appointed on June 14, 2019
Independent director	Lin Horng-Chang	7	1	87.50%	Resigned on November 27, 2020
Independent director	Chang Chih-Peng	8	-	100%	Resigned on November 27, 2020

Other items to be recorded:

1. If the board of directors operates under any of the following circumstances, it shall specify the date of the board meeting, the period, the content of the proposal, the opinions of all independent directors.

(a) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Board meetings	Motion and follow-up	Securities and exchange	The independent director

		act 14-3 listed items	opposes or neutral
The fourth session, 5th meeting 2020.3.30	1. Passing the proposal of the loans and transactions through subsidiaries	√	None
	2. Passing the proposal of borrowing from the subsidiary – TOPBI (China) Fashion Corp., Ltd. through the company	√	None
	3. Passing the company and its subsidiaries in 2020 short-term investment planning	√	None
	4. Passing the proposal in the amendment of the articles of association of the company	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: Zhou Xun Cai and Zhou Zhi Hong are avoiding exercise their voting rights in the case of borrowing from the subsidiary – TOPBI (China) Fashion Corp., Ltd and the loans and transactions through subsidiaries. All the attending of directors and independent directors passed the case without objection.		
The fourth session, 6th meeting 2020.5.11	1. Passing the proposal for a new share issuance through capitalization of earnings in 2019	√	None
	2. Passing the revision of the board of directors' operation management methods and rules of procedure of the shareholders	√	None
	3. Passing the annual audit fee and accounting independence of the company in 2019	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: The board of directors and independent directors unanimously passed		
The fourth session, 7th meeting 2020.6.24	1. Passing the proposal of replacement the Licensing Accounting Firm and the Licensing Association with effect from the second quarter of 2020	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: The board of directors and independent directors unanimously passed		
The fourth session, 10th meeting 2020.10.28	1. Passing the proposal of the loans and transactions through subsidiaries	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: Zhou Xun Cai and Zhou Zhi Hong are avoiding exercise their voting rights in the case of borrowing from the subsidiary. All the attending of directors and independent directors passed the case without objection.		
The fourth session, 11th meeting	1. Passing the proposal of the company's shareholders dividend rate and allotment rate adjustment case	√	None
	Opinions of independent directors: None		

2020.11.13	The firm's opinion on independent directors: None		
	The resolution: The board of directors and independent directors unanimously passed		
The fourth session, 12th meeting 2020.11.26	1. Passing the proposal of the company's financial director, accounting director, internal audit director, spokespersons and acting spokespersons, litigation and non-litigation agents change cases	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: Wang Kuan Hua is avoiding exercise his voting rights in the case of changing the company's financial director, accounting director, internal audit director, spokespersons and acting spokespersons, litigation and non-litigation agents. All the attending of directors and independent directors passed the case without objection.		
The fourth session, 13th meeting 2020.11.27	1. Passing the restriction case of lifting the competition ban of the new director	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: The board of directors and independent directors unanimously passed		
The fourth session, 14th meeting 2020.12.6	1. Passing the subsidiary of Fujian Shengrenda Medical Technology Co., Ltd. and Fujian Yuansheng Textile and Garment City Co., Ltd., about its mask production and sales business and asset transfer	√	None
	2. Passing the revise part of the provisions of the management method of capital loan and others through the company	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: Audit committee of the company actually has one member, and therefore this case has been executed with the consent of more than two-thirds of all directors (based on actual incumbents) without the consent of more than half of all members of the audit committee.		
The fourth session, 15th meeting 2020.12.25	1. Passing the revise part of the provisions of the management method of capital loan and others through the subsidiary	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: Audit committee of the company actually has one member, and therefore this case has been executed with the consent of more than two-thirds of all directors (based on actual incumbents) without the consent of more than half of all members of the audit committee.		

(b) In addition to the preceding items, other independent directors who have objected or retained their opinion and have a record or written notice: None

2. The directors shall specify the name of the directors, the contents of the motion, the reasons for the withdrawal of interests and the circumstances of participation in the voting:

Name	Contents of motion	Reasons for avoiding interest	Voting situation
Zhou Xun Cai, Zhou Zhi Hong	Passing the proposal of loans and transactions through subsidiaries.	interest at stake	Approval from the other directors
Zhou Xun Cai, Zhou Zhi Hong	Passing the proposal of borrowing from the subsidiary – Topbi (China) Fashion Co., Ltd.	interest at stake	Approval from the other directors
Wang Kuan-Hua	Passing the proposal of the company's financial director, accounting director, internal audit director, spokespersons and acting spokespersons, litigation and non-litigation agents change cases	interest at stake	Approval from the other directors

3. Implementation of self-evaluations by the Company's Board of Directors:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Items
Once a year	Performance evaluation for January 1, 2020 to December 31, 2020	Board of Directors	internal self-evaluation by the Board of Directors	1.Level of participation in company operations 2.Improvement of the quality of the Board decision 3.Board composition and structure 4.Appointment of directors and their continued development 5.Internal controls
		Individual Directors	self-assessment by directors,	1.Grasp of company targets and missions 2.Understanding of the director's role and responsibilities 3.Level of participation in company operations 4.Relationship management and communication 5.Director's specialty and continued development 6.Internal controls
		Functional Committees	internal self-evaluation by the Board of Directors	1. Participation in company operations 2.Understanding of the responsibilities of functional committees 3.Improvement of the decision-making quality of functional committees 4.Composition of functional committees 5.Member selection and internal control.

4. Objectives and performance evaluation of the board functions of the current year and the most recent year: The audit committee was established on March 18, 2013.

(2) The operation of the audit committee or the supervisory board's participation in the operation of the board of directors.

A total of eight (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance (B)	By proxy	Attendance rate (%) (B/A)	Remarks
Independent director	Chen DongSheng	7	1	87.50%	Re-appointed on June 14, 2019
Independent director	Lin Horng-Chang	7	1	87.50%	Resigned on November 27, 2020
Independent director	Chang Chih-Peng	8	–	100%	Resigned on November 27, 2020

Other items to be recorded:

1. If the audit committee operates under any of the following circumstances, it shall specify the date, the period, the content of the proposals, the opinions of all independent directors.

(a) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Audit Committee	Motion and follow-up	Securities and exchange act 14-5 listed items	The independent director opposes or neutral
The fourth session, 5th meeting 2020.3.30	1. Adoption of the company's 2019 consolidated financial report	√	None
	2. Passing the proposal of the loans and transactions through subsidiaries	√	None
	3. Passing the proposal of borrowing from the subsidiary – TOPBI (China) Fashion Corp., Ltd. through the company	√	None
	4. Passing the proposal of the company's 2019 annual internal control system effectiveness assessment and internal control statement	√	None
	5. Passing the proposal of the company and its subsidiaries in 2020 short-term investment planning	√	None
	6. Passing the proposal in the amendment of the articles of association of the company	√	None

	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fourth session, 6th meeting 2020.5.11	1. Passing the proposal for a new share issuance through capitalization of earnings in 2019	√	None
	2. Passing the proposal of the revision of the board of directors' operation management methods and rules of procedure of the shareholders	√	None
	3. Passing the proposal of the accountant was adjusted and changed due to the internal rotation of the accounting firm in the 2020Q1	√	None
	4. Passing the annual audit fee and accounting independence of the company in 2020	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fourth session, 7th meeting 2020.6.24	1. Passing the proposal of the replacement Licensing Accounting Firm and the Licensing Association with effect from the second quarter of 2020	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fourth session, 8th meeting 2020.8.12	1. Passing the proposal of the amending the company's 2019 internal control statement	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fourth session, 10th meeting 2020.10.28	1. Passing the proposal of the loans and transactions through subsidiaries	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fourth session, 11th meeting 2020.11.13	1. Passing the proposal of the company's shareholders dividend rate and allotment rate adjustment case	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
	1. Passing the proposal of the company's financial director, accounting director, internal	√	None

The fourth session, 12th meeting 2020.11.26	audit director, spokespersons and acting spokespersons, litigation and non-litigation agents change cases		
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: Audit committee of the company actually has one member, and therefore this case has been executed with the consent of more than two-thirds of all directors (based on actual incumbents) without the consent of more than half of all members of the audit committee.		

(b) In addition to the preceding items, other items which was not passed by the audited committees and has passed through with the consent of more than two-thirds of all directors: Refer to the instructions on page 25 above.

2. The independent director shall state the name of the independent director, the content of the motion, the reasons for the withdrawal of the interest and the voting conditions of the independent director: None.
3. The communication between the independent director and internal audit supervisor and the accountant (including the major issues, financial and business status of the company) :
The audit committee of the company shall investigate the business and financial situation of the company at any time and shall request the directors or managers to contact accountant if necessary; In addition, the internal audit supervisor will report to the independent director on a regular basis. Accountants also attend on the quarterly audit committee or board meetings and independently communicate and interact with each other on issues relating to the review or examination of financial statements or financial, tax or internal controls.

(3) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on governance of listed companies
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the code of practice on corporate governance based on the code of practice on the corporate governance of listed companies?	Yes		The company has established a code of practice on corporate governance in accordance with the code of practice on the corporate governance of listed companies and has disclosed the relevant contents to the company's website and the public information observatory.	No significant difference
2. Equity structure and shareholders' equity of the company.				
(a) Whether the company has set up an internal operation procedure to deal with shareholder's suggestions, doubts, disputes, and lawsuits, and to implement them in accordance with the procedures?	Yes		(a) The company has set up a spokesperson and a dedicated person for the unit to handle the proposal or dispute of the shareholders and shall coordinate the execution by the relevant company.	No significant difference
(b) Does the company have a list of the main shareholders of the company and the ultimate controller of the major shareholders?	Yes		(b) To provide actual information through the security firms, which is required by the law to expose the final control of the major shareholders and the major shareholders.	No significant difference
(c) Whether the company has established, implemented, and implemented the risk control and firewall mechanism between enterprises?	Yes		(c) The assets and financial responsibilities of each relationship enterprise shall be independent and handled according to the internal control system of the company, the risk control and firewall mechanism shall be implemented.	No significant difference
(d) Whether the company sets internal standards and prohibits the company's insiders from taking advantage of the non-public information in the market to buy and sell securities?	Yes		(d) The company has set up "prevention of insider trading procedures" and prohibits the company insiders from taking advantage of the unpublished information in the market to buy and sell securities.	No significant difference
3. Composition and responsibilities of the board of directors.				
(a) Does the board have a diversity policy and implementation?	Yes		(a) The directors of the company have different expertise in various fields and are helpful in the development and operation of the company.	No significant difference

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on governance of listed companies
	Yes	No	Abstract Illustration	
(b) In addition to the remuneration committee and audit committee, does the company voluntarily set up other functional committees?	Yes		(b) The company has set up the audit committee and the remuneration committee, other functional commissions shall be subject to separate authorization by the board of directors.	No significant difference
(c) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	Yes		(c) The company has established the board of directors' performance evaluation to deal with the performance review of the board of directors of the preceding year, information is collected by the board committee and reported to the board of directors.	No significant difference
(d) Does the company regularly assess the independence of the CPA?	Yes		(d) The company has assessed the independence of the accountants each year in accordance with the regulations, the accounting independence are prepared by the financial center. The content includes factors such as self-interest, self-assessment, defense, familiarity and intimidation, which will affect the independence of the accountant, the results are reported to the board of directors.	No significant difference
4. Whether the listed company of the configuration and the corporate governance of the appropriate number of personnel competency, and specify the head of corporate governance, responsible for corporate governance related issues (including but not limited to provide the required information to perform business directors and supervisors, assist to follow the law, directors and supervisors in accordance with the meeting of the board of directors and shareholders related issues, such as making the board of directors and the shareholders' committee proceedings?	Yes		The company has not appointed a director of corporate governance, the office of the board of directors is the corporate governance unit, responsible for corporate governance related matters. This includes assisting directors in complying with laws and regulations, providing information necessary for directors to carry out their business, handling matters relating to meetings of the board of directors and the board of shareholders according to law, handling company registration and change registration, and making the proceedings of the board of directors and the board of shareholders' meetings.	No significant difference

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on governance of listed companies
	Yes	No	Abstract Illustration	
5. Does the company establish a communication channel with stakeholders (including but not limited to shareholders, employees, customers and suppliers etc.), does the company's corporate site has a stakeholders' zones, and respond to stakeholders regarding the importance of corporate social responsibility?	Yes		The company is equipped with specialist and corporate email, to deal with company related foreign relations. In the company's web site, it contains a corporate zone, this optimizes the response to stakeholder regarding the importance of corporate social responsibility.	No significant difference
6. Does the company appoint a professional stock agency to handle the affairs of the shareholders' committee?	Yes		The company has appointed the professional stock agent – Grand Fortune Security Co., Ltd. to handle the shareholders' affairs.	No significant difference
7. Information disclosure (a) Does the company set up a website to disclose financial business and corporate governance information? (b) Whether the company adopt other methods of information disclosure (e.g., setting up an English website, assigning a responsible to gather information, corporate talk held by the legal person). (c) Does the company announce and report its annual financial reports within two months after the end of the fiscal year, and report its first, second and third quarter financial reports and monthly operations earlier than the prescribed time limit?	Yes Yes Yes		(a) The company has set up a Chinese website, and the information regarding the company's financial business and corporate governance will continue to be disclosed. (b) The company has a Chinese website, and it displays the company's financial information and information on corporate governance, revealing "public information observatory", a corporate presentation in accordance with the provisions of the securities exchange, and the company has corporate talk held by the legal person in accordance with relevant laws. (c) The company announces the relevant financial information at the specified time.	No significant difference No significant difference No significant difference
8. Does the company provide other important information to help in understanding the company operational situation (including but not limited to employee rights, employee benefits,	Yes		1. Board of directors continued education, note 1. 2. In respect of the employees' rights and maintenance measures, the company has an internal control system and various other measures in place, the content clearly states the employees' rights	No significant difference

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on governance of listed companies
	Yes	No	Abstract Illustration	
investor relations, supplier relations, directors and supervisors' continued education, risk management policies and the implementation of risk measure, as well as the purchase of liable insurance for directors and supervisors etc.)?			<p>and obligations, contents of employee welfare are regularly reviewed in order to maintain employees' interest.</p> <p>3. The company has not purchased liability insurance for directors and supervisors, and the necessity of purchasing liability insurance shall be evaluated in the future.</p> <p>4. The implementation of risk management policies and risk management standards shall be submitted to the management level during the board of directors meeting. The audit department shall submit the annual audit plan to the board of directors according to the risk assessment plan, the actual audit situation and report shall be reviewed by the members of the audit committee. In addition, the relevant departments of the company should have completed the internal control assessment for the year, and hereby declares the book through the internal control system.</p>	

9. Please referred to the annual corporate governance evaluation released by the Taiwan Stock Exchange, it shows our recent improvements, and we priorities to strengthen the matters that have yet to be improved.

The company's corporate governance assessment in 2018 has improved as follows.

Content of evaluation	Improved situation
Have the board of directors approved the board's performance evaluation procedures and conducted at least one self-evaluation a year, with the results disclosed on the company's website or annual report?	The company has established the board of directors' performance evaluation method, and the board of directors approved, to be implemented this year, the results of the evaluation will be disclosed on the company's website or annual report.
The company has obtained OHSAS18001 2004 environmental management system certification.	The company has obtained OHSAS18001 2004 environmental management system certification.

Matters and measures that have not been improved:

Content of evaluation	Improved situation
Whether the articles of association stipulate that the election of all directors/supervisors should adopt the candidate nomination system, and disclose the nomination review standards and operating procedures in the open information observatory in case of the election of directors/supervisors	The company has stipulated that the independent director should adopt the nomination system.
Will the company hold a general meeting before the end of May?	The company has given priority to holding a regular meeting of shareholders before the end of May.
Does the company have a diversity policy for board members and disclose the implementation of the diversity policy in the annual report and on the company website?	The directors of the company have different expertise in various fields, which is helpful to the development and operation of the company.
Does the company upload its annual report 14 days before the meeting?	Our annual reports are expected to be posted by the shareholders' meeting 14 days in advance.
Does the company upload an English annual report before the shareholders' meeting 7 days in advance?	The company has not prepared an English annual report.
Does the company submit a meeting notice in English 30 days prior to the meeting of shareholders?	The company is expected to upload English meeting notice 30 days in advance.
Is the company's remuneration committee convened at least twice a year and attended by all committee members at least twice a year?	The remuneration committee of the company shall be convened at least twice a year and shall be attended by all committee members at least twice a year.
Content of evaluation	Improved situation
Does the company have a non-statutory functional committee with at least three members and more than half of its members as independent directors, and disclose its composition, responsibilities and operations?	The company has set up a remuneration committee composed of three independent directors.
Does the company disclose the communication between the independent director and the internal audit director and accountant (e.g., the way, matters and results of communication on the company's financial report and financial business status) on the company website?	The company will give priority to evaluating the communication between independent directors and internal audit directors and accountants on the company website.
Does the company have corporate governance professionals who are responsible for corporate governance related matters and explain the operation and implementation of the units in the annual report and on the company website?	The company will give priority to the assessment of the establishment of corporate governance staff, responsible for corporate governance related matters, and explain the operation and implementation of the establishment unit in the annual report and on the company website.
Does the independent director of the company complete his studies in accordance with the time limit of "the directors and supervisors of the listed company"?	The company will assist the directors to complete their studies in accordance with the time limit of "the directors and supervisors of the listed companies".
Has the company established a board performance evaluation method or procedure that has been approved by the board of directors, that external evaluation should be carried out at least once every three years, and that the evaluation should be carried out within	The company has established the board performance evaluation method, and the board of directors has approved it. The company will give priority to the external evaluation at least once every three years and execute the evaluation within the time

the time limit set by the method, and that the performance and evaluation results should be disclosed on the company's website or annual report?	limit set by the method and disclose the implementation situation and evaluation results on the company's website or annual report.
Are the directors and supervisors of the company completing the study according to the hours specified in the "key points for the implementation of study for directors and supervisors of listed and listed companies"?	The company will assist the directors to complete the study in accordance with the hours specified in the "implementation guidelines for the study of directors and supervisors of listed and listed companies".
Are the independent directors of the company completing the study according to the hours specified in the "key points for the implementation of study for directors and supervisors of listed and listed companies"?	The company will assist the independent directors to complete the study in accordance with the hours specified in the "implementation guidelines for the study of directors and supervisors of listed and listed companies".
Does the company declare significant information in English?	The company will increase the relevant manpower in 2020 to declare the important information in English.
Content of evaluation	Improved situation
Does the company release its annual financial report within two months after the end of the fiscal year?	The company will study to release the annual financial report within two months after the end of the fiscal year.
Has the company voluntarily published its financial forecast for the four quarters and the relevant operations have not been corrected by the competent authority or recorded in the stock exchange or counter purchase center?	The company will study and publish the financial forecast report for the four quarters, and the relevant operation has not been corrected by the competent authority, the stock exchange or the counter purchase center.
Does the annual report voluntarily disclose the remuneration of individual directors and supervisors?	The company gives priority to the disclosure of individual directors and supervisors.
Does the company's annual report voluntarily disclose the amount and nature of the non-audit fees paid by the certified public accountants and their affiliated accounting firms?	We have been able to disclose the amount and nature of our non-audit fee, which is more than a quarter of the amount of the audit fee, so it is not voluntarily disclosed.
Does the company's annual report and website disclose the list of major shareholders, including the names, amounts and proportions of shareholders with a shareholding ratio of more than 5% or the top ten shareholders?	The company gives priority to the disclosure of the list of major shareholders in the company's annual report and website, including shareholders with a shareholding ratio of more than 5% or shareholders with a shareholding ratio of the top 10 shareholders, the amount and proportion of shares.
Does the company's website or public information observatory disclose complete financial statements (including financial statements and notes) in English?	The company priorities the establishment of an English company website with financial, business and corporate governance information.
Does the company have an appropriate governance structure in place to formulate and review corporate social responsibility policies, systems or related management policies that are disclosed in the annual report and on the company website?	The company priorities the establishment of an appropriate governance structure for the formulation and review of CSR policies, systems or related management policies, which are disclosed in the annual report and on the company website.
Does the company set up special (and part-time) units to promote corporate social responsibility and business integrity, and explain the operation and implementation of the units in the annual report and the company website, and report to the board of directors regularly?	The company gives priority to the assessment and promotion of corporate social responsibility and business integrity professional (part-time) units and describes the operation and implementation of the units in the annual report and company website, and regularly reports to the board of directors.
Does the company regularly disclose its CSR promotion plans and implementation results in its annual report and on its website?	The company priorities the disclosure of CSR promotion plans and implementation results in the annual report and the company website.

Does the company refer to the international guidelines for the preparation of corporate social responsibility reports and other disclosure of non-financial information? [for voluntary compilation, an additional 1 point will be added to the total score.]	The company has not prepared a corporate social responsibility report.
Content of evaluation	Improved situation
Are corporate social responsibility reports prepared by the company, which disclose non-financial information of the company, verified by third parties?	The company has not prepared a corporate social responsibility report.
Does the company sign a collective agreement with the union under the collective agreement law?	The company's employees are not unionized.
Does the company have policies that reflect performance or results appropriately in employee compensation and disclose them in annual reports or on the company website?	The company shall give priority to the evaluation and formulation of policies to reflect the business performance or results in the employee compensation and disclose them in the annual report or the company website.
Does the company's annual report and website reveal the work environment and personal safety protection measures and their implementation?	The company gives priority to the annual report of the company and the website to disclose the protection measures and implementation conditions of employees' working environment and personal safety.
Does the company disclose annual emissions of carbon dioxide or other greenhouse gases in the past two years? [for external verifiers, an additional 1 point will be added to the total score.]	The company has not measured annual emissions of carbon dioxide or other greenhouse gases in the past two years.
Does the company have policies for energy conservation, carbon reduction, greenhouse gas reduction, water reduction or other waste management?	The company has not measured annual emissions of carbon dioxide or other greenhouse gases in the past two years.
Does the company website or annual report reveal the identity, concerns, communication channels and response methods of identified stakeholders?	The company gives priority to the identification of stakeholders, issues of concern, communication channels and response methods disclosed on the company's website or annual report.
Does the company's website or annual report disclose the integrity management policy, specify specific practices and prevent dishonest behavior?	The company gives priority to the assessment of the company website or annual report disclosure of the integrity of the business policy, the specific practices and prevention of dishonest behavior plan.
Does the company have a disclosure system for illegal (including corrupt) and immoral ACTS by internal and external personnel that is detailed on the company website?	The company gives priority to the assessment of the company's established and detailed disclosure system for illegal (including corruption) and immoral behaviors by internal and external personnel on the company's website.
Does the company have a supplier management policy that requires it to work with suppliers to comply with relevant standards on environmental protection, safety or health issues in a joint effort to promote corporate social responsibility, which is disclosed on the company website or CSR report?	The company prioritizes the development of supplier management policies, requires the cooperation with suppliers, in environmental protection, safety or health and other issues to follow the relevant norms, to work together to improve corporate social responsibility, and corporate social responsibility report on the company website or disclosure.

Remarks 1: Directors' training records in 2020.

Title	Name	Date	Hours	Organization	Course
Independent director	Lin Horng-Chang	2020.06.30	3	Securities & Futures Institute	The Strategy and Management of Enterprise Upgrading and Transformation - the Choice of Merger and Alliance
		2020.08.07	3	Taiwan Corporate Governance Association	Securities Illegal Cases and the Responsibility of Directors and Supervisors
		2020.10.29	3	Securities & Futures Institute	Director Responsibility and Risk Management under the latest Corporate Governance

(4) Composition, Responsibilities and Operations of the Remuneration Committee.

(a) Member information of remuneration committee.

Title	Criteria Name	More than 5 years working experience. And the following professional qualifications.			Independent Criteria (Note)										Concurrently assume other public company remuneration committee member number	Remark	
		Business, legal, financial, accounting or related departments of public and private universities for public and private universities that are required by the company business	Judges, prosecutors, lawyers, accountants or other professional technicians who have a certificate with the national examination required by the company's business	Business, legal, financial, accounting or business required work experience	1	2	3	4	5	6	7	8	9	10			
Independent director	Chen Dongsheng	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-
Independent director	Lin Horng - Chang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2	-
Independent director	Chang Chih-Peng		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	-

Note: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

- (a) Not an employee of the Company or any of its affiliates.
- (b) Not a director or supervisor of the Company or any of its affiliates (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
- (c) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (d) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a manager in (1) or personnel in (2) and (3).
- (e) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% more of the Company's outstanding shares, is a top five shareholder, or appointed a representative as the Company's director or supervisor in accordance with Article 27, Paragraph 1 or 2 of the Company Act (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).

- (f) Not a director, supervisor, or employee of other companies controlled by the same person with over half of the Company's director seats or shares with voting rights (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
 - (g) Not a director, supervisor, or employee of another company or institution who is the same person or spouse of the Company's chairperson, president or equivalent position (not applicable in cases where the person is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
 - (h) Shareholders (not applicable in cases where the specific company or institution holds 20% or more but less than 50% of the Company's outstanding shares, and is an independent director of the Company, its parent company, subsidiary, or the subsidiary of the same parent company in accordance with the Act or with local laws).
 - (i) Not a professional individual who, or an owner, partner, director, supervisor, or manager of a sole proprietorship, partnership, company, or institution that audited or provided commercial, legal, financial, or accounting services for total compensation not exceeding NT\$500,000 in the most recent two years to the company or to any affiliate of the company, or a spouse thereof, This does not apply to members of the Remuneration Committee, Public Tender Offer Review Committee, or Merger and Acquisition Special Committee performing duties in accordance with the Securities and Exchange Act or laws and regulations related to mergers and acquisitions.
 - (j) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.
- (b) Remuneration committee responsibilities.

The remuneration committee is committed to good management, and faithfully performs the functions and powers of the committee and shall submit the proposals to the board of directors for discussion.:

- A. To formulate and regularly review the policies, institutions, standards and structure of the directors and the managers, the performance reviews and the remuneration.
- B. To regularly evaluate and develop the remuneration of directors and managers.

(c) Remuneration committee's operation information.

- A. The compensation committee of the company has 3 members.
- B. Term of office: 14.06.2019-13.06.2022. The remuneration committee meets once (A) in the 2020 annual report, members and attendance are as follows:

Title	Name	Attendance (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks

Member	Chen DongSheng	0	1	0	Re-appointed on June 24, 2019
Member	Lin Horng-Chang	1	-	100	Resigned on November 27, 2020
Convener	Chang Chih-Peng	1	-	100	Resigned on November 27, 2020

Other items to be recorded:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(5) Fulfillment of Social Responsibility and Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons.

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on corporate social responsibility of the listed company
	Yes	No	Summary	
1. Does the company conduct risk assessment on environmental, social, and corporate governance issues related to the company's operations and formulate relevant risk management policies or strategies in accordance with the materiality principle?	Yes		Our management of the company carries out risk assessment on environmental, social, and corporate governance issues related to the operation of the company in accordance with the principle of materiality, and formulates relevant risk management policies or strategies, such as safety technical specifications for infants and children's textile products, to ensure the safety of children's clothing.	There are no significant differences.
2. Does the company have a corporate social responsibility (CSR) promotion unit, which is authorized by the board of directors to senior management and reported to the board of directors?	Yes		Our company establishes a corporate social responsibility (CSR) professional unit in the office of the board of directors, which shall be authorized by the board of directors to deal with the issue by the senior management and report the situation to the board of directors.	There are no significant differences.
3. Environmental Issues				
(I) Does the company establish a suitable environmental management system according to its industrial characteristics?	Yes		(I) Our subsidiary company – Topbi (China) Fashion Corp., Ltd is a subsidiary company for research and sales, which is not related to relevant environmental pollution problems; The other subsidiary – Fujian SDO Textile & Industry Goods Corp., Ltd has no business activity and does not involve in relevant environmental pollution problems.	There are no significant differences.
(II) Is the company committed to improving the efficiency of resources and using recycled materials with low impact on the environment?	Yes		(II) Our company is committed to improving the utilization efficiency of various resources and encourages the employees to promote low-carbon office and water-saving electricity.	There are no significant differences.
(III) Does the company assess current and future potential risks and opportunities from climate change and take action on climate-related issues?	Yes		(III) When designing children's wear products, the company evaluates the present and future potential risks and opportunities of climate change and launches products such as sunscreen clothing in response to climate-related issues.	There are no significant differences.
(IV) Has the company made statistics on greenhouse gas emissions, water consumption and total weight of waste in	Yes		(IV) Our company to promote low-carbon office, water and electricity saving and other good habits.	There are no significant differences.

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on corporate social responsibility of the listed company
	Yes	No	Summary	
the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?				
4. Social Issues				
(I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	Yes		(I) Our company has formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions.	There are no significant differences.
(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	Yes		(II) Our company has formulated and implemented reasonable employee benefit measures (including salaries, leave and other benefits) in the salary management method, and appropriately reflected the business performance or results in the employee salaries.	There are no significant differences.
(III) Does the company provide a safe and healthy working environment and provide employees with regular safety and health training?	Yes		(III) Our company has provided a safe and healthy working environment for employees and conducted staff education and training in accordance with building public safety, fire safety and other relevant laws and regulations.	There are no significant differences.
(IV) Does the company set up effective career development and training programs for its employees?	Yes		(IV) Our company has established effective career development and training programs for employees, and regularly conducts relevant trainings for employees.	There are no significant differences.
(V) Does the company comply with relevant regulations and international standards in customer health and safety, customer privacy, and marketing and labeling its goods and services, and has it established consumer rights protection policies and complaint procedures?	Yes		(V) The company has complied with the relevant regulations and international standards for the marketing and labeling of its products and services.	There are no significant differences.
(VI) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	Yes		(VI) Our company has formulated supplier management policies, requiring suppliers to follow relevant norms in environmental protection, occupational safety and health, labor rights and other issues, and will renew the contract only after regular inspection of whether the supplier is in compliance.	There are no significant differences.

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on corporate social responsibility of the listed company
	Yes	No	Summary	
5. Does the company prepare corporate social responsibility reports and other reports that disclose non-financial information of the company in accordance with international reporting standards or guidelines? Has the report been confirmed or endorsed by a third party?		No	According to the overall development of the company in accordance with the international standards and guidelines for the preparation of reports, the company prepares corporate social responsibility reports and other reports that disclose the company's non-financial information and obtain the confirmation or assurance from the third party verification unit.	There are no significant differences
6. If a company has its own corporate social responsibility code of practice in accordance with the corporate social responsibility code of practice for listed companies, please state the difference between its operation and the code of practice: The company has established and adhered to the code of practice on corporate social responsibility for listed companies without material difference.				
7. The corporate social responsibility report should be explained in the form of verification by the relevant authorities: The company has passed ISO 9001: 2008 international quality management system certification, ISO 14001: 2004 environmental management system certification, OHSAS 18001: 2007 occupational health and safety management system certification.				

(6) Implementation of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on corporate social responsibility of the listed company
	Yes	No	Summary	
<p>1. Establish integrity business policy and proposal.</p> <p>(I) Does the company have a policy of honest management approved by the board of directors, and clearly state the policy and practice of honest management in the regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the policy?</p> <p>(II) Does the company established an assessment mechanism for the risk of dishonest conduct, regularly analyzed and evaluated the business activities with high risk of dishonest conduct within its business scope, and formulated a plan to prevent dishonest conduct, including at least the preventive measures for the behaviors in item 2, article 7 of the code of conduct for listed and listed companies? Does the company take preventive measures against the business activities of the "ethical code of conduct for listed companies" article 7, paragraph 2, or other business activities with higher risk of dishonesty?</p> <p>(III) Does the company implement and regularly review and revise the pre-disclosure plan in accordance with the operational procedures, conduct guidelines and disciplinary</p>	Yes		<p>(I) Our company has formulated the "code of ethics" and "code of conduct for ethical management" (collectively referred to as the "code of ethics"). All colleagues and members of the board of directors of the company shall believe in and practice the aforementioned integrity standards and shall implement them in the internal management and external business activities. All colleagues and board members of our company abide by the aforementioned integrity standard, there is no need to set up a plan to prevent dishonest behavior.</p> <p>(II) All colleagues of the company and members of the board of directors follow the above code of good faith, which prohibits bribery and accepting bribes and illegal political contributions.</p> <p>(III) All colleagues of the company and the members of the board of directors follow the above code of integrity, and there is no need to formulate a plan to prevent dishonest behavior.</p>	<p>There are no significant differences.</p> <p>There are no significant differences.</p> <p>There are no significant differences.</p>

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on corporate social responsibility of the listed company
	Yes	No	Summary	
and complaint systems for violations of the code of conduct in the prevention of dishonest conduct plans?				
2. Integrity management				
(I) Does the company assess the integrity record of the other party and stipulate the terms of good faith in the contract with the other party?	Yes		(I) Our company's personnel shall avoid engaging in business transactions with agents, suppliers, customers or other business contacts that are not in good faith and shall immediately cease their business dealings with those who have found to have dishonest behaviors, and shall list them as objects of refusal, in order to implement the company's integrity standards.	There are no significant differences.
(II) Does the company have a dedicated unit under the board of directors to promote business integrity and report to the board of directors regularly (at least once a year) on its integrity policies, prevention plans and implementation monitoring?	Yes		(II) Our company shall designate the office of the board of directors to conduct the revision, implementation, interpretation, consultation service and notification of the registration and filing of the procedures and guidelines, and report to the board of directors every year.	There are no significant differences.
(III) Whether the company has established policies to prevent conflicts of interest, provides appropriate statement of piping, and the implementation ?	Yes		(III) Our company shall prepare the interests of integrity specification and set up the appropriate pipeline mechanism.	There are no significant differences.
(IV) Does the company established an effective accounting system and internal control system in order to implement the operation in good faith, and the internal audit unit shall draw up the relevant audit plan based on the assessment results of the risk of dishonest behaviors, and check the compliance of the plan to prevent dishonest behaviors, or entrust the accountant to carry out the audit?	Yes		(IV) The company shall establish an effective accounting system and internal control system and shall not have any external accounts or secret accounts and shall review them at any time to ensure that the design and implementation of the system remain effective. Internal auditors shall periodically check the compliance situation of the foregoing system.	There are no significant differences.
(V) Does the company regularly hold in the good faith management of internal and external education training?	Yes		(V) The company regularly conducts internal integrity management, external education training.	There are no significant differences.
3. The operation of the company's prosecution system.				

Evaluation Item	Implementation Status			The differences and reasons of the code of practice on corporate social responsibility of the listed company
	Yes	No	Summary	
(I) Does the firm set up a specific report and reward system, establish a convenient conduit, and appoint the appropriate person responsible for the prosecution?	Yes		(I) The company consider the integrity of the business to be incorporated into the employee's performance review, to establish a clear and effective reward/grievance system, and to appoint the appropriate persons to handle the case against the prosecution.	There are no significant differences.
(II) Does the company have a standard operating procedure for accepting the investigation and a confidentiality mechanism for the follow-up measures to be taken after the investigation is completed?	Yes		(II) The person responsible for the handling of the inspection, is also responsible for client's confidential information.	There are no significant differences.
(III) Does the company take measures to protect the prosecutor against improper handling of the prosecution?	Yes		(III) The company take measures to protect the prosecutor against improper handling of the prosecution.	There are no significant differences.
4. Enhance the disclosure of information. (I) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website?	Yes		(I) The company's website has been completed and implemented in accordance with relevant laws of Taiwan.	There are no significant differences.
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: The company has established the "good faith operation code" for the company to establish the integrity corporate culture and perfect the operation of the company, so as to comply with it.				
6. Other important information contributes to an understanding of corporate social responsibility operation situation: (In case of the company's review and revision of the code of conduct for conduct business, etc.) The company has established the "good faith operation procedure and behaviors guide" of the company in order to establish good corporate culture and perfect operation of the company, so as to comply with it.				

(7) If the company has a set of corporate governance rules and relevant regulations, should reveal the query methods:

Regarding the management rules and related regulations of our company, investors can search from the following

A. **http://mops.twse.com.tw/mops/web/t100sb04_1**

B. **<http://www.topbi.com.tw/>**

(8) Other important information regarding the corporate governance: None.

(9) Internal Control Systems

(a) Disclosures Required for the Implementation of the Internal Control System

淘帝國際控股有限公司
內部控制制度聲明書

日期：2021年3月26日

本公司2020年度之內部控制制度，依據自行評估的結果，謹聲明如下：

- 一、本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任，本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標的達成，提供合理的確保。
- 二、內部控制制度有其先天限制，不論設計如何完善，有效之內部控制制度亦僅能對上述三項目標之達成提供合理的確保；而且，由於環境、情況之改變，內部控制制度之有效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制，缺失一經辨認，本公司即採取更正之行動。
- 三、本公司係依據「公開發行公司建立內部控制制度處理準則」(以下簡稱「處理準則」)規定之內部控制制度有效性之判斷項目，判斷內部控制制度之設計及執行是否有效。該「處理準則」所採用之內部控制制度判斷項目，係為依管理控制之過程，將內部控制制度劃分為五個組成要素：1. 控制環境，2. 風險評估，3. 控制作業，4. 資訊與溝通，及5. 監督作業。每個組成要素又包括若干項目。前述項目請參見「處理準則」之規定。
- 四、本公司業已採用上述內部控制制度判斷項目，評估內部控制制度之設計及執行的有效性。
- 五、本公司基於前項評估結果，認為本公司於2020年12月31日的內部控制制度(含對子公司之監督與管理)，包括瞭解營運之效果及效率目標達成之程度、報導係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制制度等之設計及執行係屬有效，其能合理確保上述目標之達成。
- 六、本聲明書將成為本公司年報及公開說明書之主要內容，並對外公開。上述公開之內容如有虛偽、隱匿等不法情事，將涉及證券交易法第二十條、第五十二條、第一百七十一條及第一百七十四條等之法律責任。
- 七、本聲明書業經本公司2021年3月26日董事會通過，出席董事5人均同意本聲明書之內容，併此聲明。

淘帝國際控股有限公司

董事長：

總經理 簽章

(b) The internal audit report by the entrusted accountant shall be disclosed: None.

(10) If there has been any legal penalty against the company and its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder interests or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement:

(a) The penalty: The material information statement issued by the company on December 10, 2020, that it was purchasing a financial product executed by Huafu Securities (Product Name: "Linked Securities Financial Management - Xingyin Fund Xingyin Short and Medium Bonds C"), which is inconsistent with the material information content previously released and the disclosure of the notes to the consolidated financial report from 2019Q3 to 2020Q3. The provisions of article 15, item 1, paragraph 3, of the pre-disclosure procedure shall be verified. Please pay the liquidated damages of NT \$300,000 to the Finance Department of Taiwan Stock Exchange Co., Ltd within 5 days.

Improvement: Liquidated damages have been paid.

(b) The penalty: The company failed to declare the annual financial report of 2020 in accordance with the prescribed time limit, so in accordance with the securities exchange law, article 178, item 1, paragraph 4, the same article 178, item 2 and article 179, the person in charge of company was fined NT \$240,000.

Improvement: Fine has been paid.

(11) Important resolutions of the shareholders' meeting and the board of directors in the most recent year (2020) and as of the date of publication of the annual report:

(a) Major resolutions of the shareholders' meeting or board of directors:

Shareholders' meeting or BOD	Date	Major resolutions
Board meeting	March 30, 2020	1. Passing the annual consolidated financial report of the company in 2019

		<ol style="list-style-type: none"> 2. Passing the proposal of the loans and transactions through subsidiaries. 3. Passing the proposal of borrowing from the subsidiary – Topbi (China) Fashion Co., Ltd. 4. Passing the proposal of the 2019 annual internal control system effectiveness assessment and internal control statement of the company 5. Passing the annual business report of the company in 2019 6. Passing the proposal of the company and its subsidiaries in 2020 short-term investment planning 7. Passing the proposal of the amendment to the articles of association.
Board meeting	May 11, 2020	<ol style="list-style-type: none"> 1. Passing the proposal for a new share issuance through capitalization of earnings in 2019 2. Passing the proposal of the revision of the board of directors' operation management methods and rules of procedure of the shareholders 3. Passing the proposal of the accountant was adjusted and changed due to the internal rotation of the accounting firm in the 2020Q1 4. Passing the proposal of the company's 2020 annual public accounting fees and accounting independence.
Shareholders' meeting	June 22, 2020	<ol style="list-style-type: none"> 1. Adoption of the annual business report and financial statements of the company in 2019. 2. Adoption of the earnings distribution of company in 2019. 3. To discuss the proposed amendments to the articles of association. 4. To discuss the proposed a new share issuance through capitalization of earnings in 2019 5. Adoption to amend part of the provisions of the "Management Rules for the Procedure of the Board of Directors" of the company 6. Adoption to amend part of the provisions of the "Rules of Procedure of the Board of Shareholders" of the company
Board meeting	June 24, 2020	<ol style="list-style-type: none"> 1. Passing the proposal of the replacement Licensing Accounting Firm and the Licensing Association with effect from the second quarter of 2020
Board meeting	Oct 28, 2020	<ol style="list-style-type: none"> 1. Passing the proposal of the loans and transactions through subsidiaries.
Board meeting	Nov 13, 2020	<ol style="list-style-type: none"> 1. Passing the company's shareholders dividend rate and allotment rate adjustment case
Board meeting	Nov 26, 2020	<ol style="list-style-type: none"> 1. Passing the proposal of the company's financial director, accounting director, internal audit director, spokespersons and

		acting spokespersons, litigation and non-litigation agents change cases
Board meeting	Nov 27, 2020	1. Passing the restriction case of lifting the competition ban of the new director
Board meeting	Dec 6, 2020	1. Passing the subsidiary of Fujian Shengrenda Medical Technology Co., Ltd. and Fujian Yuansheng Textile and Garment City Co., Ltd., about its mask production and sales business and asset transfer 2. Passing the revise part of the provisions of the management method of capital loan and others through the company
Board meeting	Dec 25, 2020	1. Passing the revise part of the provisions of the management method of capital loan and others through the subsidiary
Interim meeting of shareholders	Jan 21, 2021	1. The nomination of chairman in the interim meeting of shareholders 2. The Company's second implementation of the repurchase of the Company's shares implementation report 3. The general election of directors of the company 4. Restriction case of lifting the non-competition prohibition of the new director
Board meeting	March 12, 2020	1. Passing the appointment of new accounting firm and certified accountant 2. Adopted to suspend the resolution of the Board of Directors on December 6, 2020, concerning the production and sales of masks and the transfer of assets between the subsidiary and its associates
Board meeting	March 26, 2020	1. Passing the proposal of the 2020 annual internal control system effectiveness assessment and internal control statement of the company
Board meeting	April 23, 2020	1. Adoption of the company's 2020 annual business report 2. Passing the organizational rules and salary management methods of the company's compensation committee and propose proposals
Board meeting	May 13, 2020	1. Report the annual operating plan of the subsidiary 2. Passing the proposal of the revision of the company and its subsidiaries to approve the authority management methods

(b) Resolution result: Adopted by resolution of shareholders' meeting; The board of directors has agreed to pass unanimously.

(c) Results: Follow the resolution. Subsequent implementation of shareholders' meeting:

The implementation of important decisions of the shareholders' meeting (2020.6.22)
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1. Adoption of the 2019 annual operating report and financial statements of the company: The resolution was passed
2. Adoption of the company's 2019 annual earnings distribution plan: The cash dividend and stock dividend were distributed on December 28, 2020
3. Passed the amendment to the company's articles of association: completed on July 28, 2020.
4. The company has passed the annual profit and other capital increase for 2019: Completed on December 28, 2020.
5. Adoption to amend part of the provisions of the "Management Rules for the Procedure of the Board of Directors" of the company: Has been operated in accordance with the revised provisions
6. Adoption to amend part of the provisions of the "Rules of Procedure of the Board of Shareholders" of the company: Has been operated in accordance with the revised provisions

The implementation of important decisions of the shareholders' meeting (2021.1.21)

1. Passing the general election of directors of the company: The term of office of the elected directors and independent directors began on January 21, 2021 and ended on January 20, 2024.
2. Passing the restriction case of lifting the non-competition prohibition of the new director: The resolution was passed

(12) Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

(13) Resignation or Dismissal of the Company's Key Individuals, Including the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D:

Title	Name	Appointed date	Date of dismissal	Reasons for resignation or termination
Head of Accounting and Finance of Topbi International	Wang Kuan Hua	2013.03	2020.11.26	Position adjustment
Head of internal audit Topbi International	Chen Chien Wei	2013.04	2020.11.26	Position adjustment

4. Information Regarding the Company's Audit Fee and Independence

(1) Audit Fees

Name of accounting firm	Name of the CPA		Inspection period	Remarks
ShineWing Taiwan	Chen Kuang Hui	Kuo Chen Yu	2020.10.01-2020.12.31	-
Candor Taiwan	Lee Ting-Yi	Chen Yu-Hsun	2020.4.01-2020.9.30	In response to the Coronavirus epidemic, the competent authority has issued the relevant inspection practice guidelines and requirements. Due to the continuing severity of the epidemic, the CPA has been assessed and determined that it is no longer possible to complete the audit. And inform that they are terminating the appointment to audit the financial statements of the Company.
Deloitte and Touche Taiwan	Chiang Min-Nan	Huang Yi Min	2020.1.01-2020.3.31	To meet the needs of the company's future operational development and overall management considerations.

(2) Certified Public Accountant Audit Fee Level Table

Fee Range		Items	Audit fees	Non-audit fees	Total
1	Under NT\$ 2,000,000				
2	NT\$2,000,001 ~ NT\$4,000,000				
3	NT\$4,000,001 ~ NT\$6,000,000				
4	NT\$6,000,001 ~ NT\$8,000,000				
5	NT\$8,000,001 ~ NT\$10,000,000		✓		✓
6	Over NT\$100,000,000				

(3) Firms pay accountants, certified public accountants, and the relationship enterprises. If the non-audit fee is more than a quarter of the audit fee, then the company should disclose the audit and non-audit amount as well as the service content: None.

(4) If the public audit fee for replacing accounting services is lower than that for the previous year, the amount and reason of the public audit fee before and after the shall be disclosed: None.

(5) The amount, proportion, and reasons for the reduction of the audit fees shall be disclosed if the audit fees are reduced by more than 15% compared with the previous year: None.

5. Replacement of CPA:

(1) Regarding the former CPA

Replacement Date	Approved by BOD on June 24, 2020		
Replacement reasons and explanations	To meet the needs of the company's future operational development and overall management considerations.		
Describe whether the Company terminated, or the CPA did not accept the appointment	Parties	CPA	The Company
	Status		
	Termination of appointment	-	✓
	No longer accepted (continued) appointment	-	-
Other issues (except for unqualified issues) in the audit reports within the last two years	Not applicable		
Differences with the company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
	None	✓	
	Remarks/specify details: Not applicable		
Other Revealed Matters	None		

Replacement Date	Approved by BOD on December 4, 2020		
Replacement reasons and explanations	In response to the Coronavirus epidemic, the competent authority has issued the relevant inspection practice guidelines and requirements. Due to the continuing severity of the epidemic, the CPA has been assessed and determined that it is no longer possible to complete the audit. And inform that they are terminating the appointment to audit the financial statements of the Company.		
Describe whether the Company terminated or the	Parties	CPA	The Company
	Status		

CPA did not accept the appointment	Termination of appointment	✓	-
	No longer accepted (continued) appointment	-	-
Other issues (except for unqualified issues) in the audit reports within the last two years	Not applicable		
Differences with the company	Yes	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
	None	✓	
	Remarks/specify details: Not applicable		
Other Revealed Matters	None		

(2) Regarding the successor CPA

Name of accounting firm	ShineWing Taiwan
Name of CPA	Chen Kuang Hui and Kuo Chen Yu
Date of appointment	Approved by BOD on March 12, 2021
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	Not Applicable
Succeeding CPA's written opinion of disagreement toward the former CPA	None

6. The chairman, general manager, finance, or accounting manager of the company who has served in the public accounting firm or its affiliated enterprises in the recent year: None.

7. In the most recent year and as of the date of publication of the annual report, changes in the transfer and pledge of shares of directors, supervisors, managers, and holders of shares of more than 10% of the company's shares:

(1) Changes in Shareholding of Directors, Managers and Major Shareholders

Unit: Share

Title	Name	2020		As of April 26, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Zhou Xun Cai (note 1)	-	-	-	-
Director of Administration Department	Wu DongFeng	-	-	-	-
Director	Lee Tsung-Ju (note 2)	-	-	-	-
Independent Director	Lin Horng-Chang (note 2)	-	-	-	-
Independent Director	Chang Chih-Peng (note 2)	-	-	-	-
Independent Director	Chen DongSheng	-	-	-	-
Director	Lien Chih Chi (note 3)	-	-	-	-
Independent Director	Lai Tiao Tsan (note 3)	-	-	-	-
Independent Director	Wu Chin Shan (note 3)	-	-	-	-
Director and CEO	Zhou ZhiHong (note 4)	-	-	-	-
Finance Director of Topbi (China)	Chen ZhangTao				
Topbi (China) Director of R&D	Guan YouJin	-	-	-	-
Topbi (China) Sales Director	Lin, Yong	-	-	-	-
Topbi (China) Director of warehouse	Yang Wen	-	-	-	-

Title	Name	2020		As of April 26, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Topbi (China) Board Secretary	Zhuang, LingFeng	-	-	-	-
CFO	Chen Chien Wei (note 5)	-	-	-	-
Audit Supervisor	Jiang Ming (note 6)				
Director and CFO	Wang Kuan-Hua (note 7)	-	-	-	-
Major shareholder	Topwealth International Holdings Limited (Note 1)	(4,957,895)	(8,480,000)	-	-

Note 1: Zhou Xun Cai is holds shares through Topwealth International Holdings Limited.

Note 2: Lee Tsung-Ju, Lin Horng-Chang, Chang Chih-Peng resigned as director and independent director on Nov 27, 2020.

Note 3: Lien Chih Chi, Lai Tiao Tsan, Wu Chin Shan became new director and independent director on Jan 21, 2021.

Note 4: Zhou ZhiHong leaving as directors on Jan 21, 2021.

Note 5: Chen Chien Wei leaving as audit supervisor and appointed as the new CFO on Nov 26, 2020.

Note 6: Jiang Ming will be appointed as audit supervisor on Nov 26, 2020.

Note 7: Wang Kuan-Hua resigned as CFO on Nov 26, 2020 and resigned as director on Nov 27,2020.

(2) Equity transfer, equity pledge, relative person information: None.

8. Relationship among the Top Ten Shareholders

April 26, 2021; Unit: Shares

Name	Current shareholding		Spouse's/ minor's shareholding		Shareholding by nominee arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Re mar ks
	Shares	%	Shares	%	Shares	%	Name	Relation ship	
Topwealth International Holdings Limited	16,061,082	14.74	-	-	-	-	-	-	-
Representative : Zhou Xun Cai	-	-	-	-	-	-	-	-	-
匯豐託管 E N S I G N P E A K 顧 問公司	2,004,145	1.84	-	-	-	-	-	-	-
劉梅英	1,779,066	1.63	-	-	-	-	-	-	-
林俊榮	1,300,000	1.19	-	-	-	-	-	-	-
徐航健	1,128,798	1.04	-	-	-	-	-	-	-
匯豐託管雅凱迪新 興市場小型資本股 票基金	959,124	0.88	-	-	-	-	-	-	-
邱鴻森	849,707	0.78	-	-	-	-	-	-	-
永豐商銀託管永豐 金代理人公司投資 專戶	774,000	0.71	-	-	-	-	-	-	-
王文廷	730,000	0.67	-	-	-	-	-	-	-
花旗託管 D F A 新 興市場核心證券投 資專戶	726,872	0.67	-	-	-	-	-	-	-

Note: The above shareholding ratio of shareholders is calculated after deducting 507,000 Treasury shares.

9. Ownership of Shares in Affiliated Enterprises.

Unit: shares; % , Dec 31, 2020

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Number of shares	(%)	Number of shares	(%)	Number of shares	(%)
TOPBI Children Apparel Co., Limited	174,227,460	100	-	-	174,227,460	100
Fujian SDO Textile & Industry Goods Corp., Ltd	-	-	-	-	-	-
TOPBI (CHINA) Fashion Corp., Ltd	-	-	-	-	-	-
Fujian Shengrenda Medical Technology Co., Limited	-	-	-	-	-	-

Note: It is an equity investment by the company

(IV) Capital Overview

1. Capital and Shares

(1) Sources of Capital

(a) Types of Stock

April 26, 2021; Unit: Shares

Type of shares	Authorized Capital (shares)			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common stock	109,493,838	40,506,162	150,000,000	Shares of listed companies

Note: Outstanding shares consist of 507,000 untransferred Treasury shares purchased by the company.

(b) Equity Formation Process

April 26, 2021; Unit: NT \$/ Share, unless otherwise noted

Month of year	Offering price	Authorized capital		Capital paid-in		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash as equity	Others
October 2012	USD1	1	USD1	1	USD1	Fixed equity 1 share	None	-
December 2012	USD1	50,000	USD50,000	50,000	USD50,000	Restructuring of issuing shares	None	-
February, 2013	10	100,000,000	1,000,000,000	148,020	1,480,200	Conversion ratio: 29.604 conversion of nt \$10 per share	None	-
February, 2013	10	100,000,000	1,000,000,000	45,000,000	450,000,000	Capital reserves, transferred to increase capital 448,519,800	None	-
December 2013	118	100,000,000	1,000,000,000	52,800,000	528,000,000	Raise capital in cash and issue 7,800,000 new shares	None	2013.11.29 金管證發 字第 10200 1447 號
July 2014	10	100,000,000	1,000,000,000	58,080,000	580,800,000	Surplus to increase capital, issue new shares 5,280,000 shares	None	-
September 2016	10	100,000,000	1,000,000,000	58,660,000	586,600,000	Restricted employee rights, 580,000 shares	None	2016.7.19 金管證發 字第

Month of year	Offering price	Authorized capital		Capital paid-in		Remarks		Others
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash as equity	
								105002755 5 號
December 2016	10	100,000,000	1,000,000,000	70,276,000	702,760,000	Surplus to increase capital, issue new shares 11,616,000	None	-
September 2017	10	150,000,000	1,500,000,000	71,682,000	716,820,000	Restricted employee rights: 1,406,000 shares	None	2017.7.17 金管證發 字第 106002637 5 號
December 2017	10	150,000,000	1,500,000,000	78,709,600	787,096,000	Surplus to increase capital, issue new shares 11,616,000	None	-
December 2018	10	150,000,000	1,500,000,000	82,645,080	826,450,800	Surplus to increase capital, issue new shares 3,935,480	None	-
December 2019	10	150,000,000	1,500,000,000	94,955,292	949,552,920	Surplus to increase capital, issue new shares 12,310,212	None	-
December 2020	10	150,000,000	1,500,000,000	109,493,838	1,094,938,380	Surplus to increase capital, issue new shares 14,538,546	None	-

General declaration of relevant information: Not applicable.

(2) Shareholder Structure

April 26, 2021; Unit: Person; Shares: %

Shareholder structure Quantity	Government agency	Financial institutions	Other legal persons	individual	Foreign institutions and foreigners	Total
Number of people	0	2	175	18,486	71	18,734
Number of shares held	0	25,615	1,708,401	80,980,270	26,272,552	108,986,838
Shareholding ratio	0.0	0.02	1.57	74.30	24.11	100

(3) Equity Diversification

April 26, 2021; Unit: Person; Shares

Shareholding Classification	Number of Shareholders	Number of Shareholding	Shareholding Ratio
1 ~ 999	10,805	940,518	0.86%
1,000 ~ 5,000	5,071	11,674,152	10.71%
5,001 ~ 10,000	1,247	9,093,562	8.34%
10,001 ~ 15,000	471	5,772,055	5.31%
15,001 ~ 20,000	278	4,950,644	4.54%
20,001 ~ 30,000	352	8,711,119	7.99%
30,001 ~ 40,000	136	4,686,797	4.30%
40,001 ~ 50,000	96	4,351,305	3.99%
50,001 ~ 100,000	168	11,546,112	10.59%
100,001 ~ 200,000	65	8,747,627	8.03%
200,001 ~ 400,000	25	6,867,091	6.30%
400,001 ~ 600,000	7	3,446,783	3.16%
600,001 ~ 800,000	6	4,117,151	3.78%
800,001 ~ 1,000,000	2	1,808,831	1.66%
1,000,001 or over	5	22,273,091	20.44%
Total	18,734	108,986,838	100.00%

Note: No special shares.

Note: The above shareholding ratio of shareholders is calculated after deducting 507,000 Treasure shares.

(4) List of Major Shareholders:

Name, amount, and proportion of shareholders listed in the top ten that have a shareholding ratio of more than 5%:

April 26, 2021; Unit: Person; Shares: %

Shares	Number of Shareholding	Shareholding Ratio
Name of main shareholders		
Topwealth International Holdings Limited	16,061,082	14.74
匯豐託管 ENSIGN PEAK 顧問公司	2,004,145	1.84
劉梅英	1,779,066	1.63
林俊榮	1,300,000	1.19
徐航健	1,128,798	1.04
匯豐託管雅凱迪新興市場小型資本股票基金	959,124	0.88
邱鴻森	849,707	0.78
永豐商銀託管永豐金代理人公司投資專戶	774,000	0.71
王文廷	730,000	0.67
花旗託管 D F A 新興市場核心證券投資專戶	726,872	0.67

Note: the above shareholding ratio of shareholders has been calculated after deducting 507,000 Treasury shares.

(5) Market value, net value per share, profit and related information of the last two years:

Unit: NT \$; Thousand; thousand shares

Items	Year	2019	2020	As of March 31, 2021 (Note 4)
Market value	High	107.50	95.40	20.15
	Low	75.90	11.60	7.20
	Average	91.81	46.80	13.64
Net value per share	Before Distribution	68.60	36.61	30.76
	After Distribution	59.70	31.75	Note 5
Earnings per share	Weighted average number of shares	94,458	109,355	109,494

Items		Year	2019	2020	As of March 31, 2021 (Note 4)
	Earnings per share	Before adjustment	12.01	(20.44)	(0.75)
		After adjustment	10.06	Note 5	Note 5
Dividend per share	Cash dividends		0.17114062	-	-
	Stock Dividends	Dividends from Retained Earnings	1.53931274	-	-
		Dividends from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends		-	-	-
Investment return analysis	PE ratio (Note 1)		7.64	-	-
	Principal and interest ratio (Note 2)		539.34	-	-
	Cash dividend yield (Note 3)		0.19%	-	-

Note 1: PE = average closing price/earnings per share for the current year.

Note 2: Principal interest ratio = average closing price per share/cash dividend per share for the current year.

Note 3: Cash dividend yield = cash dividend per share/average closing price per share for the current year.

Note 4: Net value per share and earnings per share are the materials approved by accountants in the first quarter of 2021.

Note 5: No dividend will be paid in 2020.

(6) Dividend Policy and Implementation Status

(a) Dividend policy:

As the Company continues to grow, the need for capital expenditure, business expansion and a sound financial planning for sustainable development, it is the Company's dividends policy that the dividends may be allocated to the Shareholders in the form of cash dividends and/or shares in lieu of the cash amount of any dividend according to the Company's future expenditure budgets and funding needs.

Subject to the Law, and unless otherwise provided in the Applicable Listing Rules, the net profits of the Company for each annual financial year shall be allocated in the following order and proposed by the Board of Directors to the Shareholders in the general meeting for approval:

- (a) to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
- (b) to set off cumulative losses of previous years (if any);
- (c) to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;
- (d) to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Commission; and
- (e) with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus the previously cumulative undistributed Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval pursuant to the Applicable Listing Rules. Dividends may be distributed in the form of cash dividends and/or shares in lieu of the cash amount of any dividend, and the amount of dividends shall be at least twenty percent (20%) of the net profit after the deduction of the items (a) to (d) above. Cash dividends shall comprise a minimum of ten percent (10%) of the total dividends allocated to Shareholders.

(b) Proposed Distribution of Dividend:

The Company, as proposed by the Board of Directors on May 13, 2021, will not pay a cash dividend or a stock dividend.

(7) The impact of the proposed free rights issue on the company's operating performance and earnings per share at the shareholders' meeting: Not applicable.

(8) Compensation of Employees, Directors and Supervisors

(a) The remuneration of employees, directors and supervisors as set out in the articles of association: The Company shall set aside no more than 10% of its annual profits before tax as bonus to employees of the Company and set side no more than 2% of its annual profits before tax as bonus to Directors, provided however that the Company shall first offset its losses in previous years that have not been

previously offset. The distribution of bonus to employees may be made by way of cash or Shares. To qualify for the distribution of bonus, employees must meet certain conditions as prescribed by the Company. The distribution of bonus to employees shall be approved by most of the Directors present at a meeting attended by two-thirds or more of the total number of the Directors and shall be reported to the Members at the general meeting.

(b) The estimated amount of remuneration of employees, directors and supervisors in this period shall be calculated based on stock allocation. If there is any difference between the actual amount allocated and the estimated amount, the accounting method:

The employee's bonus and director's remuneration of the company shall be estimated at the most appropriate rate in accordance with the numbers set out in the articles of association of the company in accordance with each year. When there is a difference between the actual allocation and the estimated, the shareholder will adjust it in accordance with accountants and to list it as the annual profit or loss. In addition, the company has no supervisors.

(c) Remuneration distribution by the board of directors:

A. Payment of employees, directors and supervisors in cash or shares: The company's 2020 employee and director compensation allocation plan which was passed by the BOD on April 23, 2021 does not allocate employee and director remuneration.

B. The proportion of employees' remuneration distributed by shares as a percentage of the net profit after tax and the total remuneration of paid to employees: Not applicable.

(d) The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of shares distributed, amount and share price), if there is any difference between the remuneration recognized by accountants, the differences, the reasons and the handling situations shall be stated:

In 2019, the number of directors' remuneration confirmed, and actual distribution was NT\$3,014 thousand and NT\$1,097 thousand respectively, with a difference of NT\$1,917 thousand, mainly due to the retained due to the loss in 2020 and the resignation of directors; In the case of treatment, it is adjusted and entered into the account for the current year.

(9) Repurchases already completed:

Treasury stocks: Batch Order	Second Time
Purpose of buy-back	Transferred to employees
Timeframe of buy-back	August 13, 2020 - October 12, 2020
Price range	NT\$30.00~NT\$57.00
Class, quantity of shares repurchased	507,000 common shares
Value of shares repurchased (in NT\$ thousands)	NT\$17,152,304
Quantity of repurchased shares as a percentage of total shares to be repurchased (%)	50.7
Shares sold/transferred	0 shares
Accumulated number of company shares held	507,000 shares
Percentage of total company shares held (%)	0.53

2. Corporate bond status: None.
3. Special share status: None.
4. Global depository receipts status: None.
5. Employee stock options status: None.
6. Issuance of new restricted employee shares status: None.
7. Status of new shares issuance in connection with mergers and acquisitions: None.
8. Financing plans and implementation: Not applicable.

(V) Operation Overview

1. Business Activities

(1) Business Scope

(a) The main content of the business

The company is mainly engaged in the own brand children's clothing design and sales.

(b) Revenue distribution

Unit: NT \$ (thousand)

Year Product name	2019		2020	
	Amount	Ratio (%)	Amount	Ratio (%)
Children's clothes	7,169,864	100	2,808,383	100

(c) Main products

Commodity items	Content
Children's clothes	Shorts, trousers, shirts, t-shirts, cotton-padded jacket, wind-coat, etc

(d) New products development

The company originally planned to launch Mini Topbi, a children's brand exclusively for online sales, in 2020. However, as the products of this brand have high requirements for flexible supply chain, it relies heavily on the cooperation degree of suppliers. Affected by the epidemic in 2020, the flexible supply level of our company's suppliers has been affected to some extent. In order to ensure the stability of supply, our company has postponed the release of MINI TOPBI brand products to the end of this year. Mini Topbi is suitable for children aged 1-3 years old. It is mainly made of cotton and hemp, and it is exclusively sold online, catering to the shopping habits of young mothers born in the 1990s and even in the future. In order to ensure that the newly developed products meet the stringent national standards, the research and development center has increased the research on the fabric and wearing comfort of children's clothing products with a view to launching quality products that are higher than the market expectation.

In addition, in the face of the continuous and steady expansion of the China children's clothing market, the company has always placed product research and development at the core of

competitiveness to enhance the status, adhere to the investment of funds, establish and improve the company's product innovation and research and development system, continuous improvement of the company's product research and development process, to maintain the vitality of innovation. In order to do a good job in the company's future new product development research and development center actively studying various leading fabric materials both at home and abroad, and cooperate with marketing center in a market research, also many overseas developed parts of children's clothing market development situation, according to consumer demand for children's clothing product environmental protection, comfortable, health, research and development center to organic cotton products new fabrics, functional fabrics products and other products as the focus of children's development. Through the development of different functional focus of the product, to meet the needs of different consumer groups, for children of different ages to provide comfortable wear experience. In addition, the research and development center not only continuously explore in the product fabric aspect, but also unceasingly innovates in the children's clothing design aspect. Designers draw inspiration from the fast fashion development trend and create the future Topbi children's wear design style with the simple European light fashion style, to increase the fashion degree of Topbi products in the design, shorten the product production cycle, reduce the cost of mass production, improve the agility of the design department for the product market response.

(2) Industry Overview

1. The current situation and development of the industry

(a) The current situation of China children's wear industry

With the arrival of the third baby boom in China, children's wear market, as one of the components of the clothing market, has become a new focus of competition. According to the latest demographic statistics, the number of children under the age of 14 in China accounts for 25.4% of the national population. At the same time, the number of newly added babies is about more than 20 million every year. The growth and development of children are fast, so every child has new demand for clothing in every year. It can be seen that the China children's wear market is in a growing period, and the gap between the per capita children's wear consumption expenditure and overseas is large. From the perspective of development stage, China's children's wear industry is still in the growth stage with the characteristics of rapid growth, intensified competition, the emergence of segmented demand, consumers began to be driven by various factors such as brand and quality.

The market potential of China children's wear is amazing but the impact of COVID-19 epidemic on the entire children's wear industry in China will be reflected. Because the children's wear industry is a manufacturing industry, which is greatly affected by the macro economy, coupled with a large number of employees, workers working across provinces and regions are common, production personnel are concentrated, and space is small. The impact of this epidemic on the children's wear industry is extensive and lagging. Mainly reflected in that supply and demand are weak so the situation is slightly tighter balance.

At present, the overall consumption characteristics of China's children's wear market are as follows:

the market demand is large, but the new brands are difficult to meet the requirements of the market for their brands. Many enterprises tend to make money in the first place and the construction of the brand is not aware of. For example, Zhili Town in Huzhou City at Zhejiang Province, has nearly 5,000 registered children's wear enterprises. However, most of the manufacturers focus on short-term interests rather than brand construction, and the products they produce are mainly middle and low grade, mainly sold in the wholesale market. Compared with foreign children's wear brands, their products lack brand competitiveness. According to statistics, now the China children's wear market imported brands have occupied 50% of the market share, and the domestic children's wear production enterprises, 70% in the state of non-brand competition, branded children's wear also only account for 30% of the market share. From the market sales performance, overseas and joint venture children's wear brands in the major shopping malls have achieved good performance.

A. E-commerce intensifies the demand for child models

According to public information, the small town of Zhili has gathered nearly 13,000 children's clothing manufacturers and more than 7,000 children's clothing e-commerce enterprises. From providing offline channels at the very beginning to relying on e-commerce channels such as Taobao, online sales of Zhili children's wear will reach up to 8 billion yuan in 2020. According to incomplete statistics, the annual demand for children's models in Zhili is 100 million person-times, and the shooting volume is about 50 million, and the annual increase is by step type.

B. The rate of newborn is increasing gradually

With the national census, the fertility rate has risen, and the number of new births has rebounded further. By 2020, there will be more than 500 million children under the age of 16 in China, of whom 200 million are under the age of 6 and 300 million are between 7 and 16, accounting for one quarter of China's population, among which the only child accounts for 30 percent of the total number of children, and there are more than 20 million newborns every year. The average annual consumption demand is about 1.1 billion pieces, and the huge consumer population of the right age has laid a foundation for the development of the children's wear market. Obviously, the children's wear market contains a huge space for development and will become one of the most growing markets.

C. Children's wear itself has a short wear cycle

Due to the rapid growth of children in terms of physiology, the age span of children's clothing is divided into three stages, such as small children, middle children and big children. This has also led to a lot of children's clothing replacement frequency is relatively high. A garment will not last for two or three months at most for children. Li Yun (alias), who founded a children's wear brand after leaving a casual clothing company, said that more and more young parents are buying online, forcing e-commerce brands to follow fashion trends and respond quickly to the market.

D. China's national living standards have been steadily improving, and the "child economy" has great potential

With the increase of China residents' disposable income and consumption power, the per capita expenditure on children's clothing has increased significantly, and consumers tend to pay for products with better quality. The preference for the safety and comfort of children's clothing exceeds the sensitivity to price, so children's clothing of better quality will be selected, and the consumption of

children's clothing has shown a relatively obvious upgrading trend. In the past five years, the income and consumption level of China residents have increased year by year, and the expenditure on raising children has also increased. In 2020, the annual average expenditure for a child was about RMB30,000. The "children's economy" has huge potential and broad space for development.

E. Children's wear leading in the garment industry, the market is mature development

As an important component of the cost of raising children, the children's wear industry has been developing steadily. The retail sales growth rate is always higher than that of men's and women's wear, and the leading range is constantly expanding. It is an important growth engine of the industry.

F. The scale of online children's wear market continues to expand, with the growth of consumer numbers as the main driving force

The online sales of children's clothing continued to grow, the number of buyers and the unit price were increased, the consumption frequency also became more frequent, and the consumption demand became stronger. Among them, especially with the purchase of the most prominent increase.

(b) Policy and future development of China children's wear industry

A. The requirements of fashion design for children's wear are getting higher and higher

Although the mainstream products in the children's wear market are still mainly leisure and sports, with the development of society and economy, children's sense of autonomy is gradually enhanced, and they have more and more say in buying clothes. The market space of fashion children's wear will be bigger and bigger. Compared with traditional practical functions such as warmth and comfort in the past, children's clothes now have higher design requirements. Because of the participation of children in purchasing, good children's wear design should be able to fully consider the physiological and psychological characteristics of children in different ages and be able to closely combine design elements such as fabric, color and decoration with fashion trends. Qualified children's wear should be highly practical and ornamental, so that it can be accepted by children and their parents who have more and more specific requirements for clothing styles.

B. Brand building is imperative

At present, the problem that China's children wear industry facing is the lack of awareness of brand building. Brand consumption of children's wear will become the mainstream, especially the well-known or mature brands, will become the first choice of children and parents to buy. But compared with imported brands, China children's wear brands lack competitiveness. Enterprise first should establish its own brand image and product market positioning, and then according to its own brand positioning carry out market research, grasp the popular trend. Understand consumer demand and design characteristic products that integrate popular elements, meet the needs and reflect the brand culture, should take brand construction and development as the main goal, rather than blindly pursue short-term profits, so as to conform to the brand market trend of children's wear.

C. Children's wear has higher health and hygiene requirements

More than 65% of the respondents are very concerned about the health and hygiene of children's wear, putting the safety of children's wear fabrics in the first place. At present, the safety rate of China

children's wear is not very high, many colorful children's wear fabrics contain a lot of irritant to the skin of chemical raw materials. Therefore, manufacturers in the choice of children's wear fabrics should pay great attention to the safety problem, should choose sweat absorption, breathable, comfortable, no irritation to the skin, formaldehyde content is also very low fabric as children's wear fabrics. Because quality is the basis to ensure the better development of the brand.

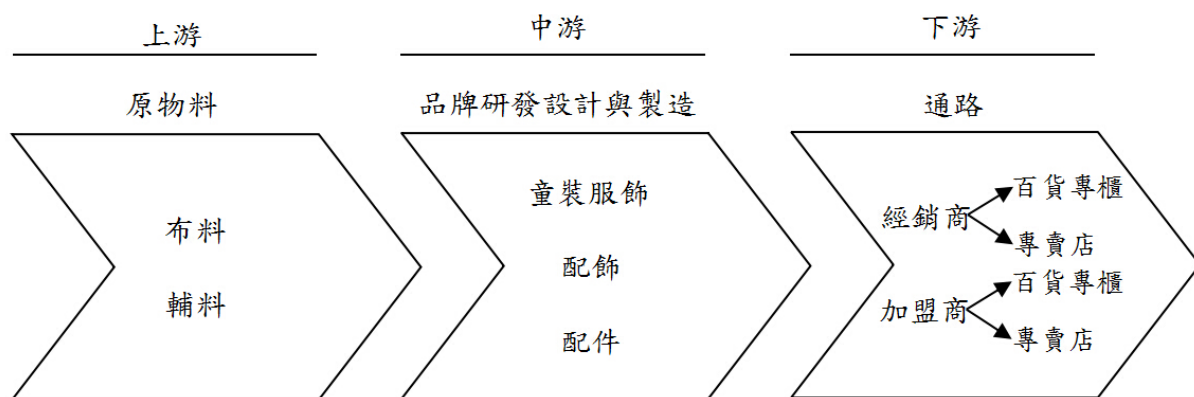
D. The product structure is more reasonable

In the face of fierce market competition, children's wear enterprises in order to find a foothold in the market, it is necessary to carry out sufficient research on the market, find their own market positioning, understand the detailed situation of the market segment, implement the difference of marketing, the use of flexible competitive strategy. For example: the lack of large children's wear in the market, then enterprises will take this market segment as the development goal. The national standard type of children's wear is relatively backward, so the enterprise will conduct its own research and develop the appropriate enterprise standards for the market segment type. In this way, the product structure of children's wear will be more and more reasonable.

China's children's wear enterprises only in the process of constantly digging their own advantages and looking for, to develop market opportunities, constantly to revise and establish their own development strategy is fundamental.

2. Interconnectedness of upstream, middle and downstream industries

The business model of children's wear industry mainly includes research and development design, processing and production, and channel sales. The above, the middle and the link are shown as follows:



The company in the industry ranked in the middle of the corner, the business model is mainly product design and development, entrust suitable suppliers to process and produce, and sell through distributors after the production is completed. The company mainly focuses on the financial resources in the industrial chain which can affect the sales efficiency, obtain a higher rate of return on capital. Therefore, the company's main operational focus and development direction are to promote the added value of products through the design of the early stage and the promotion and sales of the later stage. However, the company still has to face the upstream and downstream industry changes and operational risks. In response to the control of processing and manufacturing suppliers, their bargaining power and the uncertainty of the market environment, such as the increase of the upstream raw material supply cost and the increase of the bargaining power of suppliers, it will inevitably have a profit impact on the upstream and downstream operators. Distributor control, brand loyalty and short - term profitability are

the potential factors of channel risk. If the franchisee breaches the contract or fails to meet the requirements at the operational and management level, it will have a negative impact on the sales revenue of the enterprise.

3. Product development trends

(a) Comfortable children's wear

With the improvement of living standard, people are not satisfied with wearing clothes. Today, when green consumption is advocated, people begin to pay attention to the comfortable performance of clothes specially for children's wear this is particularly urgent. The comfort of clothing refers to the performance of clothing to meet the requirements of human body and eliminate any uncomfortable factors after wearing. Due to the children physiological characteristics, children's bodies are not fully developed, lively and active, easy to sweat, sensitive skin, poor resistance, and their clothing should not only cover the body against the cold, but also protect the body from external harm. This kind of children's wear is mainly made of cotton.

(b) Casual children's wear

During weekend and winter or summer vacation brought enough good time to school-age children, also make recreational children's wear popular. Over the past two year, the children's outfit on the market is casual series had held fair share, major shopping malls have opened in special hall counters, casual children's outfit is sold unusually be optimistic about. Casual kids wear, pay attention to comfort and randomness, emphasized when the design style of loose, moderate size, color combinations. In the case of the girl's clothing, the manufacturer has discarded the most difficult, laborious embroidery, the beads, and the vast tracts of the lotus leaf, and the simplest design of nature, the simplicity of the design, and the feeling of innocence and clarity. As for boy's wear, it is simpler and more casual, with a floral T-shirt, a pair of lob pants or jeans, and a waistcoat that comes up to the waist. This kind of children's wear to the sports style of children's wear. Sports style children's wear is simple, comfortable, leisure and other features, especially suitable for children to wear, play an indispensable role in children's wear. For instance, the baseball team in children's outfit and cheer squad series, have vest, miniskirt, knickers and etc with the ribbon of all kinds adorn and send out fashionable vigor breath.

(c) Fashion children's clothes

Today's children's clothes are almost comparable to those of adults. Children's wear is developing towards the direction of fashion, showing more and more distinct features of The Times and fashion sense. A lot of children's clothes cooperate the characteristic with children innocent artless, add all sorts of lovely and chic animal again each cartoon figure, some still deserve to go up small cap, small vanity, small braid wait for fittings, exudes a lively and playful childlike innocence. Children also have their own ideas when dressed up, and they also hope to win the appreciation and admiration of their classmates and partners through their favorite clothes.

(d) Ecological children's clothes

Ecological children's wear is also known as green children's wear. In advocate natural, protect the environment of contemporary social, ecological children's clothing will become the trend of children's clothing development in the 21st century. Ecological children's clothing mainly requires that the entire

production and processing chain from raw materials to finished products is free from harmful pollution to children and animals and plants; Children's clothing shall not contain substances that are harmful to children, or such substances shall not exceed a certain limit; Children's clothing should not contain intermediates that may break down in the course of wearing and cause harm to children's health, or such substances should not exceed a certain limit. No pollution to the environment shall be caused by the disposal of children's clothing after use. Children's wear has been tested, certified, and marked accordingly.

4. Product competition

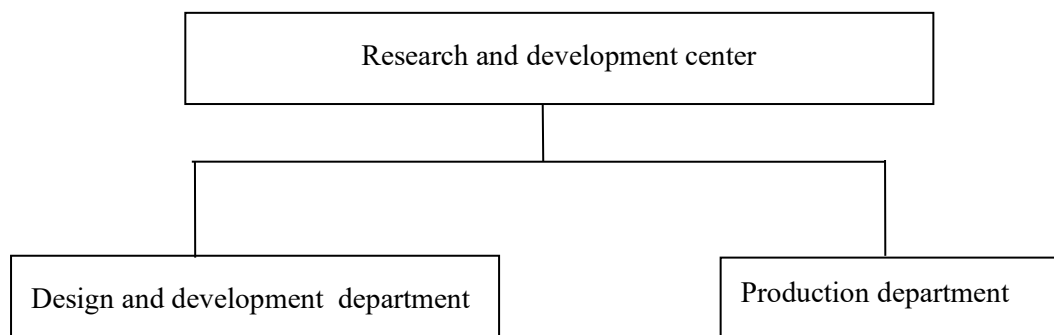
Area	Market positioning	Main competitive brands	Consumer groups	Brand image
East China	Middle end market	巴拉巴拉	Children aged 3-12, middle class and well-off families	Freedom, casual, fashion, health, sports, category complete, diverse and unrestrained style.
East China		安奈兒	Children between 2 to 12 years of age, with advanced education and high-income families	Environmental protection fabrics, simple and novel, adhere to elegant, delicate, comfortable design style.
North China		小豬班納	Children aged 0 to 15 years old, middle - and high-income families	Products advocate health, happiness, fashion.
South China		依戀	Children between the ages of 5 to 13, middle class families	The style of clothing is classical and academic, incorporated the aristocratic style of an adult costume into a child's clothing.
South China	Middle and high end	史努比	Middle and high-end children's wear brand	The brand image is taken from the cartoon character of beagle, and the cultural symbol is optimism and confidence.
East China (浙江)	market	巴布豆	Children aged 0 to 12 years old, middle- and high-income families	Brand characteristics as the colour profusion, advocates personality, healthy style. There are counters in major department stores in China.

Source: company websites

(3) Technology and R&D (research and development) overview

1. Technical level and research development of the business

The company mainly operating subject Topbi (China) research & development center, its according to its function, respectively set up the design research & development department and production department. Responsible for product design and development and control processes. The organizational structure of the R&D center is as follows:



2. R & D designers and their academic experience

Unit; people; %

Project/year		2018	2019	2020	2021Q1
Employee number	Initial Numbers	44	43	43	49
	New in	3	-	-	-
	Dismission	4	-	-	2
	Severance and retirement	-	-	-	-
	Final Numbers	43	43	43	47
Dimission Rate (Note)		8.51	-	-	4.08
Average seniority (Year)		8.66	9.33	9.33	11.57
Education distribution	Dr's degree	-	-	-	-
	Master's degree	-	-	-	-
	Bachelor's degree	6	6	8	7
	Specialty (including the following)	37	37	41	41
	Total	43	43	49	47

3. Development costs of the recent year and the date of issue of the annual end of the annual report

Unit: NT\$ (thousand)

Project \ Year	2020	First quarter of 2021
Research and development costs	85,899	12,022

4. The successful development of technology or product

Year	Research and development content	Application field
2008	Children's wear production based on single side dyed fabric	New children's wear production
2011	Research on high color fastness and environmental protection crease printing technology of high grade cotton fabric	Children's clothing printing technology improvement
2013	Research and development of cool fabrics based on children's wear design	New children's wear production
2015	Electrospinning polyaniline composite nanofibers and their applications in functional fabrics	New children's wear production
2016	Research and development project of functional children's wear products of temperature sensing and color changing series	New fabric technology for children's wear
2017	Research on antibacterial finishing of cotton fabric	New fabric technology for children's wear
2018	Application of temperature-sensitive and colour-changing fabrics in children's wear	New fabric technology for children's wear
2020	Research and application of natural fiber antibacterial fabric for children's wear	New fabric technology for children's wear

5. Competitive strategy

Since 2020, the children's wear market has been affected by the epidemic. Under the premise of epidemic prevention and control, in addition to the main market, the company will study and layout market segments. At the same time, company will expand the online consumption channel, enrich the product line through brand extension, and launch MINI TOPBI, an e-commerce brand specializing in online channels. Mini Topbi will be aimed at children from 80cm to 120cm. By means of sales and production, Mini Topbi will fully meet the needs of online agents, with the shortest design cycle, the fastest turnover mode, and the highest quality requirements for online channels.

(4) Long-term and Short-term Development Plan

1. Long term business development plan

(a) Create brand cartoon spokesperson

A. Looking ahead to the next five years, the company plans to launch a new cartoon spokesperson visual image, comprehensively improve the brand online and offline visual effects. The terminal development concept of each agent has changed from focusing on the number of stores in the period of expanding the market to focusing on the quality of single stores in the period of stable development, and the rating of single stores has improved significantly compared with previous years. In addition, the company will continue to promote the development of online channel, cooperate with online agents to layout market segments, to enrich and complete the product line, reshape the online channel, and achieve a larger growth of online channel revenue than in 2020.

B. The brand not only interacts with consumers at the terminal, but also carries out brand culture communication through integrated marketing methods such as animation and cartoon marketing, internet marketing, fast fashion marketing, experiential marketing, customized marketing and so on, so as to enhance the brand image. Children's wear enterprises must integrate advantages, diversified development.

(b) Operation and marketing work together

All the staff of the company in the idea of "one core, five centers, division of labor and cooperation" work together to combine the modern enterprise management concept with the actual children's wear industry effectively and establish a sound enterprise management system. In the future, the company will continue to define the direction of development, establish the common vision of the enterprise and employees, and create common goals for the development of the company. Continue to promote internal and external reform of the company, adjust the organizational structure and business process, optimize the commodity planning process, etc. The top priority for the future development of China's garment industry is to control the sales channel, so is the children's wear industry. Although people in the industry generally believe that physical stores are still an important part of the children's wear sales channel, and shopping centers will become the mainstream. In the face of the whole clothing industry is ushered in the era of full channel, adaptation, learning, change and even control of the full marketing is the core direction of the future research and development of the company. Through the integration of online and offline channels, the company will use all kinds of channels feedback data, and then guide the future direction of business, to ensure that the company's business has always been ahead.

(c) Create high-quality products

At present, the children's wear market has entered a period of rapid growth, but the scale of children's wear enterprises is generally small, the market share and competitiveness of a single brand is limited. Changes in consumer demand led to increasingly complex competitive components, market

competitive pressure to accelerate the depth of children's wear market segmentation, but also narrow the market space of a single brand. In such an industry background, children's waer enterprises must be innovative thinking to meet the challenges.

In the future, children's clothing enterprises should take the initiative to integrate into the "low carbon era", use green raw materials, auxiliary materials, and strive to make children's wear more environmental protection, healthier, and take the initiative to study the physiological and psychological characteristics of children's growth, and strive to interpret the needs of children through brands and products.

A. Production control: the company will establish an efficient and large-scale business model to reduce costs and strictly control costs, administrative expenses, research and development, service, marketing, advertising and other costs. On the premise of ensuring the quality of products and services, company will make the products more cost-effective than our competitors in order to consolidate the reputation of our products in the market and improve our market share.

B. Research: Establish a certain scale of talent pool, build a complete core team, maintain forward-looking technology, products, standards of product strategy research, and on this basis to form an independent, controllable and complete product research and development system. With the rise of fast fashion style in the wear market, the company will focus on promoting the transformation of flexible supply chain, launch simple European light fashion style children's wear, shorten the period from research and development to market, meet the needs of the market and consumers, control the popular appearance and function of the perfect combination, to create a higher cost performance of quality children's wear.

(d) Online and offline combination of the children's clothing is the channel trend

In order to meet the requirements of online channels on logistics system and meet the challenges of logistics links on the development path, the company will move the logistics center warehouse to Suqian, Jiangsu province at the end of 2018, close to the location of the company's planned e-commerce industrial park construction project. At present, the company's online channels are developing rapidly, the omni-channel marketing network will accelerate the integration. Topbi's logistics warehouse in Jiangsu will be launched and form a strong logistics system support for the company's huge sales network. In 2019, the company will continue to promote the construction of warehousing and logistics system in east China, build Topbi e-commerce logistics industrial park, shorten the distribution time of logistics in the national market, and reduce costs.

Children's clothing enterprises to improve the rapid response and profitability of the terminal. The terminal marketing mode presents a three-dimensional crossover trend, which not only includes department stores, commercial street stores, supermarket stores within stores, multi-brand assembly stores, but also continuously sprout "one-stop" children's goods shopping life and experience stores. At the same time, e-commerce has also become the main of sales.

The company will carry out unique marketing activities to strive for unique or differentiated

products or services and set up a number of unique and high recognition products or brand image in the scope of children's wear industry, so that consumers are interested in eliminating the comparability of prices, and competitive with different advantages.

(e) Promote the diversification of the Topbi's brands

Affected by the epidemic in 2020, the number of agents in China was reduced to more than 900. Under the prevention and control of the epidemic, in addition to physical store sales channels, the company also cooperated with online agents to develop and expand in the field of e-commerce, and achieved good performance in Tmall, Taobao and JD channels. Considering the continuous expansion of online revenue and the long-term development plan of the brand, in order to avoid the defects in the process of online synchronous development, the product operation cycle can be improved more quickly to adapt to online and offline channels. The company will in good business, research and market segment layout, through the brand extension, rich product line, launch specialize in ecommerce goods brand - Mini Topbi online channels. In 2020, we will achieve zero distance experience of our collective brand throughout China.

The market competition in China's children's wear industry has shifted from the product competition at the material level to the cultural competition at the psychological level, and the cultural competition at the psychological level officially needs the integration of emotions. Now children's wear enterprises are no longer simply selling children's wear products but selling brand culture. It can be seen that market competition is not only product competition, but also psychological and cultural competition. The company needs to form a more effective competitive advantage in brand culture shaping.

2. Short term business development plan

(a) Strengthen cooperation and research and development

Through technical cooperation, the company carries out scientific research projects with science and technology colleges and universities, and makes continuous efforts in product design, technology development and innovation projects, so as to establish more professional R & D and design technical capabilities. Specifically, the company set up a specialized design research and development department, which focuses on cultivating the ability of independent research and development of products, and carries out the investigation and tracking of fashion trends in internationally representative places such as Paris, Tokyo and Seoul. By collecting and analyzing the sales information of the product market, we can adjust the product specifications and clothing style design, thoroughly understand the direction of product design and development, and get close to the differentiated market demands of consumers. On the other hand, it cooperates with scientific research institutions to accurately grasp the latest market trends and apparel fabrics and accessories technology.

(b) Pursue innovation and individuality to improve competitiveness

Different from the core competitiveness of the traditional children's wear industry, the traditional children's wear brands focus on low cost and low price and take production capacity and scale efficiency as the main competitiveness. The new generation of children's wear brands pay more attention to the

fashion, individuality, and sense of value of products, with design innovation and brand concept as the main competitiveness. The collision of the two is becoming more and more prominent with the surge of the new generation of consumers. In the future, the company will pay more attention to the guidance and application of innovative management in the business process and strive to break through the limitations of the traditional children's wear industry and seek for greater development space.

(c) Strengthen the construction of brand culture

The company has established a unique brand culture and connotation since its establishment. The brand products take the ocean as the theme, endow products with the concept of spirituality and life, create individual fashion, integrate the international trend and China culture, advocate the harmony between nature and human, and endow products with more concepts of spirituality and life.

(d) Explore a variety of distribution modes to reduce the risk of agents

New direct sales channels are added to steadily cooperate with agents to develop the China children's wear market. In the context of the rapid growth of the overall children's wear industry, it is conservative to rely entirely on agents to develop the market. Under the premise of sufficient capital and sufficient preparation, it is undoubtedly faster and more direct to develop emerging markets directly by the company. The company plans to cooperate with agents to jointly develop the market through direct sales and set up brand life experience stores in blank areas or key image areas of agents by direct sales. Compared with the general store, the brand life experience store not only has the sales function of the store, but also sets up the children's game area in the store, provides entertainment space and snacks for children, provides parents with free Internet and other life experiences, attracting consumers to stay in the store for a long time, so as to login the website to learn about and download the APP. In this mode, the store will no longer be limited to static offline experience, no longer a simple shopping place, but at the same time shopping can be relaxing. Browse the product introduction on the APP.

(e) Develop various sales models and improve profitability

Facing the rising cost pressure, the company is required to improve the terminal's quick response ability and profitability. The terminal marketing mode presents a three-dimensional crossover trend, including department store, commercial street store, supermarket store, multi-brand collection store, and the continuous emergence of "one-stop" children's goods shopping life pavilion and experience pavilion. At the same time, e-commerce has become the main means of sales.

(f) Make full use of the internet economy to reduce the impact of the epidemic

It is particularly important to strengthen the use of the Internet. All kinds of online live streaming and online sales have become popular. We also actively participate in this emerging sales model and

strive to improve the shipment and sales volume and reduce the impact of the epidemic.

2) Market and the general situation of production and sales

(I) Market analysis

1. Sales area of major commodities

The company's main sales area for mainland China, because the China market is vast, the company mainly through agents to sell products to the final consumers. At present, agents are distributed in 16 provinces, 3 district and 1 online agent. The company regularly provides systematic training, including marketing, product display design and inventory management training activities, to maintain the company's outstanding group image.

2. Market share

China's children's wear market concentration is low, the first ranked Bala Bala occupies less than 3% of the market share, our company and other top ten children's wear brands are not up to 1% of the market share, independent brand children's wear in the market still has a potential for growth.

3. The future supply and demand of the market and its growth

According to authoritative statistics, the scale of China's high-end children's wear market is expanding faster than the entire children's wear market, and the recently announced three-child policy will increase the demand of the children's wear industry to a certain extent. Through the analysis of the high-end children's wear industry from the supply side and the demand side, it is found that the number of new enterprises in China's high-end children's wear manufacturing industry is very considerable every year, which provides enough goods for the market. The consumption amount of children's wear per capita in China is also increasing year by year. With the improvement of people's living standards, more and more parents are willing to consume middle and high-end children's wear. This trend can be seen from the increasing proportion of middle and high-end children's wear in the children's wear industry. Therefore, the company's product positioning on the medium, the well-off class above the consumer groups, will steadily expand with the rapid growth of the market size.

4. Competition niche

As one of the top ten children's wear brands in China, the company has been established for nearly twenty years. Long time focus on the China children's wear market, let the company obtain a high market reputation and popularity. At present, the company has online and offline agents throughout China, a solid market foundation and a large number of loyal consumer groups, which help the company have full confidence to face the future competition. In addition, in order to develop the TOPBI brand toward the "omni-channel" consumption trend, the company continues to strengthen the image exposure

of TOPBI brand, drive the cooperation opportunities of online and offline dealers, and expand the operation scale of the group. Through the joining of online agents, and the number of online members of TOPBI brand has exceeded 300,000, driving the e-commerce sales amount to 26% of the overall proportion in the first quarter of 2021, and continuing to move toward the target of 30% of e-commerce revenue.

5. The favorable and unfavorable factors and countermeasures of the development vision

(a) Favorable factors

A. The upgrading of the consumption structure will continue to promote the growth of children's wear market

Driven by the consumption upgrading, the local children's wear industry has ushered in the rapid development of the road. On the one hand, with the continuous growth of the domestic economy, the residents' income level continues to improve, the consumption capacity is also enhanced, laying a foundation for the prosperity of the children's wear market. "Post-80s" and "post-90s" era of growth is the period of China's economic boom, the environment is superior, compared to the requirement of the quality of life" of parents are born in the 1960s and 1970s after has increased significantly, pay more attention to parenting concept of eugenic and superior nurture, has become the decisive power of household consumption. At the same time, most parents are born in the 1980s and 1990s after are only child, family structure after the children are often the "6 + 1" or "6 + 2", two generations of the accumulation of wealth to the child's consumer spending provides a solid backing. Therefore, the children's consumer market has huge growth potential. As an important part of the children's consumer market, the children's clothing industry has a strong growth engine.

B. Factors of urbanization development benefits for children's clothing market

With the development of China's economy and the steady improvement of regional economic growth rate, the broad masses of residents have benefited from the increase of social and economic growth. Due to the residents at the mercy of the cash income rises ceaselessly, consumer demand concept from the original frugal to moderate consumption, thus promoting the improvement of the consumer demand and purchasing power level. Especially in the next few years, China's new families will continue to increase. With the improvement of their family income and quality of life, the beautification of the children's clothing has been a major part of the family's life, and the increased consumption structure, and the increased consumption will provide a space for the child's market. According to relevant statistics, 90 million of the 110 million affluent labor force in rural China are living in urban areas. When this potential consumption demand is translated into actual consumption demand, it will help expand the demand for children's wear in this market.

C. With the implementation of the new national standard for children's wear, children's wear manufacturers face a shuffle, further survival of the fittest

For most parents, compared with the price and style, the most concern is the safety of the children's clothes. According to the Technical Specification for Textile Safety for Infants and Children (hereinafter referred to as the Specification), the "new National standard" for children's wear was officially implemented on June 1, 2016. After a two-year transition period, that is, from June 1, 2018, all relevant

products on the market must meet the requirements of the Specification, bringing about a shake-up of the industry. "Specification" on the basis of the original textile safety standards, has increased the safety requirements for infants and children's textile products, and cataloguing children's clothing products, and it has been applied to children's textile products that have been worn by infants and children for 36 months, and children's textile products that are applied to children ages 3 years and above, 14 years and below. According to the specification requirements, children's wear safety technology category is divided into A, B, C three categories, A best, B class times, C is the basic requirement. Among them, the infant textile products should comply with the requirement of class A, direct contact with the skin of children textile products should accord with the standard class B, at least not direct contact with the skin of children textile products should comply with the C standard at least. For such enterprises with strong financial strength, it is undoubtedly to seize this policy good, which is beneficial to us to further expand production planning and seize market share.

D. Industrial upgrading brings about sound development of the whole industry

China's children's wear is facing a new round of industrial upgrading, which is reflected in production capacity, industrial agglomeration change, enterprise development, product and brand change and industrial chain improvement. Children's clothing products from external design to internal quality will take a qualitative leap. Especially after the integration with the international market, the environmental protection problems of children's wear and special quality requirements such as sweat resistance, saliva fastness and other special quality requirements are bound to restrict the sales of children's wear in China, promote the quality upgrade of children's wear products, and even promote children's wear products to solve the quality upgrade problem. In the next 10 years, children's wear will have the most powerful economic consumers in the history of the world, and with a huge newborn baby base, the children's wear industry will continue to follow a benign development track to move forward. The pursuit of children's fashion trend is no longer a luxury, the rapid development of children's clothing market has become a pillar of the clothing market, seize the market opportunity, grasp the market dynamics can have a broader space for development.

(b) Disadvantageous factors

The children's wear industry is a manufacturing industry, which is greatly affected by the macro economy, coupled with a large number of employees, workers working across provinces and regions are common, production personnel are concentrated, and space is small. The impact of this epidemic on the children's wear industry is extensive and lagging. Mainly reflected in that supply and demand are weak so the situation is slightly tighter balance. Specific can be seen from the following aspects:

A. Demand of children's wear

Children's wear market demand will be affected, but the overall impact is limited. In the short term, the market demand of children's wear industry will be weak in the first quarter due to the holiday impact of consumer service industry and the delay of the resumption of work and production of downstream industries. The long-term impact is relatively limited. First, because of China's children's wear market is in a stage of rapid development, even if it is affected by the epidemic, the drag on the overall growth of the industry is relatively small. What needs to be observed is the resumption of work and production of major factories after the holiday, and whether the relevant investment can be active again. Second,

compared with the data from the SARS epidemic period, it is highly likely that there will be a wave of retaliatory consumption after the epidemic has passed, and the longer the epidemic lasts, the more intense the momentum of retaliatory consumption will be. At present, control measures on the movement of people are still being tightened in many places, and migrant workers are generally delayed in returning to cities. Even the migrant workers who have arrived in the city are also facing 7-14 days of isolation. It is expected that the children's wear industry will be a gradual process to return to work, and it will take quite a long time to return to normal production levels. The arrival of the peak season for the children's wear market demand will also be significantly delayed.

B. Production of children's wear

The epidemic has caused a great disturbance to the production of children's wear enterprises. Due to the impact of decreased demand, transportation shortage and employees' inability to go to work as planned and other factors, some factories have greatly accumulated inventory. On the other hand, raw material inventory is insufficient, began to passively reduce production. At the same time, due to the strengthening of safety inspection, some factories began to suspend production since the beginning of January. Originally, they planned to resume work after the spring festival holiday. However, due to the need of epidemic prevention and control, the resumption of work after the holiday of most children's wear enterprises was blocked and the resumption of work was postponed.

C. Logistic of children's wear

The impact of the epidemic on the logistics of children's wear industry cannot be ignored. At present, the inter-provincial road transportation is nearly stagnant, which has a great impact on raw material procurement and the cross-regional flow of finished products of children's wear enterprises in inland areas but the impact on children's wear enterprises along the river and coastal areas is small. However, the postponement of the resumption of work in warehouses and docks in many regions has had a large negative impact on the overall resource circulation, resulting in the large accumulation of raw material inventory in raw material manufacturers and ports. Inventory of finished products is accumulated in children's wear enterprises, which is not conducive to the healthy operation of the children's wear industry.

D. Import and export of children's wear

COVID-19 will greatly drag down the export of China's children's wear in the first quarter, and its impact on the whole year of 2020 can be predicted. From the perspective of the impact of SARS on imports and exports in 2003, WHO listed 10 provinces and cities including Guangdong and Beijing as epidemic areas, which affected exports more than imports. But it was only two years after China's accession to the WHO, and China's import and export trade still maintained a growth rate of more than 30%. The epidemic has affected children's wear exports most in Hubei, but Hubei is not a major exporter of children's wear. Compared with SARS in 2003, which led to Guangdong, Beijing and other ten provinces and cities were classified as epidemic areas, the current situation of China's children's wear export is still under control. Countries may strengthen the inspection of children's wear imports from China, increase customs clearance time and thus affect exports. It is believed that with the effective control and improvement of the epidemic, the export of children's clothing will be accelerated.

(c) Countermeasure

The company does not have the import and export business of children's wear, so it will not be affected by the epidemic situation abroad. Moreover, the China children's wear market will grow rapidly due to the stimulation of the three-child policy. Therefore, the company will focus on the business development in China.

(2) The main products of the important purpose and production process

1. The main purpose of the product

Our main products are children's wear, which is a necessity for people's livelihood.

2. The manufacturing process of major products

The company outsources children's wear production.

(3) Supply status of main raw materials:

The company is outsourcing processing and manufacturing, so there is no such situation.

(4) Customers who have accounted for more than 10% of the total amount of goods received (sold) in any of the last two years and the reasons for the increase or decrease:

1. Major suppliers' information for the last two years

Major supplier who total sales volume not more than 10% in the last two years and the first quarter of 2021.

2. Major client's information for the last two years

2019				2020				2021 (As of March 31)			
Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer	Company Name	Amount	Percent (%)	Relation with Issuer
No more than 10% of clients				A Client	693,216	25	No	A Client	213,828	26	No

(5) Production value for the last two years: Not applicable.

(6) Sales figures for the last two years

Unit: NT \$1000/ Thousand pieces

Year Sale Value Main Item	2019				2020			
	Internal sales		Export sales (note)		Internal sales		Export sales (note)	
	Number	Value	Number	Value	Number	Value	Number	Value
Children's clothing	22,480	7,169,864	-	-	20,890	2,808,383	-	-

Note: refers to the export sales to outside China area.

3. Number of employees in recent year

Unit: people

Year		2019	2020	May 13, 2021
Employee number	Manager	24	25	25
	General staff	146	137	131
	Production line employees	-	-	-
	Total	170	162	156
Average age		35.51	35.87	36.04
Average service years		7.14	8.88	9.56
Education distribution	Dr.	-	-	-
	Master	2	2	2
	Bachelor	28	25	22
	Junior college (including the following)	140	135	132
	Total	170	162	156

4. Environmental Protection Expenditure

(1) Last year (2020) and the date of publication of the annual report, losses (including compensation) due to pollution of the environment, the total amount of disposal, it also discloses its future countermeasures (including improvement measures) and possible expenditure (including the estimated amount of loss, punishment and compensation that may occur if no countermeasures are taken). If unable to reasonably estimate, should specify the fact of the not reasonable estimates): Not applicable.

5. Labor Relations

(1) State the company's various employee welfare measures, training, training, retirement system and its implementation, as well as the agreements between labor and capital, the protection of employee rights and interests:

(a) Employee benefits measures

Talent is the most important asset of the company. We carefully cultivate, cherish and care for every colleague, so that everyone can achieve balanced development in work, life and leisure. The company hopes all colleagues can understand the company's daily behavior profile as soon as possible, work and live more happily according to the standard requirements and improve the quality of each of our members. All staff of the company, regardless of age, duty and gender, have the duty and responsibility to maintain the dignity of all colleagues and ensure full implementation. Employees' rights are as follows:

- A. Equal employment.
- B. Pay by labor.
- C. Have the right to rest and vacation according to company regulations.
- D. Right of Labor safety, health and protection.
- E. The right to participate in learning and training.
- F. The person in charge shall have the right to appeal in a reasonable manner over the unreasonable handling of the matter.
- G. Allocate social insurance and housing fund for staff.
- H. Celebrate and deliver birthday gifts regularly.
- I. Major festive party activities.
- J. Provide staffs accommodation.

(b) Employee refresher and training

Talent is the company's most important core competitiveness, and continuing education training can stimulate the staff personal potential staff, make human get effective use of knowledge, and improve the company's overall business performance, to achieve the company's operating objectives. Implementation of staff training policy measures are as follows:

A. Training for new employees: After new employees come to our company, they have their own guidance, which not only enables them to familiarize themselves with the working environment, but also enhances their recognition and understanding of the company. And all departments are planning a new basic training courses, to help the newcomer learning related knowledge on the job. It includes company introduction, organization structure, employee handbook, environmental protection knowledge, quality and environmental policy, company rules and regulations, production safety and hygiene knowledge training.

B. On-the-job training: At the end of each year, the company formulates the open course

plan for the next year. plan the internal training operations for the courses in the company or departments. The internal training courses can be taught by the internal instructors, such as the use of the descent machine, the correct use of the needle cart, and the electrical safety of the molding workshop, etc.

C. Management training: The company arranges all kinds of management talent training according to its characteristics for all levels of executives and establishes the common vision and business consensus of the team. Management courses include social responsibility policies, goals and SA8000 management guidelines, management programs and hazard-identification and control, to develop a personal leadership style, and to establish management and maintenance of staff.

(c) Implementation of Retirement system

The company operating the main body, the main system according to the operation to the "enterprise worker is basic endowment insurance regulations", the contributions to the pension by the month to the financial department of local government revenue.

(d) Agreement between labor and capital

The company always attaches great importance to the employees' rights and interests of harmonious labor relations, the company attaches great importance to the employees' opinions, or the appropriate staff can directly to the HR department executives communication in order to maintain good relations, therefore, no major labor disputes affair happen so far.

(e) All staff rights and interest's maintenance measures

The company has an internal control system and various management measures, which stipulate the rights and obligations of employees and welfare items, and regularly review the welfare contents to protect the rights and interests of employees.

(2) The most recent fiscal year (2020) and by the print date of annual report, company losses incurred from the labor disputes, expose the present and the future possible estimated amount and response measures: None.

6. Important Contracts

Nature of the contract	Client	The date on which the contract begins and ends	Main content	Restrictions
Lease contract	福州茂盛投資有限公司	2020.01.01~ 2020.12.31	研發中心租賃面積為950 平方米	-
Lease contract	福州凡點服飾有限公司	2020.01.15~ 2021.01.14	淘帝樓六樓部分區域，租賃面積為1,546.70平方米	-
Lease contract	福建源盛紡織服裝城有限公司	2020.03.01~ 2021.02.28	淘帝辦公樓一層部分區域房屋（面積：2312平方米）及六層部分區域房屋（面積：201.1平方米）。	-
Lease contract	福建財茂集團有限公司	2020.03.1~ 2021.02.28	淘帝樓八樓和部份負一樓區域，租賃面積為5126.6 平方米	-
Lease contract	江蘇財茂科工貿城股份有限公司	2020.03.01~ 2021.11.30	江蘇財茂科工貿城下列區域廠房，合計14,828.45平方米（建築面積）： (1) 30#-1第一層2968.21平方米（建築面積）區域廠房 (2) 30#-1第二層2964.01平方米（建築面積）區域廠房 (3) 30#-1第三層2964.01平方米（建築面積）區域廠房 (4) 31#-1第一層2968.21平方米（建築面積）區域廠房 (5) 31#-1第二層2964.01平方米（建築面積）區域廠房	-
Lease contract	福建源盛紡織服裝城有限公司	2020.7.22~ 2021-7-21	淘帝辦公樓四層區域部分房屋租賃面積為256平方米	-
Lease contract	福州印象三哥服飾有限公司	2019.07.22~ 2020.07.21	淘帝樓四樓租賃面積為3,304.99平方米	-
Lease contract	福建源盛紡織服裝城有限公司	2020.8.1~ 2021-7-31	淘帝辦公樓六層部分區域房屋租賃面積為1546.70平方米	-

Nature of the contract	Client	The date on which the contract begins and ends	Main content	Restrictions
Lease contract	江蘇財茂科工貿城	2020.10.01~ 2021.9.30	宿遷市江蘇財茂科工貿城的31#A第三層2972.95平方米(建築面積)區域廠房	-
Lease contract	福州東南繞城高速公路有限公司	2020.10.1~ 2022.9.30	淘帝樓五樓部分區域，租賃面積為1,346.00平方米	-
Insurance contracts	中國大地財產保險股份有限公司	2020.07.05~ 2021.07.04	Building insurance	-
Insurance contracts	中國大地財產保險股份有限公司	2020.07.05~ 2021.07.04	Inventory insurance	-
Advertising contracts	杭州商聚電子商務有限公司	2020.03.01~ 2021.02.8	EVI brand visual design and promotion services	-
Advertising contracts	福州天歌文化傳媒有限公司	2020.01.01~ 2020.12.31	Taxi headlights, seats, Windows advertising	-
Advertising contracts	北京華鐵傳媒集團有限公司	2020.05.01~ 2021.04.30	Advertising for high-speed trains and trains	-
Advertising contracts	上海創創文化傳播股份有限公司	2019.09.01~ 2021.08.30	Brand marketing	-
Agency contract	鄭州閩杭派商貿有限公司	2020.01.01~ 2020.12.31	Distribution agent TOPBI brand children's wear	鄭州、開封、南丘、新鄉、焦作、洛陽
Agency contract	C公司	2020.01.01~ 2020.12.31	Distribution agent TOPBI brand children's wear	四川(南充、自貢、宜賓地區以外)
Agency contract	D公司	2020.01.01~ 2020.12.31	Distribution agent TOPBI brand children's wear	長沙、湘潭、岳陽、常德、株洲市、益陽
Agency contract	H公司	2020.02.01~ 2021.01.31	Distribution agent TOPBI brand children's wear	天津
Agency contract	F公司	2020.02.01~ 2021.01.31	Distribution agent TOPBI brand children's wear	蘇州、常州、無錫、鎮江、南京
Agency contract	泉州凌青服裝有限公司	2020.02.01~ 2021.01.31	Distribution agent TOPBI brand children's wear	廈門、泉州、漳州、龍岩
Agency contract	E公司	2020.03.01~ 2021.02.28	Distribution agent TOPBI brand children's wear	南昌、九江、宜春、新余、景德鎮
Agency contract	I公司	2020.03.01~ 2021.02.28	Distribution agent TOPBI brand children's wear	上海

Nature of the contract	Client	The date on which the contract begins and ends	Main content	Restrictions
Agency contract	蘭州鑫瑞豐商貿有限責任公司	2020.03.01~ 2021.02.28	Distribution agent TOPBI brand children's wear	蘭州及蘭州周邊市、陝西延安
Agency contract	安徽寶麟商貿有限公司	2020.04.01~ 2021.03.31	Distribution agent TOPBI brand children's wear	蚌埠、阜陽、宿州、淮北、亳州
Agency contract	江蘇慧巧商貿有限公司	2020.06.01~ 2021.05.31	Distribution agent TOPBI brand children's wear	徐州市、宿遷、連雲港、鹽城、淮安、揚州、泰州
Agency contract	南寧寶諾商貿有限公司	2020.07.01~ 2021.06.30	Distribution agent TOPBI brand children's wear	南寧市
Agency contract	B公司	2020.07.01~ 2021.06.30	Distribution agent TOPBI brand children's wear	福州、莆田、三明、南平、寧德
Agency contract	西安伯青度商貿有限公司	2020.08.01~ 2021.07.31	Distribution agent TOPBI brand children's wear	西安
Agency contract	G公司	2020.09.01~ 2021.08.31	Distribution agent TOPBI brand children's wear	青島、威海、煙臺、濰坊、日照
Agency contract	杭州智麗貿易有限公司	2019.07.01~ 2020.06.30	Distribution agent TOPBI brand children's wear	紹興、寧波、杭州、湖州、嘉興、溫州
Agency contract	J公司	2020.09.01~ 2021.08.31	Distribution agent TOPBI brand children's wear	遼寧
Agency contract	A公司	2020.09.01~ 2021.08.31	Distribution agent TOPBI brand children's wear	Online Platform
Cooperation framework agreement	泉州市銳鑫服裝織造有限公司	2018.04.09~ 2021.04.08	Distribution agent TOPBI brand children's wear	懷化、婁底、邵陽、湘西土家族自治州
Cooperation framework agreement	福州億榕達服裝有限公司	2018.04.12~ 2021.04.11	Distribution agent TOPBI brand children's wear	紹興、寧波、杭州、湖州、嘉興、溫州
Cooperation framework agreement	泉州煌騰紡織有限公司	2018.04.20~ 2021.04.19	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福州鑫錦裳服裝有限公司	2018.05.03~ 2021.05.02	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福州常錦服飾有限公司	2018.07.30~ 2021.07.29	Clothing OEM production	90 days after invoice date

Nature of the contract	Client	The date on which the contract begins and ends	Main content	Restrictions
Cooperation framework agreement	南安市凱迪針織服飾有限公司	2018.09.21～ 2021.09.20	Clothing OEM production	90 days after invoice date
Agency contract	常熟市愛貝爾服飾有限公司	2018.07.30～ 2021.07.29	Distribution agent TOPBI brand children's wear	網路平臺
Cooperation framework agreement	泉州伊衫服飾有限公司	2018.09.21～ 2021.09.20	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	東莞市兆佳針織實業有限公司	2019.05.06～ 2022.05.05	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福清市健坤服飾有限公司	2019.05.09～ 2022.05.07	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福州市坤杰服飾科技有限公司	2019.05.07～ 2022.05.06	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	蘇州市斯恩晟服飾有限公司	2019.05.08～ 2022.05.07	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福州凱詩麗服飾有限公司	2019.06.28～ 2022.06.27	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福清市瑞強制衣有限公司	2019.08.27～ 2022.08.26	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	南平市豐祥服裝有限公司	2019.09.01～ 2022.08.31	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	江蘇金路時裝有限公司	2019.09.01～ 2022.08.31	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福州永得利服裝有限公司	2019.09.04～ 2022.09.03	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	中山市卓越毛衫製衣有限公司	2020.05.11～ 2023.05.10	Clothing OEM production	90 days after invoice date

Nature of the contract	Client	The date on which the contract begins and ends	Main content	Restrictions
Cooperation framework agreement	廣州市唯超服裝有限公司	2020.05.11～ 2023.05.10	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福州閩錦服飾有限公司	2020.08.21～ 2023.08.20	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福清市錦騰服裝有限公司	2020.09.04～ 2023.09.03	Clothing OEM production	90 days after invoice date

(VI) Financial Information

1. Five-Year Financial summary

(1) Consolidated Condensed Balance Sheet

Unit: NT \$ (Thousands)

		Financial information for the last five years (Note 1)					March 31, 2021 (Note 1)
		2016	2017	2018	2019	2020	
Current assets		5,552,261	6,703,409	7,909,543	7,578,881	5,225,949	4,417,101
Property, plant and equipment		365,340	342,641	312,532	279,093	256,292	249,445
Intangible assets		-	-	-	-	-	-
Other assets		246,025	259,813	276,749	220,662	319,337	316,360
Total assets		6,163,626	7,305,863	8,498,824	8,078,636	5,801,578	4,982,906
Current liabilities	Before distribution	2,106,476	2,491,925	3,225,836	2,068,105	2,025,191	1,317,780
	After distribution (Note 2)	2,403,743	2,872,092	3,484,350	2,084,269	2,025,191	1,317,780
Non-current liabilities		315,261	309,583	303,710	341,290	299,926	297,095
Total liabilities	Before distribution	2,421,737	2,801,508	3,529,546	2,409,395	2,325,117	1,614,875
	After distribution (Note 2)	2,719,004	3,181,675	3,788,060	2,425,559	2,325,117	1,614,875
Equity vested in the parent company		3,741,889	4,504,355	4,969,278	5,669,241	3,476,461	3,368,031
Equity capital		702,760	787,096	826,451	949,553	1,094,938	1,094,938
Capital reserves		1,398,377	1,517,887	1,517,887	1,520,022	1,520,022	1,520,022
Retained earnings	Before distribution	1,533,243	2,448,542	2,982,646	3,735,849	1,339,602	1,257,069
	After distribution (Note 2)	1,097,643	2,029,020	2,601,029	3,574,300	1,339,602	1,257,069
Other equity interest		-192,141	-249,170	-322,541	-536,183	-460,949	-486,846
Treasury stock		-	-	-35,165	-	-17,152	-17,152
Non-controlling interest		-	-	-	-	-	-
Total equity	Before distribution	3,741,889	4,504,355	4,969,278	5,669,241	3,476,461	3,368,031
	After distribution (Note 2)	4,039,156	4,124,188	4,710,764	5,653,077	3,476,461	3,368,031

Note 1: Consolidated financial data for the last five years and the first quarter of 2021 have been checked and reviewed by accountants.

Note 2: The allocated figures are listed in the annual board resolution.

(2) Consolidated Condensed Statement of Comprehensive Income

Unit: NT \$ (Thousands); EPS: NT\$

Year Items	Financial information for the last five years (Note 1)					March 31, 2021 (Note 1)
	2016	2017	2016	2017	2016	
Operating revenue	5,695,817	5,916,268	6,764,779	7,169,864	2,808,383	814,143
Gross profit	2,207,383	2,302,475	2,629,007	2,802,906	-1,357,552	48,764
Income from operations	1,032,339	1,165,985	1,134,139	1,554,456	-2,431,000	-101,226
Non-operating income	8,140	94,113	-17,544	2,168	132,834	17,803
Non-operating expenses	1,040,479	1,260,098	1,323,854	1,556,624	-2,298,166	-83,423
Income before tax	735,250	912,917	953,626	1,134,819	-2,234,698	-82,533
Net income (Loss)	-	-	-	-	-	-
Other comprehensive income (income after tax)	735,250	912,917	953,626	1,134,819	-2,234,698	-82,533
Total comprehensive income	-285,493	-34,768	-95,632	-213,642	75,234	-25,897
Operating revenue	449,757	878,149	857,994	921,177	-2,159,464	-108,430
Net income attributable to shareholders of the parent	735,250	912,917	953,626	1,134,819	-2,234,698	-82,533
Net income attributable to non- controlling interest	-	-	-	-	-	-
Comprehensive income attributable to Shareholders of the parent	449,757	878,149	857,994	921,177	-2,159,464	-108,430
Comprehensive income attributable to non-controlling interest	-	-	-	-	-	-
Earnings per share	10.54	11.81	10.06	12.01	-20.44	-0.75

Note 1: Consolidated financial data for the last five years and the first quarter of 2020 have been checked and reviewed by accountants.

(3) The name and audit opinion of certified public accountants in last 5 years

Year	CPA	Company name	Audit opinion
2015	Shih Ching-Pin, Cho Ming-Hsing	Deloitte & Touche Taipei	No reservations
2016	Chiang Ming-Nan, Shih Ching-Pin	Deloitte & Touche Taipei	No reservations
2017	Chiang Ming-Nan, Shih Ching-Pin	Deloitte & Touche Taipei	No reservations
2018	Chiang Ming-Nan, Shih Ching-Pin	Deloitte & Touche Taipei	No reservations
2019	Chiang Ming-Nan, Shih Ching-Pin	Deloitte & Touche Taipei	No reservations
2020	Chen Kuang Hui, Kuo Chen Yu	ShineWing Taiwan	No reservations
2020Q1	Chen Kuang Hui, Kuo Chen Yu	ShineWing Taiwan	No reservations

2. Five Year Financial Analysis

Year		Financial analysis for the last five years					Current year ends March 31, 2021 (Note 1)
		2016 (Note 1)	2017 (Note 1)	2018 (Note 1)	2019 (Note 1)	2020 (Note 1)	
Items to be analyzed							
Financial structure (%)	Debt-to-assets ratio	39.29	38.35	41.53	29.82	40.08	32.41
	Long-term capital ratio of property, plant and equipment	1024.22	1404.95	1687.18	2153.59	1473.47	1469.31
Solvency (%)	Liquidity ratio	285.12	263.58	269.01	366.47	258.05	335.19
	Quick ratio	280.76	260.91	265.12	364.09	256.78	332.31
	Times interest earned	2338.07	138.38	78.92	41.58	-	-
Operating Capacity	Accounts receivables turnover (times)	2.82	2.71	2.79	2.80	1.54	3.26
	Average collection days	129.36	134.68	130.82	130.35	237.27	111.96
	Inventory turnover (times)	63.92	73.51	82.13	86.62	118.86	150.15
	Accounts payable turnover (times)	3.17	2.98	3.00	2.96	2.80	2.61
	Average days of sale	5.71	4.97	4.44	4.21	3.07	2.43
	Property, plant and equipment turnover (times)	14.50	16.71	20.65	24.24	10.49	12.88
	Total asset turnover (times)	0.97	0.88	0.86	0.87	0.40	0.60
Profitability	Return on assets (%)	12.61	13.74	12.32	14.04	-32.10	-1.41
	Return on equity (%)	20.23	22.14	20.13	21.33	-48.87	-9.65
	Ratio of net profit to paid-in capital before tax (%)	148.06	160.09	160.19	160.19	-224.82	-30.48
	Net profit rate (%)	12.91	15.43	14.10	15.83	-79.57	-10.14
	Earnings per share (\$)	10.54	11.81	11.56	12.01	-20.44	-0.75
Cash flow	Cash flow ratio (%)	34.38	38.05	30.42	55.51	-62.56	-197.66
	Cash flow allowance ratio (%)	-	2.92	2.75	2.96	2.10	-0.89
	Cash reinvestment ratio (%)	17.91	19.81	11.18	12.51	-0.35	-0.18
Leverage	Operating leverage	1.14	1.12	1.11	1.10	0.95	0.67
	Financial leverage	1.01	1.01	1.02	1.03	1.00	0.98
		1. Increase in the inventory turnover (times): Mainly due to the impact of the epidemic in 2020, decrease in income and inventory.					

- | | |
|--|--|
| | <p>2. Decrease in the accounts receivables turnover (times): Mainly due to the impact of the epidemic in 2020, decrease in net sale.</p> <p>3. The change of various financial ratios in 2020 was more than 20%, mainly due to the impact of the epidemic in 2020.</p> |
|--|--|

Note 1: In 2016-2020 consolidated financial data has been checked by accountants; Consolidated financial data for the first quarter of 2021 shall be reviewed by the accountant.

Note 2: The calculation formula are as follows:

1. Financial structure

(a) debt-to-assets ratio = total liabilities/total assets.

(b) ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities)/net amount of property, plant and equipment.

2. Solvency

(a) current ratio = current assets/current liabilities.

(b) quick ratio = (current assets - inventory - prepaid expenses)/current liabilities.

(c) interest guarantee multiple = net profit before income tax and interest expenses/current interest expenses.

3. Operating capacity

(a) the accounts receivable (including accounts receivable and notes receivable) due to business turnover = net sales/periods, on average, receivables (including accounts receivable and notes receivable due to business) balance.

(b) the average number of days received = 365 / receivable turnover.

(c) inventory turnover rate = cost of goods sold/average inventory.

(d) the accounts payable (including accounts payable and notes payable due to business) average accounts payable turnover ratio = cost of goods sold/periods (including accounts payable and notes payable due to business) balance.

(e) average days of sale = 365 / inventory turnover.

(f) property, plant and equipment turnover = net sales/average real estate, plant and equipment.

(g) total assets turnover rate = net sales/average total assets.

4. Profitability

(a) return on assets = (after tax profit and loss + interest expenses * (1-tax rate))/total average assets.

(b) equity return rate = after-tax profit and loss/average equity total.

(c) net profit ratio = after-tax profit and loss/net sales.

(d) earnings per share = (profit and loss attributable to the parent company - special share dividends)/weighted average number of issued shares. (Note 4)

5. Cash flow

(a) cash flow ratio = net cash flow of operating activities/current liabilities.

(b) net cash flow allowable ratio = net cash flow from operating activities in the last five years/last five years (capital expenditure + inventory increment + cash dividend).

(c) cash reinvestment ratio = (net cash flow of business activities - cash dividends) / (gross amount of property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)

6. Leverage:

(a) operating leverage = (net operating income - variable operating costs and expenses)/operating benefits (note 6).

(b) financial leverage = operating benefits / (operating benefits - interest expenses).

3. Supervisors' /Audit Committee's Report for the Most Recent Year

淘帝國際控股有限公司

審計委員會查核報告書

董事會造具本公司民國一百零九年度營業報告書及合併財務報表，其中合併財務報表業經委託信永中和聯合會計師事務所陳光慧會計師及郭鎮宇會計師查核完竣，並出具查核報告。上述營業報告書及合併財務報表經本審計委員會查核，認為尚無不合，爰依證券交易法第十四條之四及公司法第二百一十九條之規定報告如上，敬請 鑒核。

淘帝國際控股有限公司

審計委員會召集人：賴調燦



中 華 民 國 一 一 零 年 四 月 二 十 三 日

淘帝國際控股有限公司

審計委員會查核報告書

董事會造具本公司民國一百零九年度虧損撥補議案。上述虧損撥補議案經本審計委員會查核，認為尚無不合，爰依證券交易法第十四條之四及公司法第二百一十九條之規定報告如上，敬請 鑒核。

淘帝國際控股有限公司

審計委員會召集人： 賴調燦



中 華 民 國 一 百 一 十 年 五 月 十 三 日

4. Financial statements

(I) Recent annual financial report: Please refer to pages 118-203 of this annual report.

5. The most recent fiscal year by the certified public accountants'(CPA) individual financial report: Our company is the listed company, it does not need to prepare the individual financial report, so it is not applicable.

6. The company and its affiliated enterprises shall, in the most recent year and as of the date of publication of the annual report, specify the impact on the financial position of the company in the event of financial difficulties: None.

(VII) Review of Financial Conditions, Financial Performance, and Risk Management

1. Analysis of Financial Status

Unit: NT \$ (Thousands); %

Items	Year	2019	2020	Difference	
				Amount	%
Current assets		7,578,881	5,225,949	-2,352,932	-31.05%
Property, plant and equipment		279,093	256,292	-22,801	8.17%
Intangible assets		-	-	-	-
Other assets		220,662	319,337	98,675	44.72%
Total assets		8,078,636	5,801,578	-2,277,058	-28.19%
Current liabilities		2,068,105	2,025,191	-42,914	-2.07%
Non-current liabilities		341,290	299,926	-41,364	-12.12%
Total liabilities		2,409,395	2,325,117	-84,278	-3.50%
Equity attributable to the parent company		5,669,241	3,476,461	-2,192,780	-38.68%
Equity capital		949,553	1,094,938	145,385	15.31%
Capital reserves		1,520,022	1,520,022	-	-
Retained earnings		3,735,849	1,339,602	-2,396,247	-64.14%
Other rights and interests		-536,183	-460,949	75,234	-14.03%
Treasury stock		-	-17,152	-17,152	-
Non-controlling interest		-	-	-	-
Total equity		5,669,241	3,476,461	-2,192,780	-38.68%
<p>Significant changes in project specification: (the amount change of more than 10%, and 1% of the total amount of current assets).</p> <ol style="list-style-type: none"> 1. Current assets and total assets: Mainly caused by net loss in 2020 and net cash outflow. 2. Other assets: Mainly caused by net loss in 2020 and deferred income tax assets increased. 3. Equity attributable to the parent company, retained earnings and total equity: Mainly caused by net loss in 2020. 4. Equity capital: Caused by surplus turn increase capital. 5. Other rights and interests: Mainly because of the conversion of foreign currency statements. 					

2. Analysis of Financial Performance

(1) Comparative analysis of business results

Unit: NT \$ (Thousands); %

Items	Year	2019	2020	Difference	
				Amount	%
Operating income		7,169,864	2,808,383	-4,361,026	-60.82%
Minus: sales return and discount		-	-	-	-
Net operating income		7,169,864	2,808,383	-4,361,026	-60.82%
Operating cost		4,366,958	4,165,935	-201,023	-4.60%
Operating margin		2,802,906	-1,357,552	-4,166,458	-148.65%
Unrealized gross profit reduction (increased) between affiliated companies		-	-	-	-
Net operating margin		2,802,906	-1,357,552	-4,166,458	-148.65%
Operating expenses		1,248,450	1,073,448	-175,002	-14.02%
Operating profit		1,554,456	-2,431,000	-3,985,456	-256.39%
Non-operating income and benefits		99,583	148,710	49,127	49.33%
Non-operating expenses and losses		97,415	15,876	-81,539	-83.70%
Pre-tax profit		1,556,624	-2,298,166	-3,854,790	-247.64%
Minus: income tax expenses		421,805	-63,468	-485,273	-115.05%
After-tax profit		1,134,819	-2,234,698	-3,369,517	-296.92%
<p>Significant changes in project specification: (the amount change of more than 10%, and 1% of the total amount of current assets).</p> <ol style="list-style-type: none"> Operating income, operating expenses, operating margin, operating profit, pre-tax profit, and after-tax profit decreased: Mainly Influenced by the epidemic in 2020, the sales volume of agents in the mainland region decreased significantly, sales were reduced at a lower price and expenses were reduced. Non-operating expenses and losses decreased: Mainly due to decrease in net foreign currency conversion losses 					

(2) The expected sales volume and its basis, the possible impact on the company's future financial business and the corresponding plan.

The expected sales volume of the company shall be based on previous year's sales. With the improvement of brand awareness, the company's performance will continue to grow. China's economy is still growing at a high rate and consumption level is constantly improving. Therefore, the company should perform well in the future.

3. Analysis of Cash Flow

(1) Analysis of the change in cash flow in the most recent year (2020)

Unit: NT\$; %

Items \ Year	Year		Increase (decrease) amount	Increase (decrease) ratio
	2019	2020		
Operating activities	1,147,929	-1,267,047	-2,414,976	-210.38%
Investment activities	-2,712,370	2,452,098	5,164,468	(190.40%)
Financing activities	-1,373,331	199,607	1,572,938	(114.53%)
Analysis of variation:				
1. Operating activities: Mainly due to the net loss in 2020.				
2. Investment activities: Mainly due to the disposal of financial assets in 2020.				
3. Financing activities: Mainly due to the increase in short-term borrowing in 2020.				

(2) Cash liquidity analysis and liquidity improvement plan for the year of 2021

The Company's loss for the year 2021 is reduced, but cash on the books is expected to remain sufficient to cover outflows from operating activities. Therefore, we have no shortage of liquidity at present and in the future.

4. The impact of major capital expenditure on financial business in recent years

(1) Application of major capital expenditures and sources of funds: None.

(2) Expected benefits: None.

5. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

(1) The policy of reinvestment

At present, the company's reinvestment policy is mainly based on the investment objectives related to the basic business and does not engage in investment in other industries. The relevant executive departments shall follow the internal control system, such as "investment cycle", "trading operation procedures for group enterprises, specific companies and related parties" and "procedures for acquiring or disposing of assets". The above-mentioned measures or procedures shall be discussed and adopted by the board of directors or shareholders' meeting.

(2) The main causes for its profits or losses

Only TOPBI (China) has substantial business activities, the rest of the investment companies (Topbi International, TOPBI Children, Fujian SDO) are all investment holding companies. Therefore, the latest annual investment gains and losses of TOPBI China are listed as follows:

Unit: NT \$ (Thousands); %

Reinvest	Investment gains and losses recognized in 2020	Explanations
TOPBI (China)	-2,193,043	During the year of 2020, the company's mainland region was affected by the epidemic, resulting in loss of product price reduction

(3) Improvement plan and investment plan for the next year

The company has no definite investment plan at present and will propose an investment plan in the future according to the operational requirements. The company will carefully evaluate the investment plan and handle it according to the relevant approval authority.

6. Analysis of Risk Management

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on

Corporate Finance, and Future Response Measures

(a) Interest rate change

The interest rate risk of the company mainly comes from bank deposits, which forces the company to bear the risk of cash flow rate and market rate. Interest income for the company in 2020 and 2019 were NT \$35,308 thousand and NT \$34,620 thousand respectively, net operating income ratio is 1.26% and 0.48% respectively, the proportion is not significant, so the change in interest rate has limited influence on the company's operation.

Countermeasures:

The company has always maintained good relations with the correspondent banks. The interest rates are set by the banks. However, a change in interest rate should not have a significant impact on the overall operation of the company. In addition, the company should observe interest rate changes in the market at any time to avoid short-term drastic interest rate changes.

(b) Exchange rate change

The main operating entity of the company is in mainland China, and the daily operation is based on RMB as the functional currency. The conversion gains and losses generated in 2020 and 2019 were NT\$21,189 thousand and NT\$44,759 thousand respectively, accounting for -1.56% and -2.88% of the current operating loss respectively.

Countermeasures:

Staying close with the main banks, and to carefully monitor any changes of the foreign exchange market. This is to avoid any valuation gain or loss due to the amount of foreign currency held by the company.

(c) Inflation

The group is currently operating and trading in mainland China, and the consumer price index (CPI) published by the China national bureau of statistics shows that inflation will tend to moderate. Therefore, the current profit and loss situation of the company will not be affected by inflation.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and

Derivatives Transactions

At present, the company has formulated the procedures of "acquiring or disposing of assets processing procedures", "fund lending and others operation procedures", "endorsement guarantee operation procedures" and other relevant operation procedures to regulate the company and its affiliated companies to engage in high-risk, highly leveraged investment, capital lending to others, endorsement guarantee and derivative trading. In the recent year and as of the date of publication of the prospectus, the company and its affiliated companies have not engaged in high-risk, high-leverage investment trading and other endorsements and derivatives trading.

(3) Future Research & Development Projects and Corresponding Budget

In view of the development trend of children's wear industry in the future, from the design of children's wear products to a series of designs for brand planning, integration and research. At the same time, the company will study digital animation, explore the combination of digital animation and clothing brands, and strengthen the dissemination of clothing brands with science and technology. Especially the rapid development of e-commerce, clothing brand in the virtual world of the internet communication. The company expects future R&D spending to account for 1 to 2 percent of revenue in 2021. Considering R&D as the company's core advantage, the company will continue to invest in R&D expenses and is expected to grow gradually with the change of operating income in the future.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The company is registered in the British Cayman Islands and is politically and economically stable. China is the main operating point. At present, Taiwan and China are gradually opening up their investment and the market is developing steadily. At present, the operation of the company has not been affected by important policies at home and abroad. In the future, we will continue to pay attention to relevant laws and regulations and adjust the operation of the company in accordance with laws and policies.

(5) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales

The technology of raw materials changes rapidly, and children's wear products are improved with the public's requirements for comfort. The new fiber materials are used to

improve the comfort and perspiration of children's wear. Changes in technology and industry have had no significant impact on the company's business in recent years and as of the date of publication of the prospectus.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Since the establishment of the company, the company has been carrying out the enterprise objective, continuously strengthening the brand awareness and establishing the brand image, and there has been no crisis management caused by the change of the corporate image. The company will continue to strengthen its corporate governance, strengthen its obligations to the public, and continuously expand its brand visibility, maintain its brand image, and strengthen consumers' loyalty to the brand.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

The company has not conducted any acquisition in the most recent year and as of the date of publication of the prospectus.

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

The company has not carried out any expansion plans in the recent year and as of the date of publication of the prospectus.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

(a) Centralized risk of purchase

The company mainly engaged in children's clothing' sales and design, all children's clothing is manufactured by external suppliers, as there are many children's clothing apparel production factory, we must have good evaluation system in place, and to maintain a good relationship with each supplier, in order to ensure the stability of supply sources.

The company in 2020 and 2019 has more than 20 suppliers, each product has more than two alternative suppliers, and no vendors have a stock ratio above 10%, therefore there is no major concentration risk.

(b) Centralized risk of sales

The company's sales & distribution are mainly through local agents, so the top ten sales customers in 2020 and 2019 are all local agents, the company has 18 agents responsible for sales in China in 2019, therefore there is no major concentration risk.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

The most recent fiscal year and as of the date of public disclosure print, the company major business operation and management mechanism of decision-making, and there was no significant change, and the company has selected three independent directors, to strengthen the company's board of directors to perform the major decision function, effective implementation of corporate governance at the same time. Therefore, the company does not cause operating risks to the company due to the transfer or replacement of a large number of shares.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights

In the recent year and up to the date of publication of the prospectus, the company has not changed its management rights. The company has introduced independent directors to strengthen corporate governance to protect the interests of its shareholders. In addition, the company relies on professional managers for daily operations, and all departments have experienced managers in the industry.

(12) Litigation or non-litigation documents shall state that the company and its directors, supervisors, general managers, material principals, major shareholders with a shareholding ratio of more than 10%, and affiliated companies have decided or are still under the jurisdiction of major litigation, non-litigation or administrative litigation matters. If the results may have a significant impact on shareholders' rights and interests or securities prices, they shall disclose the fact of dispute, the amount of the subject matter, the date of publication, and the date of the annual reports of the parties involved: None.

(13) Other important risks and countermeasures

(a) For more information regarding company's operating risk and response measures, please read the annual reports of the market's production situation about in the company's future development of favorable and unfavorable factors.

(b) The company is equipped with dedicated units, responsible for trademark application and management. This is to ensure intellectual property rights, however, there is no guarantee protection of intellectual property from competitors or other manufacturers.

(c) The specific situations may still fail to provide adequate security: Companies operation are always accompanied by many risks, including and not limited to, equipment, damage, malfunction, delay, capacity constraints, labor strikes, fires, natural disasters such as earthquakes or typhoons, environmental disasters or occupational accidents. The foregoing circumstances may have a material adverse effect on the operation of the company. Although the company has taken out insurance in accordance with the practice of the country where the company operates, such insurance may not provide adequate protection under certain circumstances.

(d) For the first time, the management level is faced with the challenge of becoming a listed company: The company has made remarkable achievements in its management. However, after being listed, we must face many investors, shareholders and professional investment institutions, and the company is a foreign enterprise. The relevant securities laws and regulations in Taiwan are yet to be adapted to and understood. In the future, full-time staff will be charged with maintaining investor relations and implementing the relevant securities laws and regulations in Taiwan to meet the challenges after the listing.

(e) Protection of shareholders' rights and interests: The British Cayman Islands' corporation law and the company law of the Republic of China have different provisions. Although the company has amended its articles of association in accordance with the "reference example of shareholder's rights protection important matters" stipulated by Taiwan stock exchange co., LTD., the laws of both places still have operational differences.

7. Other important matters: None.

IV. Special Disclosure

1. Information of related enterprises

(1) Consolidated business report of related enterprises

(a) Organization chart of related enterprises: Please refer to article 2, 1 and 4 of this annual report.

(b) Basic information related to enterprises.

December 31, 2020; Unit: NT \$ (Thousands)

Name of firm	Date of establishment	Address	Paid-in capital	Main business or production
TOPBI Children Apparel Co., Limited	2011.02.09	Unit 3 10/F Wing On Plaza 62 Mody Rd TST, KL	1,371,784 (RMB318,649 thousands)	Reinvestment
Fujian SDO Textile & Industry Goods Corp., LTD	2005.09.05	福建省平潭縣進城路嵐湖工業區	206,554 (RMB47,980 thousands)	Reinvestment
Topbi (China) Fashion Corp., LTD	2004.02.24	福建省福州市倉山區蓋山鎮齊安路756號	774,900 (RMB180,000 thousands)	Sale of children's clothing
Fujian Shengrenda Medical Technology Co., Limited	2020.11.23	福建省福州市倉山區蓋山鎮齊安路756號 (福灣工業區10號地塊) 品牌車間 GJ-15號樓1層	-	Production and sales of medical equipment and medical supplies

Note: NT to RMB \$4.377 to ¥ 1

(c) The presumption of control and subordinate relationship is the same shareholder information: None.

(d) Information on directors, supervisors and general managers of related enterprises

Name of firm	Title	Name	Shares	(%)
TOPBI Children Apparel Co., Limited	Chairman	Zhou Xun Cai	-	-
Fujian SDO Textile & Industry Goods Corp., LTD	Chairman	Zhou Xun Cai	-	-
	Director	Zhuang LingFeng	-	-
	Director	Wang Zhi Feng	-	-
	Supervisor	Zhou LinHong	-	-
Topbi (China) Fashion Corp., LTD	Chairman	Zhou Xun Cai	-	-
	Director	Zhou ZhiHong	-	-
	Director	Zhuang LingFeng	-	-
	Supervisor	Zhou Lin Hong	-	-
	General Manager	Zhou ZhiHong	-	-
Fujian Shengrenda Medical Technology Co., Limited	Chairman	Zhou ZhiHong	-	-
	Director	Zhuang LingFeng	-	-
	Director	Cheng Zhang Tao	-	-
	General Manager	Zhou ZhiHong	-	-

(e) Operation profile of all related enterprises

December 31, 2020; Unit: RMB (Thousands)

Name of firm	Paid-in capital	Total assets	Total liabilities	Net value	Operating income	Operating profit (loss)	Current profit (loss) (after tax)	EPS (RMB)(after tax)
TOPBI Children Apparel Co., Ltd.	318,649	1,279,906	248,813	1,031,093	-	(7)	(509,634)	(Note 1)
Fujian SDO Textile&Industry Goods Corp., Ltd.	47,980	640,905	300,762	340,143	-	(3)	(134,248)	(Note 1)
Topbi (China) Fashion Corp., Ltd.	180,000	1,651,405	371,422	1,279,983	646,944	(556,335)	(505,193)	(Note 1)
Fujian Shengrenda Medical Technology Co., Limited	-	-	-	-	-	-	-	(Note 1)

Note 1: Not a limited liability company, so the earnings per share cannot be calculated.

2. The most recent year and as of the date of publication of the annual report, the handling of private securities: None.
3. In the most recent year and as of the date of publication of the annual report, the subsidiary holds or disposes of the company's shares: None.
4. Other necessary supplementary instructions: None.
5. Description of major differences between the Company's AOA and Taiwan's regulations on protection of share holders' rights and interests: There is no significant difference between the current articles of association of the Company and the "Checklist for the Protection of

Rights and Interests of Foreign Issuer Registered Country Shareholders" (amended and implemented on December 25, 2019) as amended by Taiwan Stock Exchange Co., Ltd.

6. The most recent year and as of the date of publication of the annual report, if there is any matter that has a significant impact on shareholders' rights and interests or securities prices as set out in section 2, paragraph 2, article 36 of the securities and exchange law: None.

Appendix

**TOPBI International Holdings Limited Company
and Subsidiaries
Consolidated Financial Statements
For the years ended December 31, 2020 and 2019
Together with Independent Auditors' Report**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

TOPBI International Holdings Limited Company and Subsidiaries
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TOPBI International Holdings Limited Company and Subsidiaries
Letter of Representation

For the year ended December 31, 2020, pursuant to “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, the entities that are required to be included in the consolidated financial statements of affiliates, are the same entities required to be included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. In addition, the relevant information required to be disclosed in the consolidated financial statements of affiliates is included in the aforementioned consolidated financial statements. Accordingly, it is not required to prepare a separate set of consolidated financial statements of affiliates.

Hereby declare,

TOPBI International Holdings Limited Company

Zhou, Xun Cai
Chairman

April 23, 2021

Independent Auditors' Report

TOPBI International Holdings Limited Company

Opinion

We have audited the accompanying consolidated balance sheets of TOPBI International Holdings Limited Company (the "Company") and its subsidiaries (collectively referred as the "Group") as of December 31, 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the **Independent auditors' responsibilities for the audit of the consolidated financial statements** section of our report. We are independent of the Group in accordance with the Code of professional Ethics for Certificate Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with this Code. Based on our audits, we believe that our audits provide a reasonable basis for our opinion.

Independent Auditors' Report (Continued)

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, we do not provide a separate opinion on these matters. We determined the key audit matters should be communicated in our audit report are as follows:

Evaluation of cash and cash equivalents

Please refer to Note 4(6) to the consolidated financial statements for the accounting policies of evaluation of cash and cash equivalents; and please refer to Note 6(1) to the consolidated financial statements for the details description of cash and cash equivalents accounts.

As of December 31, 2020, the balances of cash and cash equivalents of the Group is \$2,247,551 thousand, accounting for 39% of the total consolidated assets, due to the significant proportion of balances and the inherent risks; we therefore considered the cash and cash equivalents as the key audit matters for the year.

Our audit procedures included, but are not limited to, obtaining the list of bank deposits balances in the account of the Group, and verifying them to the bank statements; checking the receipt and payment vouchers of major cash and cash equivalents transaction; to check all bank confirmations whether it matches the bank deposit balance in the account, and check whether there are restrictions on bank deposits.

Independent Auditors' Report (Continued)

Revenue recognition

Please refer to Note 4(23) to the consolidated financial statements for the accounting policies of revenue recognition; and please refer to Note 6(21) to the consolidated financial statements for the details description of revenue.

The main operating income of the Group is the sale of its private label children clothing. The Group mainly fulfill the performance obligations at the point of time when the goods are delivered, and the sales revenue will be recognized at that point of time. As of December 31, 2020, the portion of operating income which are outstanding for collection as the key audit matter for the year.

The audit procedures performed by us include the understanding of recognition process of sales revenue transaction of the Group, and the assessment of whether the revenue recognition meets the requirements of the International Financial Reporting Standard No. 15 "Revenue from Contracts with Customer"; and execute the test whether the relevant control points of the sales and collection cycle are valid; obtain the sales details and check the general ledger, and select the vouchers of relevant sales transaction; obtain the audit confirmation letter and review the subsequent collection of payment after balance sheet date, in order to confirm whether there are major abnormalities in sales revenue.

Other matters

The Group's consolidated financial statements for the year ended December 31, 2019 were audited by other auditors and the Independent Auditors' Report was issued on March 30, 2020 with an unqualified opinion.

Independent Auditors' Report (Continued)

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 the "Regulations Governing the Preparations of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 charges with governance, including members of the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Independent auditors' 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 a report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards 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.

Independent Auditors' Report (Continued)

As part of an audit in accordance with the generally accepted auditing standards, 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 risks of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls 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 controls.
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 going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

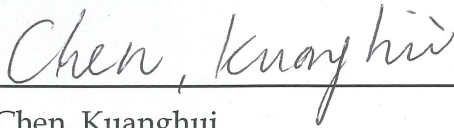
Independent Auditors' Report (Continued)

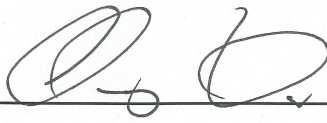
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the footnote disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentations.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of audit of the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding 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 relationship 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 for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our 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.


Chen, Kuanghui


Kuo, Chenyu

For and on behalf of ShineWing CPAs

April 23, 2021

Taipei, Taiwan

Republic of China

Notice to Readers

The accompanying consolidated financial statements are not intended to present the financial position, results of financial operations and cash flows in accordance with accounting principles and practice generally accepted in countries and jurisdictions other than the Republic of China. The standard, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, ShineWing CPAs cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated balance sheets

December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars)

Assets	<u>Notes</u>	December 31,			
		2020	%	2019	%
<i>Current assets</i>					
Cash and cash equivalents	6.(1)	\$ 2,247,551	39	\$ 1,056,966	13
Financial assets at fair value through profit or loss - current	6.(2)	-	-	2,385,637	29
Financial assets at amortized cost - current	6.(3)	1,575,720	27	1,506,750	19
Accounts receivable, net	6.(4)	1,081,264	19	2,569,995	32
Other receivables	6.(5)	26,586	-	9,790	-
Current income tax assets		21,152	-	-	-
Inventories	6.(6)	21,230	-	48,866	1
Prepayments	6.(11)	251,691	5	177	-
Other current assets		755	-	700	-
		5,225,949	90	7,578,881	94
<i>Non-current assets</i>					
Financial assets at amortized cost - non-current	6.(3)	-	-	9,010	-
Property, plant and equipment	6.(7)	256,292	5	279,093	3
Right-of-use asset	6.(8)	202,077	3	204,528	3
Deferred tax assets	6.(27)	117,041	2	6,909	-
Refundable deposits	6.(11)	219	-	215	-
		575,629	10	499,755	6
Total assets		\$ 5,801,578	100	\$ 8,078,636	100

(Continued on next page)

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated balance sheets

December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

Liabilities and equity	Notes	December 31,			
		2020	%	2019	%
<i>Current liabilities</i>					
Short-term borrowings		\$ 393,315	7	\$ 276,104	4
Accounts payable	6.(14), 7	1,511,043	26	1,469,359	18
Other payables	6.(15)	11,874	2	143,354	2
Other payables to related parties		7,954	-	354	-
Current tax liabilities	6.(22)	-	-	133,881	2
Current lease liabilities	6.(13)	-	-	45,049	-
Other current liabilities		5	-	4	-
		<u>2,025,191</u>	<u>35</u>	<u>2,068,105</u>	<u>26</u>
<i>Non-current liabilities</i>					
Long-term borrowings	6.(13)	-	-	45,049	-
Deferred tax liabilities	6.(27)	298,384	5	293,476	4
Deposits received		1,542	-	2,765	-
		<u>299,926</u>	<u>5</u>	<u>341,290</u>	<u>4</u>
Total liabilities		<u>2,325,117</u>	<u>40</u>	<u>2,409,395</u>	<u>30</u>
<i>Equity attributable to shareholders of the parent</i>					
Ordinary shares	6.(17)	1,094,938	19	949,553	12
Capital surplus	6.(18)	1,520,022	26	1,520,022	19
Retained earnings:	6.(19)				
Legal reserve		593,778	10	480,296	6
Special reserve		536,182	9	322,542	4
Unappropriated earnings		209,642	4	2,933,011	36
Other equity interest	6.(20)	(460,949)	(8)	(536,183)	(7)
Treasury shares		(17,152)	-	-	-
Total equity		<u>3,476,461</u>	<u>60</u>	<u>5,669,241</u>	<u>70</u>
Total liabilities and equity		<u>\$ 5,801,578</u>	<u>100</u>	<u>\$ 8,078,636</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated statement of comprehensive income

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31,			
		2020	%	2019	%
Revenue	6.(21)	\$ 2,808,383	100	\$ 7,169,864	100
Cost of revenue	6.(6)	(4,165,935)	(148)	(4,366,958)	(61)
Gross profit (loss)		(1,357,552)	(48)	2,802,906	39
Operating expenses					
Selling expenses	6.(24)	(847,674)	(30)	(999,171)	(14)
General & administrative expenses	6.(24)	(139,875)	(5)	(162,906)	(2)
Research and development expenses	6.(24)	(85,899)	(3)	(86,373)	(1)
		(1,073,448)	(38)	(1,248,450)	(17)
Profit (loss) from operations		(2,431,000)	(86)	1,554,456	22
Non-operating income and expenses					
Other income	6.(22)	64,942	2	81,002	1
Other gains and losses	6.(23)	77,381	3	(40,476)	(1)
Finance costs	6.(26)	(9,489)	-	(38,358)	-
		132,834	5	2,168	-
Profit (loss) before income tax		(2,298,166)	(81)	1,556,624	22
Income tax expenses	6.(27)	63,468	2	(421,805)	(6)
Net profit (loss) for the year		(2,234,698)	(79)	1,134,819	16
Other comprehensive income (loss)					
Component of other comprehensive income that will not be reclassified to profit or loss					
Exchange differences arising on translation to the presentation currency		75,234	2	(213,642)	(3)
Income tax expenses related to components that will not be reclassified to profit or loss		-	-	-	-
Total other comprehensive income (loss) for the year		75,234	2	(213,642)	(3)
Total comprehensive income (loss) for the year		(2,159,464)	(77)	921,177	13
Net income (loss) attributable to shareholders of the parent		(\$ 2,234,698)	(79)	\$ 1,134,819	16
Total comprehensive income (loss) attributable to shareholders of the parent		(\$ 2,159,464)	(77)	\$ 921,177	13
Earnings (loss) per share (In New Taiwan dollars)	6.(28)				
Basic earnings (loss) per share		(\$ 20.44)		\$ 12.01	

The accompanying notes are an integral part of these consolidated financial statements.

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated statement of changes in equity

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars)

Equity attributable to shareholders of the parent

	Retained earnings					Other equity interest	Treasury Shares	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations		
Balance, January 1, 2019	\$ 826,451	\$ 1,517,887	\$ 384,933	\$ 226,909	\$ 2,307,804	(\$ 322,541)	(\$ 35,165)	\$ 4,969,278
Appropriation of prior year's earnings:								
Legal reserve	-	-	95,363	-	(95,363)	-	-	-
Special capital reserve	-	-	-	95,633	(95,633)	-	-	-
Cash dividends	-	-	-	-	(258,514)	-	-	(258,514)
Share dividends	123,102	-	-	-	(123,102)	-	-	-
Buy-back of treasury shares	-	-	-	-	-	-	(12,894)	(12,894)
Exercise of employee share options	-	-	-	-	-	-	48,059	48,059
Transfer of treasury shares to employee compensation costs	-	2,135	-	-	-	-	-	2,135
	<u>949,553</u>	<u>1,520,022</u>	<u>480,296</u>	<u>322,542</u>	<u>1,798,192</u>	<u>(322,541)</u>	<u>-</u>	<u>4,748,064</u>
Net profit for the year	-	-	-	-	1,134,819	-	-	1,134,819
Other comprehensive income (loss) for the year	-	-	-	-	-	(213,642)	-	(213,642)
Total other comprehensive income (loss) for the year	-	-	-	-	1,134,819	(213,642)	-	921,177
Balance, December 31, 2019	949,553	1,520,022	480,296	322,542	2,933,011	(536,183)	-	5,669,241
Appropriation of prior year's earnings:								
Legal reserve	-	-	113,482	-	(113,482)	-	-	-
Special capital reserve	-	-	-	213,640	(213,640)	-	-	-
Cash dividends	-	-	-	-	(16,164)	-	-	(16,164)
Share dividends	145,385	-	-	-	(145,385)	-	-	-
Buy-back of treasury shares	-	-	-	-	-	-	(17,152)	(17,152)
	<u>1,094,938</u>	<u>1,520,022</u>	<u>593,778</u>	<u>536,182</u>	<u>2,444,340</u>	<u>(536,183)</u>	<u>(17,152)</u>	<u>5,635,925</u>
Net loss for the year	-	-	-	-	(2,234,698)	-	-	(2,234,698)
Other comprehensive income (loss) for the year	-	-	-	-	-	75,234	-	75,234
Total other comprehensive income (loss) for the year	-	-	-	-	(2,234,698)	75,234	-	(2,159,464)
Balance, December 31, 2020	<u>\$ 1,094,938</u>	<u>\$ 1,520,022</u>	<u>\$ 593,778</u>	<u>\$ 536,182</u>	<u>\$ 209,642</u>	<u>(\$ 460,949)</u>	<u>(\$ 17,152)</u>	<u>\$ 3,476,461</u>

The accompanying notes are an integral part of these consolidated financial statements.

TOPBI International Holdings Limited Company and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31,	
	2020	2019
Cash flows from operating activities		
Income before (loss) income tax for the year	(\$ 2,298,166)	\$ 1,556,624
Adjustments for:		
Income and expenses having no effect on cash flows		
Depreciation	26,921	28,634
Amortization expenses	-	3,210
Gain on financial assets at fair value through profit or loss	(62,384)	(18,581)
Allowance of inventory for decline in market value and obsolescence	35,114	5,642
Interest expense	9,489	38,358
Interest income	(35,308)	(34,620)
Compensation cost of share-based payments	-	2,135
Impairment loss on other intangible assets	-	14,298
Loss on disposal of property, plant and equipment	6,145	-
Changes in operating assets and liabilities		
Decrease (increase) in accounts receivable	1,488,731	(123,181)
Decrease (increase) in other receivables	59	(16)
Increase in inventories	(7,478)	(4,433)
Increase in prepayments	(251,514)	-
Increase other current assets	(55)	(32)
Increase in accounts payable	41,684	48,507
Decrease in other payables	(23,497)	(3,024)
Increase in other current liabilities	1	1
Cash (used in) generated from operations	(1,070,258)	1,513,522
Income taxes paid	(196,789)	(365,593)
Net cash (used in) generated from operating activities	(1,267,047)	1,147,929

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TOPBI International Holdings Limited Company and Subsidiaries

Consolidated statement of cash flows

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars)

(Continued from previous page)

	For the year ended December 31,	
	2020	2019
Cash flows from investing activities		
Acquisition of financial assets at amortized cost	(1,562,760)	(1,574,559)
Proceed from sale of financial assets at amortized cost	1,528,435	1,296,880
Proceed from sales (acquisition) of financial assets at fair value through profit or loss	2,467,970	(2,459,600)
Acquisition of property, plant and equipment	-	(23)
Interest received	18,453	24,932
Net cash generated from (used in) investing activities	<u>2,452,098</u>	<u>(2,712,370)</u>
Cash flows from financing activities		
Increase in short-term borrowings	401,481	479,918
Repayments of short-term borrowings	(70,737)	(1,580,393)
Repayments of long-term borrowings	(87,690)	-
Decrease guarantee deposits received	(1,259)	-
Payment of cash dividend	(16,164)	(258,514)
Exercise of employee share options	-	48,059
Payments for buy-back of treasury shares	(17,152)	(12,894)
Interest paid	(8,872)	(49,507)
Net cash generated from (used in) financing activities	<u>199,607</u>	<u>(1,373,331)</u>
Effect of exchange rate changes on cash and cash equivalents	(194,073)	(12,101)
(Decrease) increase in cash and cash equivalents	1,190,585	(2,949,873)
Cash and cash equivalents at beginning of year	<u>1,056,966</u>	<u>4,006,839</u>
Cash and cash equivalents at end of year	<u>\$ 2,247,551</u>	<u>\$ 1,056,966</u>

The accompanying notes are an integral part of these consolidated financial statements.

TOPBI International Holdings Limited Company and Subsidiaries

Notes to the consolidated financial statements

(Expressed in thousands of New Taiwan dollars, except as otherwise specified)

1. History and organization

TOPBI International Holdings Limited (the “Company”) was incorporated in the British Cayman Islands in October 2012. The Company was established after an organizational restructuring for listing on the Taiwan Stock Exchange (“TWSE”). The Company’s shares have been listed and traded on the TWSE since December 30, 2013. The functional currency of the Company is Renminbi (“CN¥”). Since the Company’s shares are listed on the TWSE, in order to increase the comparison and consistency of the financial statements, the consolidated financial statements are presented in the New Taiwan dollar. The consolidated financial statements comprised the Company and its subsidiaries (collectively referred as the “Group”), the Group is primarily engaged in design, development and sales of its private label children’s clothing and accessories.

2. The date of authorization for issuance of the consolidated financial statements and procedures for authorization

These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 23, 2021.

3. Application of new standards, amendments and interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IAS”) and interpretations as endorsed by the Financial Supervisory Commission (“FSC”).

A. IFRSs, IAS and interpretations endorsed by the FSC effective from 2020 are as follows:

New standards, interpretations and amendments	Main amendments	IASB effective date
Disclosure Initiative – Definition of Material (amendments to IAS 1 and IAS 8)	This amendment clarifies the definition of materiality. This information is material: if the	January 1, 2020

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omission, misstatement or confusion of information can be reasonably expected to influence the economic decisions made by the primary users of general-purpose financial statements based on the financial information provided by those financial statements, which provide financial information about a specific reporting entities.

Definition of a Businesses
(amendments to IFRS 3)

The amendments clarify the definition of a business, that to be considered a business an acquired set of the activities and assets, must include, at a minimum, an input and a substantive process that together must significantly contribute to creating outputs; narrowed the definitions of a business by focusing on the outputs on goods and services provided to customers and removing the reference to the ability to reduce costs, removing the assessment of whether the market participants have capable of acquiring the business and continuing to produce outputs; remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. In addition, entities can choose to apply a concentration test, when the fair value of the acquired total assets is mostly derived from a

January 1, 2020

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	single asset (or a group of similar assets), no further evaluation is required to determine that the acquired asset is not a business.	
Interest Rate Benchmark Reform (amendments to IFRS 9, IAS 39 and IFRS 7)	This amendment is to provide certain reliefs related to hedging accounting, which will prevent those who have previously adopted hedging accounting from being terminated due to changes in interest rate indicators, and require disclosure of relevant information that uses this relief.	January 1, 2020
Covid-19 – Related Rent Concessions (amendments to IFRS 16)	<p>The amendment provide a practical expedient that permits lessees, if all of the following conditions are met to apply rent concessions occurring as a direct consequence of the covid-19 pandemic and may choose not to assess whether it is a lease modification, and any change in lease payments caused by the rent concession will be treated as a variable lease payment during the concession period:</p> <ol style="list-style-type: none">(1) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;(2) any reduction in lease payments affects only payments due on or before 30 June 2021; and(3) there is no substantive change to other terms and conditions of the lease.	June 1, 2020 (Early application from January 1, 2020 is allowed by FSC)

B. The Group assessed the above standards and interpretations and there is no significant impact to the Group's financial position and financial performance.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group.

A. New standards, interpretations and amendments as endorsed by the FSC effective from 2021 are as follows:

New standards, interpretations and amendments	Main amendments	IASB effective date
Amendments to IFRS 4, "Extension of the Temporary Exemption from Applying IFRS 9"	The temporary exemption from applying IFRS 9 been extended to January 1, 2023.	January 1, 2021
Interest Rate Benchmark Reform – Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	This amendment addresses the problems arising during the change of interest rate indicators, including one interest rate indicator replaced with another interest rate indicator. For the IBOR-based contracts, it provides accounting treatment for the changes in the basis for determining the contractual cash flow as a result of IBOR reform; and for those adopting hedging accounting, the reliefs are provided in phase 1 for the expiration date of the non-contractually specified risk components in the hedging relationship, an additional temporary relief for adopting the specific hedging accounting, and the additional IFRS 7 disclosures related to the IBOR reform.	January 1, 2021

B. The Group assessed the above standards and interpretations and there is no significant impact to the Group's financial position and financial performance.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

A. The Group has not yet applied the following new standards and amendments issued by IASB but not yet endorsed by the FSC:

New standards, interpretations and amendments	Main amendments	IASB effective date
Reference to the Conceptual Framework (amendments to IFRS 3)	<p>The amendments updated the definition of assets and liabilities reference to the “Conceptual Framework for Financial Reporting” issued in 2018 in respect of how an acquirer to determine what constitutes an asset or a liability during a business merger.</p> <p>Due to the above amendment, the amendment also added an exception to the recognition principle of IFRS 3 for liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.</p> <p>Due to the above index amendment, this amendment adds an exception to the recognition principle for liabilities and contingent liabilities. For certain types of liability and contingent liabilities, reference should be made to IAS 37 “Provisions, Contingent Liabilities and Contingent” or International Financial Reporting Interpretations Committee (“IFRIC”) 21 Levies”, instead of the aforementioned “Conceptual Framework of Financial Reporting” issued in 2018. At the same time, this amendment also clarifies that the acquirer shall not recognize contingent assets under IAS 37 on the acquisition date.</p>	January 1, 2022

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Sale or Contribution of Assets Between An Investor and Its Associate or Joint Venture (amendments to IFRS 10 and IAS 28)	The amendment revised the accounting treatment in sales or purchase of assets between joint venture and its associate. The gains and losses resulting from transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognized in full in the investor's financial statements.	To be determined by IASB
IFRS 17 'Insurance Contracts'	This Standard replaces IFRS 4 'Insurance Contracts' and establishes the principles for the recognition, measurement, presentation and disclosure of Insurance and reinsurance contracts that it issues by the entities. This standard applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds; and investment contracts with discretionary participation features it issues, provided that the entity also issues insurance contracts. Embedded derivatives, distinct investment components and distinct performance obligations should be separated from insurance contracts. On initial recognition, each portfolio of insurance contracts issued shall be divided into a minimum of three groups by the entities: onerous, no significant possibility of becoming onerous and the remaining contracts in the portfolio. This Standard requires a current measurement model where estimates are re-measured at each reporting period. Measurements are based on discounted contract and probability-weighted cash flows, risk adjustments, and	January 1, 2023

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the expected profit from the unearned portion of the contract (contractual service margins).

An entity may apply a simplified approach to the measurement for some of insurance contracts (premium allocation approach).

The entity should recognize the revenue generated by a group of insurance contract during the period when the entity provides insurance coverage and when the entity releases the risk. The entity should recognize the loss immediately, if a group of insurance contracts becomes onerous. The entity should present insurance income, insurance service fees, and insurance finance income and expenses separately and its shall also disclose the amount, judgment and risk information from the insurance contract.

Insurance Contracts
(amendments to IFRS 17)

This amendment includes the deferral of effective date, the expected recovery of the cash flow obtained by insurance, the contractual service margin attributable to investment services, the reinsurance contract held, the recovery of losses and other amendments. These amendments have not changed the basics of the standard in principle.

January 1, 2023

Classification of Liabilities as
Current or Non-current
(amendments to IAS 1)

This amendment clarifies that the classification of liabilities is based on the rights existing at the end of the reporting period. At the end of the reporting period, the enterprise does not have the right to defer the settlement period of liabilities for

January 1, 2023

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at least 12 months after the reporting period, and the liabilities should be classified as current. In addition, this amendment defines "settlement" of a liability is the extinguishment of the liability with cash or other economic resources or the enterprise's own equity instruments.

Property, Plant and Equipment - Proceeds before Intended Use (amendments to IAS 16)	This amendment prohibits enterprise from deducting the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management, such as samples produced for testing whether the asset is operating normally . The price of selling such items and the cost of production should be recognized in profit or loss. This amendment also stated that testing whether an asset is operating normally means assessing its technical and physical performance, and has nothing to do with the financial performance of the asset.	January 1, 2022
Onerous Contracts - Cost of Fulfilling a Contract (amendments to IAS 37)	This amendment clarifies that the cost of fulfilling the contract includes the cost directly related to the contract. The cost directly related to the contract is composed of the allocation of the incremental cost of fulfilling the contract and other costs directly related to the fulfilling of the contract.	January 1, 2022
Annual improvements - 2018-2020 cycle	(1) IFRS 1 "Subsidiary as first-time adopter" This amendment allows the subsidiaries select to adopt IFRS 1 that are exempted from paragraph D16(a) of IFRS No. 1, when measuring cumulative conversion	January 1, 2022

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differences, should use the carrying amount of cumulative conversion differences included in the parent company's consolidated financial statements on the date of the parent company's convert to IFRS. This amendment also applies to affiliates and joint ventures that are exempted from paragraph D16(a) of IFRS 1.

- (2) Amendments to IFRS 9 "Fees in the '10 per cent' Test for Derecognition of Financial Liabilities"

This amendment stipulates that the expenses that should be included in the 10% test of financial liabilities are excluded. Enterprise may pay the costs or fees to third parties or lenders. According to this amendment, the cost or expense paid to third parties is not included in the 10% test.

- (3) IAS 41 "Taxation in Fair Value Measurements"

This amendment of IAS 41 is to remove the requirement of using pre-tax cash flows when measuring the fair value of a biological asset.

B. The Group assessed the above standards and interpretations and there is no significant impact to the Group's financial position and financial performance.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

(1) *Compliance statement*

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC Interpretations as endorsed by the FSC.

(2) *Basis of preparation*

- A. Except for the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured by financial instruments measured at fair value, the accompanying consolidated financial statements have been prepared under the historical cost basis.
- B. The following significant accounting policies applied consistently to all periods of coverage of the consolidated financial statements.
- C. The preparation of financial statements that comply with “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations, and SIC Interpretations as endorsed by the FSC requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) *Basis of consolidation*

A. Basis for preparation of consolidated financial statements

- (A) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, 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. Consolidation of subsidiaries begins from the

date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

- (B) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (C) Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (D) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (E) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of. The gains or losses should transfer directly to retained

earnings if the gain or loss from disposal of underlying assets is transferred to retained earnings at disposal.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Note
			2020	2019	
The Company	TOPBI Children Apparel Co., Limited ("HK TOPBI")	Investment	100%	100%	-
HK TOPBI	Fujian SDO Textile & Industry Goods Crop., Ltd. ("Fujian SDO")	Investment	100%	100%	-
HK TOPBI	Fujian Shengrenda Medical Technology Co., Ltd. ("Shengrenda")	Manufacturing and sales of medical equipment and medical supplies	100%	-	-
HK TOPBI	TOPBI (China) Fashion Corp., Ltd. ("TOPBI China")	Sales of private label children's clothing	73.42%	73.42%	-
Fujian SDO	TOPBI China.	Sales of private label children's clothing	26.58%	26.58%	-

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Details of the Company's issued shares held by the subsidiaries: None

G. Subsidiaries that have non-controlling interests that are material to the Group: None

Note: On June 24, 2019, the Company resolved by the board of directors to terminate the operation and proceed the deregistration of Fujian SDO, and transfer the equity of TOPBI China which held by Fujian SDO to HK TOPBI, But the Company's board of directors resolved on May 11, 2020 to cancel the deregistration and equity transfer of Fujian SDO.

(4) *Foreign currency translation*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is CN¥, in order to comply with local filing requirements and regulations, the consolidated financial statements are presented in New Taiwan dollars, which is the Group's presentation currency.

Foreign currency translation and balances

- A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re-measured, except for those that comply with cash flow hedging and net investment hedging and are deferred to other comprehensive gains and losses. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(5) *Classification of current and non-current items*

A. Assets that meet one of the following criteria are classified as current assets:

- (A) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (B) Assets held mainly for trading purposes;
- (C) Assets that are expected to be realized within twelve months from the balance sheet date; or
- (D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

The Group classified its assets that do not meet above criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (A) Liabilities that are expected to be paid off within the normal operating cycle;
- (B) Liabilities arising mainly from trading activities;
- (C) Liabilities that are to be paid off within twelve months from the balance sheet date; or
- (D) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classified its liabilities that do not meet above criteria as non-current liabilities.

(6) *Cash and cash equivalents*

- A. For the purpose of the statements of cash flows, cash and cash equivalents consists of cash on hand, cash in bank, short-term, highly liquid investments, which were within three months of maturity when acquired, and repayable bank overdraft, as part of the cash management. Bank overdraft items listed under short-term borrowings in current liabilities on the balance sheet.
- B. Cash equivalents refer to short-term, highly liquid investments that also meet the following conditions:
 - (A) Readily convertible to known amount of cash.
 - (B) Subject to an insignificant risk of changes in interest rates.

(7) *Financial assets at fair value through profit or loss*

- A. Financial assets that are not measured at amortized cost or measured at fair value through other comprehensive income. Financial assets measured at amortized cost or at fair value through other comprehensive income; and the Group designated the initial recognition of the financial assets measured at fair value through profit or loss when it is possible to eliminate or significantly reduce the measurement or recognition of inconsistencies.
- B. The Group's financial assets measured at fair value through profit or loss in accordance with customary transactions are accounted for using trade date.
- C. The Group initially recognize the financial assets at fair value and related transaction costs are recognized in profit or loss, and subsequent fair value gains and losses are recognized in profit or loss.
- D. When the right to receive dividends is established, the economic benefits related to dividends are likely to flow in, and when the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(8) Financial assets at amortized cost

- A. Financial assets at amortized cost are those that meet all of the following criteria:
 - (A) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (B) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Notes and accounts receivable

- A. In accordance with terms and conditions of the contracts, entitle a legal right to unconditionally receive consideration in exchange of notes and receivables for transferred goods or rendered services.
- B. Short-term notes and accounts receivable without bearing interest are measured at initial invoice amount by the Group as effect of discounting is immaterial.

(10) Impairment of financial assets

On each balance sheet date, the Group's investment in debt instruments measured at fair value through other comprehensive income and financial assets measured at amortized cost, and accounts receivable or contractual assets, lease receivables, loan commitments and financial guarantee contracts

with significant financial components, after considering all reasonable and corroborative information (including forward-looking), the loss allowance is measured on the 12-month expected credit losses for those who have not significantly increased the credit risk since the initial recognition. For those who have significantly increased the credit risk since the initial recognition, the loss allowance is measured by the expected credit losses during the period of existence; the accounts receivable or contract assets that do not contain significant financial components are measured by the lifetime expected credit loss.

(11) Derecognition of financial assets

The Group derecognizes a financial asset when:

- A. The contractual rights to receive the cash flows from the financial asset expired.
- B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows from the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(12) Leasing arrangements as lessor - Lease receivables/lease

- A. Based on the term of a lease contract, a lease is classified as finance lease if the lessee assumes substantially all the risks and rewards incidental to ownership of the leased asset.
 - (A) At commencement of the lease term, a finance lease should record as a receivable, at an amount equal to the net investment (including original direct costs) in the lease. The difference between total lease receivables and present value should record as 'unearned finance lease income'.

(B) The lessor should recognize finance income based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance lease.

(C) Associated lease payments (excluding service costs) offset the total investment in the lease during the period would reduce the principal and unearned finance income.

B. Lease income from an operating lease (net of any incentives given to lessee) is recognized in profit and loss on a straight-line basis over the lease term.

(13) *Inventories*

Inventories are mainly merchandise and stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

(14) *Property, plant and equipment*

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of machinery and equipment, transportation equipment, office equipment, are 5~10 years.

(15) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- A. Lease assets are recognized as a right-of-use asset and lease liabilities at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is recognized at cost, includes:
 - (A) The initial measured amount of the lease liability; and

(B) Any lease payments made at or before the commencement date.

The right-of use assets is measured using the cost model subsequently and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(16) *Intangible assets*

Computer software is recognized at the cost of acquisition and is amortized on a straight-line basis over the estimated useful life of 5 years.

(17) *Impairment of non-financial assets*

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(18) *Borrowing costs*

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(19) *Notes and accounts payable*

- A. Accounts payable refer to debts arising from purchase of goods or services and notes due to operation and non-operation.
- B. Short-term notes and accounts payable without bearing interest are measured at initial invoice amount by the Group as effect of discounting is immaterial.

(20) *Employee benefits*

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' compensation and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the shareholders at their shareholders' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates.

(21) *Share-based payment arrangements*

A. Employee share options

The employee share option granted to employees is the transfer of treasury shares held by the Group. The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding adjustment in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of treasury shares transferred to employees is the date on which the board of directors approves the transaction.

The Group revises the estimated number of employee share options that are expected to vest on each balance sheet date. The impact of the revision of the original estimates is recognized to profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital reserve - employee stock options is adjusted.

B. Restricted shares for employees

The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding adjustment in other equity - unearned employee compensation. It is recognized as an expense in full at the grant date if vested immediately.

When restricted shares for employees are issued, other equity - unearned employee compensation is recognized on the grant date, with a corresponding adjustment in capital surplus - restricted shares for employees. Dividends paid to employees on restricted shares that do not need to be returned if employees resign in the vesting period and are recognized as expenses when the dividends are declared with a corresponding adjustment in retained earnings and capital surplus - restricted shares for employees.

The Group revises the estimated number of restricted shares for employees that are expected to vest on each balance sheet date. The impact of the revision of the original estimates is recognized to profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees.

(22) *Income tax*

- A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operated and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulation. It establishes provisions where appropriated based on the amounts expected to be paid to the tax authorities.
- C. Deferred income tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the

deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(23) Revenue recognition

After the Group identifies performance obligations in the customer contract, it allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is met.

For contracts where the time interval between the transfer of goods and the receipt of the consideration is within one year, the transaction price of the major financial components of the contract will not be adjusted.

Revenue from merchandise sales from the sale of private label children's clothing. The Group recognizes revenue and accounts receivable at the point of time when merchandises are delivered at shipping point to customer along with the transfer of the right of setting price, the right-of-use, the main responsibility for resale, and the risks of obsolescence of products to the customers. The private label children's clothing sold online is recognized as revenue when the product arrives at the customer's designated location.

(24) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the strategic business unit. The strategic business unit, who is responsible for allocating resources and assessing performance of the operation segments, has been identified as the board of directors that makes strategic decisions.

5. Critical accounting judgments, estimates and key sources of assumption uncertainty

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The information is addressed below:

(1) Critical judgments in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

The Group makes estimates and assumptions based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid changes in the environment, the Group assesses the value of inventory on the balance sheet date due to obsolescence, or no market sales value, and writes down the cost

of inventory to the net realizable value. This inventory evaluation is mainly based on the estimated demand on product in a specific period in the future, therefore, there might be material changes to the evaluation.

As of December 31, 2020, the Group's carrying amount of inventories is \$21,230 thousand.

6. Details of significant accounts

(1) Cash and cash equivalents

	December 31,	
	2020	2019
Cash on hand and working capital	\$ 20	\$ 16
Checking accounts and demand deposits	934,431	1,056,950
Time deposits	1,313,100	-
Total	<u>\$ 2,247,551</u>	<u>\$ 1,056,966</u>

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, therefore the probability of counterparty default is remote. The Group's maximum exposure to credit risk at balance sheet date is the carrying amount of all cash and cash equivalents.

B. Time deposits, for the purpose of meeting short-term commitments rather than investments or other purpose, are within three months of maturity when acquired, and can be readily converted into a fixed amount of cash and subject to insignificant risk of changes in value, are presented in cash and cash equivalents.

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

	December 31,	
	2020	2019
Financial assets mandatorily measured at fair value through profit or loss		
Wealth management products - Non- guaranteed floating income products	\$ -	\$ 865,368
Wealth management products - Pegged guaranteed floating income products	-	1,520,269
	<u>\$ -</u>	<u>\$ 2,385,637</u>

A. The Group's wealth management products undertaken from the bank in 2019 are non-guaranteed floating income products, which are regular open wealth management products. The Group may apply for redemption of the share of wealth management products of the last closed period before the open day. The Group redeemed all of the products in 2019.

B. The wealth management products undertaken from securities company by the Group in 2019 is pegged guaranteed floating income products. The Group can redeem it at any time. The Group redeemed all of the products in 2019.

C. The Group recognized the gain on valuation of \$62,384 thousand and \$18,581 thousand in 2020 and 2019, respectively.

D. Information relating to credit risk, please refer to Note 12(3)

(3) Financial assets at amortized cost - current

	December 31,	
	2020	2019
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 1,575,720</u>	<u>\$ 1,506,750</u>
<u>Non-current</u>		
Restricted assets	<u>\$ -</u>	<u>\$ 9,010</u>

A. The interest rate for time deposits with original maturities of more than 3 months was 1.75% and 1.55% as of December 31, 2020 and 2019 respectively.

B. At December 31, 2019, the annual interest rate of restricted capital bank deposits as guarantee for long-term borrowing is 2.32%.

(4) *Accounts receivable*

	December 31,	
	2020	2019
Accounts receivable	\$ 1,081,264	\$ 2,569,995
Less: allowance for doubtful accounts	-	-
Total	<u>\$ 1,081,264</u>	<u>\$ 2,569,995</u>

A. The Group grants an interest free and average credit term of 90 days to its customer accounts.

B. The Group's maximum exposure to credit risk at December 31, 2020 and 2019 was the carrying amount of each class of accounts receivable and notes receivable.

C. The Group's aging analysis of accounts receivable is as follows:

	December 31,	
	2020	2019
Not past due	\$ 1,081,264	\$ 2,569,995
Past due less than 1 month	-	-
Past due less than 1 - 3 months	-	-
Past due less than 3 - 6 months	-	-
Past due less over 6 months	-	-
Total	<u>\$ 1,081,264</u>	<u>\$ 2,569,995</u>

D. The provision matrix for measuring the allowance for doubtful notes and accounts receivable by the Group is as follows:

December 31, 2020	Expected credit loss rate	Total carrying amount	Allowance for doubtful accounts (Lifetime expected credit loss)	Amortized cost
Not past due	-	\$ 1,081,264	\$ -	\$ 1,081,264
Past due less than 1 month	-	-	-	-
Past due 1 - 3 months	-	-	-	-
Past due 3 - 6 months	-	-	-	-
Past due over 6 months	-	-	-	-
Total		\$ 1,081,264	\$ -	\$ 1,081,264

December 31, 2019	Expected credit loss rate	Total carrying amount	Allowance for doubtful accounts (Lifetime expected credit loss)	Amortized cost
Not past due	-	\$ 2,569,995	\$ -	\$ 2,569,995
Past due less than 1 month	-	-	-	-
Past due 1 - 3 months	-	-	-	-
Past due 3 - 6 months	-	-	-	-
Past due over 6 months	-	-	-	-
Total		\$ 2,569,995	\$ -	\$ 2,569,995

E. Information relating to credit risk, please refer to Note 12(2).

(5) *Other receivables*

	December 31,	
	2020	2019
Other receivables	\$ 26,586	\$ 9,790
Less: allowance for doubtful accounts	-	-
Total	\$ 26,586	\$ 9,790

(6) *Inventories*

	December 31,	
	2020	2019
Merchandise	\$ 63,467	\$ 55,989
Less: allowance for decline in market value and obsolescence	(42,237)	(7,123)
Total	\$ 21,230	\$ 48,866

The cost of inventories recognized as expense (income) is as follows:

	For the year ended December 31,	
	2020	2019
Cost of sales	\$ 4,130,821	\$ 4,361,316
Impairment losses	35,114	5,642
Total	\$ 4,165,935	\$ 4,366,958

(7) *Property, plant and equipment*

	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Total
Cost					
At January 1, 2020	\$ 427,835	\$ 2,928	\$ 17,448	\$ 4,450	\$ 452,661
Additions	-	-	-	-	-
Net exchange differences	7,155	49	292	74	7,570
At December 31, 2020	<u>\$ 434,990</u>	<u>\$ 2,977</u>	<u>\$ 17,740</u>	<u>\$ 4,524</u>	<u>\$ 460,231</u>
At January 1, 2019	\$ 444,432	\$ 3,042	\$ 18,125	\$ 4,599	\$ 470,198
Additions	-	-	-	23	23
Net exchange differences	(16,597)	(114)	(677)	(172)	(17,560)
At December 31, 2019	<u>\$ 427,835</u>	<u>\$ 2,928</u>	<u>\$ 17,448</u>	<u>\$ 4,450</u>	<u>\$ 452,661</u>
Accumulated depreciation and impairment					
At January 1, 2020	\$ 156,310	\$ 2,586	\$ 10,864	\$ 3,808	\$ 173,568
Depreciation	19,642	35	1,351	70	21,098
Impairment loss	-	310	5,288	547	6,145
Net exchange differences	2,777	46	237	68	3,128
At December 31, 2020	<u>\$ 178,729</u>	<u>\$ 2,977</u>	<u>\$ 17,740</u>	<u>\$ 4,493</u>	<u>\$ 203,939</u>
At January 1, 2019	\$ 141,371	\$ 2,606	\$ 9,854	\$ 3,835	\$ 157,666
Depreciation	21,002	81	1,432	120	23,635
Net exchange differences	(6,063)	(101)	(422)	(147)	(6,733)
At December 31, 2019	<u>\$ 156,310</u>	<u>\$ 2,586</u>	<u>\$ 10,864</u>	<u>\$ 3,808</u>	<u>\$ 137,568</u>
Net book value					
At December 31, 2020	<u>\$ 256,261</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31</u>	<u>\$ 256,292</u>
At December 31, 2019	<u>\$ 271,525</u>	<u>\$ 342</u>	<u>\$ 6,584</u>	<u>\$ 642</u>	<u>\$ 279,093</u>

(8) *Leasing arrangements as lessee*

A. The leased assets by the Group are land use right with the length of lease usually ranges from three to fifty years. Lease contracts are negotiated individually and contain a variety of terms and conditions. The leased assets are not to be subleased, pledged, disposed of, and no other restrictions are imposed.

B. The carrying amounts of the right-of-use asset and the depreciation expense recognized are as follows:

	December 31, 2020	For the year ended December 31, 2020
	<u>Carrying amount</u>	<u>Depreciation</u>
Land use right	\$ 202,077	\$ 5,823

	December 31, 2019	For the year ended December 31, 2019
	<u>Carrying amount</u>	<u>Depreciation</u>
Land use right	\$ 204,528	\$ 5,999

C. Movements of the rights-of-use assets of the Group for the year 2020 and 2019 were as follows:

	<u>Land and land use right</u>
At January 1, 2020	\$ 204,528
Depreciation	(5,823)
Net exchange differences	3,372
At December 31, 2020	<u>\$ 202,077</u>
At January 1, 2019	\$ 218,461
Depreciation	(5,999)
Net exchange differences	(7,934)
At December 31, 2019	<u>\$ 204,528</u>

D. There are no major additions, dispositions, and impairments of the right-of-use assets of the Group in 2020 and 2019.

E. The income and expenses related to the lease contracts are recognized as follows:

Items affecting profit or loss	For the year ended December 31,	
	2020	2019
Interest expense on lease liabilities	\$ -	\$ -
Expense on short-term lease	\$ 10,515	\$ 6,408
Expense on lease of low-value assets	\$ -	\$ -

F. The total cash outflow for the leases of the Group in 2020 and 2019 amounted to \$10,515 thousand and \$6,408 thousand respectively.

(9) *Leasing arrangements as lessor*

A. The leased assets of the Group include land and buildings. The length of lease contracts usually ranges from one to six years. Lease contracts are negotiated individually and contain various terms and conditions. To ensure that the leased assets of the Group are used normally, the contract requires the lessee not to sublease, add, modify, pledge or use by a third party.

B. The Group respectively recognized the rental income from operating lease contracts of \$28,838 thousand and \$45,278 thousand in 2020 and 2019, of which none of the rental income was recognized as variable lease payments.

C. The lease receipts due under an operating lease of the Group are analyzed as follows:

	December 31,	
	2020	2019
At December 31, 2020	\$ -	\$ 17,327
At December 31, 2021	9,047	-
At December 31, 2022	-	-
At December 31, 2023	-	-
At December 31, 2024	-	-
At December 31, 2025	-	-
Total	\$ 9,047	\$ 17,327

(10) Intangible assets

	December 31,	
	2020	2019
Computer software	\$ -	\$ -
<u>Computer Software</u>		
<u>Cost</u>		
At January 1, 2019	\$ -	-
Additions		17,508
Amortization expenses	(3,210)
Impairment losses recognized	(14,298)
At December 31, 2019	\$ -	-

The Group assessed that due to the adjustments in sales strategy, the future economic benefits of the originally developed internet platform were limited, so it recognized an impairment loss of \$14,298 thousand in 2019.

(11) Prepayments

	December 31,	
	2020	2019
<u>Current</u>		
Other prepayment	\$ 4,397	\$ 177
Tax overpaid retained for offsetting the future tax payable	247,294	-
	<u>\$ 251,691</u>	<u>\$ 177</u>
<u>Non-current</u>		
Refundable deposits	\$ 219	\$ 215

(12) Short-term borrowings

	December 31,	
	2020	2019
Line of credit	\$ -	\$ 44,580
Other short-term loans	393,315	231,524
	<u>\$ 393,315</u>	<u>\$ 276,104</u>
Interest rate range (%)	<u>2.40</u>	<u>2.00~3.20</u>

A. The interest rate of line of credit was calculated based on the foreign currency lending index interest rate (non-U.S. dollar) + 2% of relative days.

B. Other short-term loans from related parties are obtained by the Group from the investors with significant influence over the Group; the loan contract with related parties was executed by the Group on August 2, 2018, of which, if 3M LIBOR+1% exceeds 3.50% in the future, the borrowing rate can be negotiated and adjusted at any time. On May 11, 2020, the board of directors resolved that due to the recent interest rate cut in the U.S. dollar, the borrowing rate was lowered to 2.4%, if 3M LIBOR+1.5% exceeds 2.5% in the future, the borrowing rate can be adjusted at any time. The principal and interest of the borrowings from related parties are paid in lump sum on maturity. However, the loan contract guarantees that the Group may not repay the loan before it obtained other sources of funds and repatriated its Chinese company's retained earnings.

(13) *Long-term borrowings*

Details	December 31,	
	2020	2019
Secured long-term borrowings		
– Starting from September 2019, repayment of the principal on each quarter, with floating interest and repaid early in full in the third quarter of 2020. The interest rate as of December 31, 2019 was 3.47%.	\$ -	\$ 90,098
Total	-	90,098
Less: long-term borrowings expired within one year	-	(45,049)
	\$ -	\$ 45,049

For details of collateral of long-term borrowings, please refer to Note 8.

(14) *Accounts payable*

	December 31,	
	2020	2019
Accounts payable	\$ 1,511,043	\$ 1,469,359

(15) *Other payable*

	December 31,	
	2020	2019
Salaries payable	\$ 17,427	\$ 35,744
Advertisements payable	61,988	31,841
Employees' bonus and directors' compensation payable	-	3,014
Other	33,459	72,755
Total	<u>\$ 112,874</u>	<u>\$ 143,354</u>

(16) *Retirement benefit plans*

The Company's Taiwan office adopted a pension plan under the Labor Pension Act (the "Act"), which is a government-managed defined contribution plan in ROC. Under the Act, an entity makes monthly contributions to employees' individual pension accounts established at the Bureau of Labor Insurance at 6% of monthly salaries and wages.

The employees of the Group's subsidiary, TOPBI China in China is a member of the government-managed retirement benefit plan operated by the government of China. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme. The total retirement benefit amount recognized in consolidated statements of comprehensive income was \$3,912 thousand and \$5,178 thousand for the years ended December 31, 2020 and 2019, respectively. The Group does not have its own retirement plan.

(17) *Ordinary shares*

A. As of December 31, 2020, the Company's authorized capital was \$1,500,000 thousand with par value of \$10 per share, all of which are ordinary shares. As of December 31, 2020, total paid-in capital was \$1,094,938 thousand.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	For the year ended December 31,	
	2020	2019
At January 1	\$ 94,955	\$ 82,645
Share dividends	14,539	12,310
At December 31	<u>\$ 109,494</u>	<u>\$ 94,955</u>

C. Treasury shares

	Number of treasury shares (in thousand)	
	For the year ended December 31,	
	2020	2019
At January 1	-	419
Increase	507	158
Decrease	-	(577)
At December 31	<u>507</u>	<u>-</u>

On November 9, 2018, the Company's board of directors resolved to buy-back no more than 1,100 thousand of treasury shares from the centralized securities exchange market in order to transfer the shares to employees. The repurchase price per share was between \$64.5 per share to \$143 per share during the period from November 12, 2018 to January 11, 2019. During the repurchase period, the Company bought-back a total of 577 thousand treasury shares at a cost of \$48,059 thousand.

On August 6, 2019, the Company's board of directors resolved to transfer a total of 577 thousand shares of the above-mentioned treasury shares at \$83.29 per share to employees for subscription. The employee's share subscription reference date was October 30, 2019. The value of the subscription rights per share calculated according to the Black-Scholes evaluation model was \$3.7. The remuneration cost recognized in the fourth quarter of 2019 increased \$2,135 thousand to the capital reserve - treasury shares. The parameters used in the evaluation model are as follows :

Share price on grant date (adjusted market price)	NT\$83.90
Exercise price	NT\$83.29
Expected volatility	20.37%
Expected duration	0.2411 year
Expected dividend yield	0%
Risk-free rate	0.643%

On August 12, 2020, the Company's board of directors resolved to buy-back no more than 1,000 thousand treasury shares from the centralized securities exchange market in order to transfer the shares to employees. The repurchase price per share was between \$30 per share to \$67 per share during the period from August 13, 2020 to October 12, 2020. During the repurchase period, the Company bought-back a total of 507 thousand treasury shares at a cost of \$17,152 thousand.

In accordance with the provisions of the Securities Exchange Act mentioned in the preceding paragraph, the proportion of shares purchased by the Company shall not exceed 10% of the total issued shares of the Company; the total amount of shares purchased shall not exceed the Company's retained earnings plus the premium on the issued shares and the realized amount of capital reserve.

Treasury shares held by the Group shall not be pledged in accordance with the provisions of the Securities Exchange Act, and shall not own the shareholder rights until the completion of transfer.

(18) *Capital surplus*

	December 31,	
	2020	2019
Share premium	\$ 1,517,887	\$ 1,517,887
Compensation cost of employees of transfer of treasury shares	2,135	2,135
Total	<u>\$ 1,520,022</u>	<u>\$ 1,520,022</u>

Pursuant to the ROC Company Act, capital surplus arising from paid-up capital in excess of par value on issuance of ordinary shares and donations can be used to cover accumulated deficit or to issue new shares or cash to

shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act of ROC requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) *Retained earnings*

A. Legal reserve

Except for covering accumulated deficit or issuing new shares or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of shares or cash to shareholders is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. Special reserve

When the Company distributes the earnings, in accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the current year balance sheet date. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified. If the aforesaid relevant assets are investment properties, the lands should be reversed during disposal or reclassification, and the part other than the lands should be reversed gradually during the period of use.

C. Distribution of retained earnings

In accordance with the Articles of Association, the current year's earnings, if any, shall be used to pay all taxes and offset prior years' operating losses, thereafter 10% of retained earnings shall be either set aside as legal reserve or appropriate to or reverse to special reserve according to the relevant regulations or as requested by the competent authorities. However, the Company shall not be subject to this requirement when the amount of legal reserve accumulated equal to the total authorized capital. For the remaining earnings plus and prior years' unappropriated retained earnings may be appropriated for at least 20% according to a proposal by the board of directors and approved in the shareholders' meeting as shareholders' dividends.

This distribution of shareholders' dividends shall be either in cash or shares, in which with cash dividends not less than 10% of the total dividend.

D. On June 22, 2020 and June 14, 2019, the Company resolved at the ordinary shareholders' meeting that 2019 and 2018 earnings distribution were proposed as follows:

	Proposed earnings distribution		Dividend per share	
	For the year ended December 31		For the year ended December 31	
	2019	2018	2019	2018
Legal reserve	\$ 113,482	\$ 95,363		
Special capital reserve	213,640	95,633		
Cash dividends	16,164	258,514	\$ 0.17	\$ 3.15
Share dividends	145,385	123,102	1.53	1.50

E. For details of information on employee's compensation and directors and supervisors' remuneration, please refer to Note 6(25).

(20) *Other equity items*

Exchange differences on translating the financial statements of foreign operations

	For the year ended December 31,	
	2020	2019
At January 1	(\$ 536,183)	(\$ 322,541)
Exchange differences on translation to the presentation currency	75,234	(213,642)
At December 31	(\$ 460,949)	(\$ 536,183)

(21) *Revenue*

	For the year ended December 31,	
	2020	2019
Revenue from customer contracts		
Sales revenue - merchandise	\$ 2,808,383	\$ 7,168,864

Breakdown information of the Group's revenue from customer contracts in 2020 and 2019:

	For the year ended December 31,	
	2020	2019
<u>Primary geographical markets</u>		
China	\$ 2,808,383	\$ 7,169,864
<u>Major merchandise</u>		
Infant clothing	\$ 745,522	\$ 1,486,869
Other children's clothing	2,062,861	5,682,995
	\$ 2,808,383	\$ 7,169,864
<u>Timing of revenue recognition</u>		
Satisfied at shipping point	\$ 2,808,383	\$ 7,169,864

(22) *Other income*

	For the year ended December 31,	
	2020	2019
Interest income		
Interest on bank deposits	\$ 35,308	\$ 34,620
Rental revenue	28,838	45,278
Other income	796	1,104
Total	\$ 64,942	\$ 81,002

(23) *Other gains and losses*

	For the year ended December 31,	
	2020	2019
Net currency exchange gain (loss)	\$ 21,189	(\$ 44,759)
Net gain on financial assets at fair value through profit or loss	62,384	18,581
Loss on disposal of intangible assets	-	(14,298)
Loss on disposal of property, plant and equipment	(6,145)	-
Other	(47)	-
Total	<u>\$ 77,381</u>	<u>(\$ 40,476)</u>

(24) *Additional disclosures related to cost of revenues and operating expenses are as follows:*

	For the year ended December 31,					
	2020			2019		
	Cost of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefit expenses	\$ -	\$ 92,396	\$ 92,396	\$ -	\$ 154,965	\$ 154,965
Depreciation	-	26,921	26,921	-	28,634	28,634
Amortization expenses	-	-	-	-	3,210	3,210

(25) *Employee benefit expenses*

	For the year ended December 31,	
	2020	2019
Wages and salaries – Non-director employee	\$ 77,391	\$ 144,642
Director’s remuneration	-	3,014
Pension costs	3,912	5,178
Other personnel expenses	11,093	2,131
Total	<u>\$ 92,396</u>	<u>\$ 154,965</u>

A. In accordance with the Articles of Association, the current year’s earnings, of the Company, shall be allocated no more than 10% as employee remuneration, and no more than 2% shall be paid as directors’ remuneration.

B. The estimated amounts of the Company’s employee compensation and directors’ compensation for 2020 and 2019 are \$0 thousand and \$3,014 thousand, respectively, which was estimated on the basis of the amount

that may be paid in consideration of the current operating conditions.

If there is a change in the amount after publication of the annual consolidated financial report, the differences are adjusted and recorded as change in accounting estimates next year.

The actual allotment of the Company's employee compensation and directors' compensation for 2019 is \$1,097 thousand, which is \$1,917 thousand different from the amount recognized in the 2019 financial report.

C. Please refer to Market Observation Post System for more information on the resolution related to the appropriation of distributable earnings as employees' compensation and directors' remuneration of the Company's board of directors and shareholders' meeting.

(26) *Finance costs*

	For the year ended December 31,	
	2020	2019
Interest expense		
Bank loans	\$ 1,957	\$ 3,835
Loans from related parties loans	7,532	34,523
	<u>\$ 9,489</u>	<u>\$ 38,358</u>

(27) *Income tax*

A. Income tax expense

Components of income tax expense:

	For the year ended December 31,	
	2020	2019
Current income tax for the year		
Current income tax for the year	\$ 65,353	\$ 378,930
Deferred tax		
Relating to origination and reversal of temporary differences	(128,821)	42,875
Income tax (gain) expense	<u>(\$ 63,468)</u>	<u>\$ 421,805</u>

B. Reconciliation between income tax expense and loss before income tax:

	<u>For the year ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
(Loss) income before income tax	(\$ 2,298,166)	\$ 1,556,624
(Loss) Income tax expense at statutory rate	(574,542)	419,589
Tax effect of adjusting items		
Permanent differences	17	2,230
Unrecognized temporary differences	127,077	-
Loss on unrecognized deferred tax assets	454,999	-
Adjustments for prior years	(71,019)	(14)
Income tax (gain) expense	<u>(\$ 63,468)</u>	<u>\$ 421,805</u>

C. Current tax liabilities

	<u>December 31,</u>	
	<u>2020</u>	<u>2019</u>
Current tax liabilities	<u>\$ -</u>	<u>\$ 133,881</u>

D. Deferred income tax assets and liabilities are as follows:

	<u>For the year ended December 31, 2020</u>			
	<u>At January 1</u>	<u>Recognized in profit or loss</u>	<u>Exchange differences</u>	<u>At December 31</u>
Deferred tax assets				
Accrued expenses	\$ 6,909	\$ 110,207	(\$ 75)	\$ 117,041
Deferred tax liabilities				
Investments accounted for using the equity method	\$ 289,492	\$ -	\$ 4,841	\$ 294,333
Other	3,984	-	67	4,051
	<u>\$ 293,476</u>	<u>\$ -</u>	<u>\$ 4,908</u>	<u>\$ 298,384</u>

	For the year ended December 31, 2019			
	At January 1	Recognized in profit or loss	Exchange differences	At December 31
Deferred tax assets				
Accrued expenses	\$ 46,031	(\$ 38,854)	(\$ 268)	\$ 6,909
Deferred tax liabilities				
Investments accounted for using the equity method	\$ 300,722	\$ -	(\$ 11,230)	\$ 289,492
Other	116	4,021	(153)	3,984
	<u>\$ 300,838</u>	<u>\$ 4,021</u>	<u>(\$ 11,383)</u>	<u>\$ 293,476</u>

E. The Group's income tax filing has been completed within the filing period in according to the local governments of different jurisdiction.

(28) *Earnings per share*

A. The calculation of earnings per share and weighted average number of ordinary share is as follows:

	For the year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares used in computation of basic earnings (in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Loss attributable to the Company	(\$ 2,234,698)	109,494	
Buy back of treasury shares by the Company	-	(139)	
	<u>(\$ 2,234,698)</u>	<u>109,355</u>	<u>(\$ 20.44)</u>
<u>Diluted earnings per share</u>			
None			

	<u>For the year ended December 31, 2019</u>		
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares used in computation of basic earnings (in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to the Company	<u>\$1,134,819</u>	<u>94,458</u>	<u>\$ 12.01</u>
<u>Diluted earnings per share</u>			
None			

(29) *Changes in liabilities from financing activities*

The reconciliation of the Group's liabilities from financing activities is as follows:

	<u>January 1, 2020</u>	<u>Cash flow</u>	<u>Other non-cash</u>	<u>December 31, 2020</u>
Short-term borrowings	\$ 276,104	\$ 324,091	(\$ 206,880)	\$ 393,315
Long-term borrowings (include current portion)	90,098	(87,690)	(2,408)	-
Guarantee deposits	2,765	(1,259)	36	1,542
Liabilities from financing activities	<u>\$ 368,967</u>	<u>\$ 235,142</u>	<u>(\$ 209,252)</u>	<u>\$ 394,857</u>
	<u>January 1, 2019</u>	<u>Cash flow</u>	<u>Other non-cash</u>	<u>December 31, 2019</u>
Short-term borrowings	\$ 1,457,079	(\$ 1,100,475)	(\$ 80,500)	\$ 276,104
Long-term borrowings (include current portion)	-	90,098	-	90,098
Guarantee deposits	2,872	-	(107)	2,765
Liabilities from financing activities	<u>\$ 1,459,951</u>	<u>(\$ 1,010,377)</u>	<u>\$ 80,607</u>	<u>\$ 368,967</u>

7. Related party transactions

Balances and amounts of transaction between the Company and subsidiaries had been eliminated upon consolidation and was not disclosed in this note. Details of transactions between the Group and other related parties were disclosed at follows:

(1) Related party name and category

Related party name	Related party category
Taiwan Toprich International Ltd.	Associate owned by the same director
Fujian Eastdragon Group Corp. Ltd	Associate owned by the same director
Fujian Yuansheng Textile & Garment City Co., Ltd.	Associate owned by the same director
Fuzhou Spring Investment Corp., Ltd	Associate owned by the same director
Jiangsu Caimaoke Industry & Trade Chenggufen Limited Company	Associate owned by the same director
Jiangsu Jinlu Fashion Co., Ltd.	Associate owned by the same director
Topwealth International Holdings Limited	Investor with significant influence over the Group

Topwealth International Holdings Limited, owned by the Company's director, Xun Cai Zhou, held the Company's shares.

(2) Purchase

Name	For the year ended December 31,	
	2020	2019
Jiangsu Jinlu Fashion Co., Ltd.	\$ 159,571	\$ -

(3) Lease arrangements - Group as a lessee

Rental expenses are as follows:

Name	For the year ended December 31,	
	2020	2019
Fuzhou Spring Investment Corp., Ltd	\$ 2,783	\$ 3,823
Jiangsu Caimaoke Industry & Trade Chenggufen Limited Company	7,066	1,595
	\$ 9,849	\$ 5,418

Future lease payment payables are as follows:

Name	For the year ended December 31,	
	2020	2019
Fuzhou Spring Investment Corp., Ltd	\$ 3,929	\$ 3,864
Jiangsu Caimaoke Industry & Trade Chenggufen Limited Company	7,954	1,152
	<u>\$ 11,883</u>	<u>\$ 5,016</u>

(4) Lease arrangements - Group as a lessor

Rental income are as follows:

Name	For the year ended December 31,	
	2020	2019
Fujian Eastdragon Group Corp. Ltd	\$ 16,459	\$ 21,996
Fujian Yuansheng Textile & Garment City Co., Ltd.	3,061	-
	<u>\$ 19,520</u>	<u>\$ 21,996</u>

Future lease payment receivables are as follows:

Name	For the year ended December 31,	
	2020	2019
Fujian Eastdragon Group Corp. Ltd	\$ 3,872	\$ 3,380
Fujian Yuansheng Textile & Garment City Co., Ltd.	2,780	-
	<u>\$ 6,652</u>	<u>\$ 3,380</u>

(5) Other income - property management income

Name	For the year ended December 31,	
	2020	2019
Fujian Eastdragon Group Corp. Ltd	\$ 318	\$ 437
Fujian Yuansheng Textile & Garment City Co., Ltd.	184	-
	<u>\$ 502</u>	<u>\$ 437</u>

The Group not only leases office to related parties but also leases office from related parties. Leasing price is calculated at local level. The lease payments were paid and collected quarterly or yearly.

(6) *Other income – others*

Name	For the year ended December 31,	
	2020	2019
Topwealth International Holdings Limited	\$ -	\$ 75

(7) *Consultant fee*

Name	For the year ended December 31,	
	2020	2019
Taiwan Toprich International Ltd.	\$ 666	\$ 640

(8) *Payables to related parties (excluding loans from related parties)*

Line Item	Name	December 31	
		2020	2019
Account payable			
- related parties	Jiangsu Jinlu Fashion Co., Ltd.	\$ 44,825	\$ -
Other payable - related parties	Topwealth International Holdings Limited	7,954	354
		\$ 52,779	\$ 354

The outstanding trade payables to related parties are unsecured. Other payable - related parties included interest payable for loans from related parties.

(9) *Refundable deposits*

Name	December 31,	
	2020	2019
Fuzhou Spring Investment Corp., Ltd	\$ 219	\$ 215

(10) *Guarantee deposits received*

Name	December 31,	
	2020	2019
Fujian Eastdragon Group Corp. Ltd	\$ 1,542	\$ 431

(11) *Loans from related parties*

Short-term borrowings

Name	December 31,	
	2020	2019
Topwealth International Holdings Limited	\$ 393,315	\$ 231,524

Interest expense

Name	For the Year Ended December 31,	
	2020	2019
Topwealth International Holdings Limited	\$ 7,533	\$ 34,523

The Group obtained loans from related parties at rates comparable to market interest rates (see Note 6(13)). The loans from related parties were unsecured.

(12) *Compensation of key management personnel*

	For the Year Ended December 31,	
	2020	2019
Short-term employee benefits	\$ 31,417	\$ 35,519
Post-employment benefits	264	386
Other employee benefits	-	3,014
Share-based payments	-	1,872
	\$ 31,681	\$ 40,791

8. Pledged of assets

Pledged assets	Purposes	Carrying value	
		December 31	
		2020	2019
Financial assets amortized at cost			
Bank pledged deposits	Long-term borrowings	\$ -	\$ 9,010

9. Significant contingent liabilities and unrecognized commitments

None.

10. Significant disaster loss

None.

11. Significant events after the balance sheet date

The Company's board of directors resolved on December 6, 2020, that the subsidiary, Shengrenda obtained the assets related to mask production and sales from its related parties, but which was suspended on March 12, 2021 by the Company's board of directors. In the future, if the Company evaluates that the medical device business is indeed necessary, the relevant departments will conduct research and discussion, and then submit to the audit committee to implement the evaluation procedures and consent, then report to the board of directors for a resolution and implementation accordingly.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts to adjust the most appropriate capital structure. The Group monitors capital on the basis of the gearing ratio. The Group's gearing ratios as of December 31, 2020 and 2019 are as follows:

	December 31,	
	2020	2019
Total liabilities	\$ 2,325,117	\$ 2,409,395
Total assets	\$ 5,801,578	\$ 8,078,636
Gearing ratio	40%	30%

During a recent review of the gearing ratio, the debt-to-asset ratio on December 31, 2020 was higher compared to December 31, 2019 which caused by the COVID-19 epidemic affects the sales by distributors to physical stores. The Company sells at lower prices in order to assist the distributors with long-term relationship to survive in the epidemic, resulting in a decrease in revenue and

related assets.

(2) *Financial instruments*

A. Financial instruments by category

	December 31,	
<u>Financial assets</u>	2020	2019
Financial assets at amortized cost		
Cash and cash equivalents	\$ 2,247,551	\$ 1,056,966
Financial assets mandatorily measured at fair value through profit or loss	-	2,385,637
Financial assets at amortized cost - current	1,575,720	1,515,760
Accounts receivables	1,081,264	2,569,995
Other receivable	26,586	9,790
Refundable deposits	219	215
	<u>\$ 4,931,340</u>	<u>\$ 7,538,363</u>
 <u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 393,315	\$ 276,104
Accounts payable	1,511,043	1,469,359
Other payable	120,828	143,708
Long-term borrowings (including current portion)	-	90,098
Guarantee deposits	1,542	2,765
	<u>\$ 2,026,728</u>	<u>\$ 1,982,034</u>

B. Financial risk management objectives and policies

The Group's financial instruments include equity and accounts receivables, other receivables, refundable deposits, accounts payable and other payables. Risk management is coordinated by the Group's finance department by entering domestic and international financial market operations and responsible to monitor and manage the financial risk according to the degree of risk and evaluating the breadth analysis of risk exposure. Such risk includes market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to reduce the risk by employing a risk management and to analyze, identify and evaluate the related financial risk that potentially poses adverse effects on the Group. The Group has a relevant plan to hedges the adverse factors of financial risk.

(A) Market risk

Market risk is arising from movements in market prices, such as foreign exchange risk and interest rate risk that affecting the Group's earning or financial instruments held by the Group. The objective of market risk management is to control the market risk exposure within affordable range and to optimize the return on investment.

The major markets risks undertake by the Group's operation are foreign exchange risk, interest rate risk and equity price risk. In practice, a movement by a single change in risk variables is rare, hence change in risk variables are always interrelated. The following sensitivity analysis did not consider the interaction of related risks variables.

a. Foreign exchange risk

The exchange rate risk of the Group is mainly related to business activities (when the currency used for income or expenses is different from the functional currency of the Group) and the net investment of foreign operating entities. The Group's exchange risk is mainly arising from the cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, accounts payable, other payable and other payables - related parties that are dominated in foreign currency.

Details of the unrealized exchange gains and losses of the Group's monetary items whose value would significant affected by exchange rate fluctuation are as follows:

For the year ended December 31, 2020			
	Foreign currency amount (in thousands)	Exchange rate	Unrealized exchange gains and losses (NT\$)
<u>Financial assets</u>			
US\$: CN¥	\$ 114	6.5295	\$ 11
HK\$: CN¥	46	0.8419	-
NT\$: CN¥	749	0.2341	18
<u>Financial liabilities</u>			
US\$: CN¥	\$ 12,159	0.2341	(\$ 2,272)
EUR : CN¥	1,343	8.0009	(1,609)

For the year ended December 31, 2019			
	Foreign currency amount (in thousands)	Exchange rate	Unrealized exchange gains and losses (NT\$)
<u>Financial assets</u>			
US\$: CN¥	\$ 585	6.9762	\$ -
NT\$: CN¥	815	0.2323	-
<u>Financial liabilities</u>			
US\$: CN¥	\$ 10,708	6.9762	\$ -
EUR : CN¥	1,340	7.8155	-
NT\$: CN¥	897	0.2323	-

The sensitivity analysis of the Group's exchange risk mainly focuses on the relevant foreign currency appreciation or depreciation of main foreign currency items at the closing date of financial reporting period, and its impact of appreciation/devaluation on the Group's profit and loss and equity.

The determination of below sensitivity analysis is based on the Group's non-functional currency assets and liabilities with significant exchange rate exposure at the balance date. The relevant information is as follows:

December 31, 2020						
	Foreign currency amount	Exchange rate	Carrying amount (NT\$)	Variation	Effect on profit or loss	Effect on equity
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$	\$ 114	6.5295	\$ 3,238	5%	\$ 162	\$ -
HK\$	46	0.8419	170	5%	9	-
NT\$	749	0.2341	749	5%	37	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
US\$	\$ 11,027	6.5295	\$ 345,213	5%	\$ 17,261	\$ -
EUR	1,343	8.0009	45,440	5%	2,272	-
December 31, 2019						
	Foreign currency amount	Exchange rate	Carrying amount (NT\$)	Variation	Effect on profit or loss	Effect on equity
<u>Financial assets</u>						
<u>Monetary items</u>						
US\$	\$ 585	6.9762	\$ 17,555	5%	\$ 912	\$ -
NT\$	815	0.2323	815	5%	42	-
<u>Financial liabilities</u>						
<u>Monetary items</u>						
US\$	\$ 10,708	6.9762	\$ 321,603	5%	\$ 16,704	\$ -
EUR	1,340	7.8155	45,100	5%	4,094	-
NT\$	897	0.2323	897	5%	46	-

b. Interest rate risk

The borrowing by the entities within the Group at floating rate, exposes the Group to change in fair value risk and cash flow risk. The Group by maintaining an appropriate combination of floating rate to manage interest rate risk. The Group assesses its hedging activities on a regular basis to ensure hedging strategies are

established consistently between interest rate and risk preferences and in most cost-effective manner.

The Group's exposure on financial liabilities rate risk is described in this note for liquidity risk management below.

Sensitivity analysis

The following sensitivity analysis is based on interest rate risk exposure on the non-derivative instruments at the closing reporting date of reporting period. Regarding the liabilities with variable interest rate, the following analysis is on the basis of the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increase or decrease by 1% when key management report internally, which also represents management of the Group's assessment on the reasonably possible interval of interest rate change.

If the interest rate has increased or decreased by 1% with other variable held constant, the net profit before tax would have increased or decrease by \$3,933 thousand and \$3,662 thousand for the years ended December 31, 2020 and 2019, respectively, which would be mainly resulted from the Company's borrowing with variable interest rate.

(B) Credit risk

Credit risk refers to the risk of financial loss to the Group arising from default by counterparties on the contract obligations. The Group's credit risk is attributable to its operating activities (mainly accounts receivables) and financial activities (mainly bank deposits).

Each unit of the Group follows credit risk policies, procedures and controls to manage credit risk. The credit risk assessment of all counterparties is based on factors such as the financial position, the rating of the credit rating agency, historical trading experience, the current economic environment and the Group's internal rating criteria etc.

The credit risk by geographic location of the Group is mainly concentrated in China which accounts for 100% of the total accounts receivable as of December 31, 2020 and 2019. However, the accounts receivable did not significantly concentrate on the individual customers. Based on previous experience, the credit status of the customers is good and the credit risk is relatively insignificant.

The credit risk from bank deposits and other financial instruments is measured and supervised by the finance department of the Group. The counterparties of the Group are banks with good credit rankings, which have no contract performance risk. Thus, the credit risk is insignificant.

(C) Liquidity risk

Liquidity risk refers to risk when the Group is unable to settle its financial liabilities by cash or other financial assets and failure to fulfill obligations associated with existing operations.

The Group manages its liquidity risk by maintaining adequate cash and cash equivalents in order to cope and mitigate the effects of the Group's operating cash flow fluctuations. The Group's management oversight banking facilities usage and ensure the terms of the loan agreement are followed.

Table of liquidity and interest rate risk

The table below analyses the Group's non-derivative financial liabilities based on remaining period to the contractual maturity date during the agreed repayment period and in accordance to the possible earliest required date of repayment. The financial liabilities in below table prepared by undiscounted cash flows.

December 31, 2020				
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total of undiscounted cash flows
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Short-term borrowings	\$ 393,315	\$ -	\$ -	\$ 393,315
Accounts payable	1,511,043	-	-	1,511,043
Other payables (include related parties)	120,828	-	-	120,828
Guarantee deposits	1,542	-	-	1,542
Total	\$ 2,026,728	\$ -	\$ -	\$ 2,026,728

December 31, 2019				
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total of undiscounted cash flows
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Short-term borrowings	\$ 276,104	\$ -	\$ -	\$ 276,104
Long-term borrowings (include current portion)	45,049	45,049	-	90,098
Accounts payable	1,469,359	-	-	1,469,359
Other payables (include related parties)	143,708	-	-	143,708
Guarantee deposits	2,765	-	-	2,765
Total	\$ 1,936,985	\$ 45,049	\$ -	\$ 1,982,034

The amount of above non-derivative financial assets and liabilities instruments with floating interest rate will be varied when the estimated rate became different at the end of reporting period.

(3) Fair value information

A. The different levels of valuation techniques which are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: The input value of this level is the public quotation (unadjusted) of the identical asset or liability in the active market. A market is regarded as active when the goods in the market are in same nature and the price information is readily available in the public market for both buyers and sellers. The fair values of the Group's investments in publicly listed securities and beneficiary certificate are included in this level.

Level 2: Inputs other than the observable publicly quoted prices included within Level 1 for assets and liabilities, either directly (such as price) or indirectly (such as derived from the price).

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable, other receivables, refundable deposits, accounts payable and other payables are reasonable approximations of fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss				
Wealth management products	\$ -	\$ -	\$ 2,385,637	\$ 2,385,637

As of December 31, 2020, there are no financial and non-financial instruments measured at fair value.

13. Supplementary disclosures

(1) *Significant transactions information:*

No.	Items	Footnote
1	Loans to others	Table 1
2	Provision of endorsements and guarantees to others	None
3	Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates and joint ventures)	None
4	Purchase or sale of the same security with the accumulated cost exceeding \$300 million or 20% of paid-in capital or more	Table 2
5	Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more	None
6	Disposal of real estate reaching \$300 million or 20% of paid-in capital or more	None
7	Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more	Table 3
8	Receivables from related parties reaching \$100 million or 20% of paid-in capital or more	Table 4
9	Derivative financial instruments undertaken	None
10	Significant inter-company transactions between the Company and subsidiaries	Table 5

(2) *Information on investments: Table 6*

(3) *Information on investments in Mainland China: Table 7*

(4) *Information of major shareholders: Table 8*

Table 1

TOPBI International Holdings Limited Company and Subsidiaries

Loans to others

For the years ended December 31, 2020

(Expressed in thousands of New Taiwan dollars)

NO. (Note 1)	Lender	Borrower	Financial statement account	Related Party	Maximum balance for the period (Note 4)	Ending balance	Actual borrowing amount	Interest rate (%)	Nature of financing (Note 2)	Business transaction amount	Reasons for short-term financing	Allowance for impairment loss	Collateral		Financing limit for each borrower (Note 2)	Aggregate financing limit (Note 2)	Note
													Item	Value			
1	TOPBI China	The Company	Other receivables from related parties	Yes	\$ 1,313,100 (CN¥300,000 thousand)	\$ 1,313,100 (CN¥300,000 thousand)	\$ 614,929 (CN¥140,491 thousand)	2.4%~ 3.2%	(2)	\$ -	Working capital	\$ -	-	-	\$ 11,204,967	\$ 11,204,967	-
	TOPBI China	HK TOPBI	Other receivables from related parties	Yes	875,400 (CN¥200,000 thousand)	875,400 (CN¥200,000 thousand)	769,288 (CN¥175,757 thousand)	2.4%~ 3.2%	(2)	-	Working capital	-	-	-	11,204,967	11,204,967	-
	TOPBI China	Fujian SDO	Other receivables from related parties	Yes	2,188,500 (CN¥500,000 thousand)	2,188,500 (CN¥500,000 thousand)	1,313,000 (CN¥300,000 thousand)	2.4%	(2)	-	Working capital	-	-	-	11,204,967	11,204,967	-

Note 1: The intercompany transactions between the companies are identified and numbered as follows for indication:

(1) Parent company: 0

(2) Subsidiaries start from 1 consecutively.

Note 2: The types of transactions between related parties are as follows:

(1) Have business dealings

(2) Those who need short-term financing.

Note 3: According to the lending policies of TOPBI China, the aggregate amount of loan to other companies shall not exceed forty percent (40%) of net worth stated in the latest financial report of lender. The respective loan amounts shall not exceed ten percent (10%) of the net worth of borrower. The loan will not be subjected to the restriction mentioned in the aforesaid paragraph, when the loan between the lender and the foreign company held by the Company, whose voting shares are 100% directly or indirectly owned; or when the loan to the Company of which the lender and the foreign company held by the Company, whose voting shares are 100% directly or indirectly owned. However, the total amount of loan and loan to individual borrower shall not exceed two hundred (200%) of the net worth of the lender.

Note 4: The maximum balance is calculated based on the exchange rate at the end of the period.

Note 5: Transactions between the Company and its subsidiaries were eliminated on consolidated

Table 2

TOPBI International Holdings Limited Company and Subsidiaries

Purchase or sale of the same security with the accumulated cost exceeding \$300 million or 20% of paid-in capital or more

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan dollars)

Sales/purchase of the company	Type and name of marketable securities	Financial statement account	counterparty	relationship	Beginning balance		Purchase		Sale				Ending balance	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Carrying amount	Gain (loss) on disposal	Number of shares	Amount
TOPBI China	Wealth Management product - pegged guaranteed floating income products (Huafu Securities Co., Ltd.)	Financial assets at fair value through profit or loss - current	-	-	337,674,867.34	\$ 1,545,698 (CN¥ 353,141 thousand)	-	\$ -	337,674,867.34	\$ 1,580,412 (CN¥ 361,072 thousand)	\$ 1,545,698 (CN¥ 353,141 thousand)	\$ 34,428 (CN¥ 7,931 thousand)	-	\$ -
	Green-bamboo-public-share Series Financial Products of Special Asset Management of CMBC (China Minsheng Banking Corp., Ltd.)	Financial assets at fair value through profit or loss - current	-	-	-	875,400 (CN¥ 200,000 thousand)	-	-	-	903,588 (CN¥ 206,440 thousand)	875,400 (CN¥ 200,000 thousand)	27,956 (CN¥ 6,440 thousand)	-	-

Table 3

TOPBI International Holdings Limited Company and Subsidiaries

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan dollars)

Sales/purchase of the company	Transaction party	Relationship	Detail of transaction				Circumstances and reasons of why trading conditions are different from ordinary trading		Notes and accounts receivable (payable)		Note
			Sales/purchase	Amount	Percentage of total purchase (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
TOPBI China	Jiangsu Jinlu Fashion Co., Ltd.	Associate owned by the same director	Purchase	\$ 159,571	4%	90 days	\$ -	-	\$ 44,825	3%	-

Table 4

TOPBI International Holdings Limited Company and Subsidiaries
 Receivables from related parties reaching \$100 million or 20% of paid-in capital or more
 For the year ended December 31, 2020
 (Expressed in thousands of New Taiwan dollars)

Company Name	Transaction party	Relationship	Financial statement account and ending balance	Turnover rate	Overdue		Amount received in subsequent period	Allowance for doubtful accounts
					Amount	Actions taken		
TOPBI China.	The Company	Ultimate parent company	\$ 640,477	-	\$ -	-	\$ -	\$ -
TOPBI China	HK TOPBI	Parent company	793,854	-	-	-	-	-
TOPBI China	Fujian SDO	Parent company	1,316,435	-	-	-	-	-

Note: Transactions between the Company and its subsidiaries were eliminated on consolidated.

Table 5

TOPBI International Holdings Limited Company and Subsidiaries
Significant inter-company transactions between the Company and subsidiaries

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan dollars)

No.	Transaction party	Counterparty	Relationship (Note 1)	Transaction details			
				Financial statement accounts	Amount	Payment terms	% to total sales or total assets
0	The Company	HK TOPBI	1	Other receivables - related parties	\$ 866 (CN¥ 198 thousand)	Advance payment	-
1	TOPBI China	The Company	2	Other receivables	638,669 (CN¥145,915 thousand)	Loan to (Principal and interest)	11
1	TOPBI China	The Company	2	Other receivables	1,808 (CN¥ 413 thousand)	Advance payment	-
1	TOPBI China	The Company	2	Interest income	16,397 (CN¥ 3,777 thousand)	Loan to	-
1	TOPBI China	HK TOPBI	3	Other receivables	793,852 (CN¥181,369 thousand)	Loan to (principal and interest)	14
1	TOPBI China	HK TOPBI	3	Other receivables	2 (CN¥ 1 thousand)	Advance payment	-
1	TOPBI China	HK TOPBI	3	Interest income	20,512 (CN¥ 4,525 thousand)	Loan to	-
1	TOPBI (China) Fashion Corp., Ltd.	Fujian SDO Textile & Industry Goods Crop., Ltd.	3	Other receivables	1,316,435 (CN¥300,762 thousand)	Loan (principal and interest)	23
1	TOPBI (China) Fashion Corp., Ltd.	Fujian SDO Textile & Industry Goods Crop., Ltd.	3	Interest income	3,295 (CN¥ 759 thousand)	Loan to	-

Note 1: The types of transactions between related parties are as follows for indication:

- (1) From parent company to subsidiary: 1
- (2) From subsidiary to parent company: 2
- (3) Between subsidiaries: 3

Note 2: Transaction between the Company and its subsidiaries were eliminated on consolidated.

Table 6

TOPBI International Holdings Limited Company and Subsidiaries

Information on investments

For the years ended December 31, 2020

(Expressed in thousands of New Taiwan dollars)

Investor company	Investee company	Location	Main business and products	Original investment amount (Note 1)		As of December 31, 2020			Net income (loss) of the investee	Share of profit (loss)	Note
				December 31, 2020	December 31, 2019	Number of shares	%	Carrying amount			
The Company	HK TOPBI	Hong Kong	Investment holding	\$ 1,394,727 (CN¥ 318,649 thousand)	\$ 1,394,727 (CN¥ 318,649 thousand)	174,227,460	100	\$ 4,513,094 (CN¥ 1,031,093 thousand)	(\$ 2,212,321) (CN¥ (509,634) thousand)	(\$ 2,212,321) (CN¥ (509,634) thousand)	-

Note 1: The amount was calculated at the year-end exchange rate.

Note 2: Net income of investees, investments accounted for using the equity method of investor and net assets of investee company between the investor and investee company have been eliminated on consolidation.

Note 3: Refer to Table 5 for information relating to investees in Mainland China.

Table 7

TOPBI International Holdings Limited Company and Subsidiaries
Information on investments in Mainland China
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan dollars)

Investee company in Mainland China	Main businesses and products	Paid-in capital (Note 1)	Method of investment (Note 2)	Accumulated outward remittance for investment from Taiwan As of January 1, 2020	Remittance of funds		Accumulated outward remittance for investment from Taiwan as of December 31, 2020	Net Income (loss) of the investee	% Ownership of direct or indirect investment	Investment gain (loss) (Note 3)	Carrying amount as of December 31, 2020	Accumulated repatriation of investment income as of December 31, 2020
					Outward	Inward						
TOPBI China	Sale of private label children's clothing	\$ 787,860 (CN¥ 180,000 thousand)	(2)、(3)	\$ -	\$ -	\$ -	\$ -	(\$ 2,193,043) (CN¥ 505,193 thousand)	100	(\$ 2,193,043) (CN¥ 505,193 thousand)	\$ 5,602,486 (CN¥ 1,279,983 thousand)	\$ -
Fujian SDO	Investment holding	210,008 (CN¥ 47,980 thousand)	(2)	-	-	-	-	(582,771) (CN¥ 134,248 thousand)	100	(582,771) (CN¥ 134,248 thousand)	1,488,806 (CN¥ 340,143 thousand)	-
Shengrenda	Manufacturing and sales of medical equipment and medical supplies	-	(2)	-	-	-	-	-	100	-	-	-

Accumulated outward remittance for investment in Mainland China as of December 31, 2020	Investment amount authorized by Investment Commission, Ministry of Economic Affairs	Upper limit on the amount of investment stipulated by Investment Commission, Ministry of Economic Affairs
Not Applicable	Not Applicable	Not Applicable

Note 1: The amount was calculated at the year-end exchange rate.

Note 2: Three type of investment methods are as follows for indication:

- (1) Invest directly in Mainland China.
- (2) Invest in Mainland China through third-region companies.
- (3) Other methods: Invest in Mainland through Fujian SDO

Note 3: The amount is recognized based on the audited financial statements. .

Note 4: Net income of investees, investments accounted for using the equity method of investor and net assets of investee company between the investor and investee company have been eliminated on consolidation.

Table 8

TOPBI International Holdings Limited Company and Subsidiaries
Information of major shareholders
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan dollars)

No.	Name of major shareholder	Number of shares held	Percentage of shareholding (%)
1	Topwealth International Holdings Limited	16,061,082	14.66

Note 1: The information of major shareholders in the above table was calculated by the Taiwan Depository and Clearing Corp. based on the information of shareholders of the Company who hold more than 5% of ordinary shares and special shares and have been completed the non-physical registration and delivery (including treasury shares) on the last business day of the end of each quarter. As for the shares capital recorded in the Company's financial statements may vary from the Company's actual number of shares which completed the non-physical registration and delivery due to different calculation basis or differences.

14. Segment information

Except for TOPBI China, the Group is specializing in investment holding. TOPBI China is mainly engaged in the sale of its own private label children's clothing, which is main source of profit for the Company. The segmentation information provided to operational decision-makers for review and the measurement basis is the same information reported in the financial statements. Therefore, the operational segmentation information that should be reported in 2020 and 2019 can be referred to consolidated financial statements for the years ended December 31, 2020 and 2019.

(1) Revenue from major products

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the year ended December 31,	
	2020	2019
Infant clothing	\$ 745,522	\$ 1,486,869
Other children's clothing	2,062,871	5,682,995
	<u>\$ 2,808,383</u>	<u>\$ 7,169,864</u>

(2) Geographical information

The Group operates mainly in China.

(3) Information about major customers

For the years ended December 31, 2020 and 2019, the Group's revenue from one single customer which exceeds 10% of total operating revenue is as of the following:

Customer	For the years ended December 31,			
	2020	%	2019	%
Customer A	\$ 693,216	25	\$ --	--



淘帝國際控股有限公司

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