

2021 ANNUAL REPORT

淘帝國際控股有限公司
TOPBI INTERNATAIONAL HOLDINGS LIMITED



Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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4. List of the Board of Directors :

18 May 2022

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 General Manager of New Asia Construction & Development Corp.

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Address : 6F., No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City

Website : <http://www.gfortune.com.tw>

Tel : (02)2371-1658

6. Name, company name, address, website and contact phone number of the Certified Public Accountant (CPA) for the latest annual financial report:

Accountant : Chen, Kuanghui ; Kuo, Chenyu

Accounting firm : ShineWing Taiwan

Address : 11F, No. 1, Section 4, Nanjing East Road, Songshan District, Taipei City,

Website : <http://www.swtw.com.tw> Tel : (02)7706-4888

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 2022. The annual operating performance of 2021 and the business plan for 2022 are summarized as follows:

1. Operating performance in 2021

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

According to the China National Garment Association's Economic Operation Briefing on China's Garment Industry from January to December 2021, as of December 2021, China's garment industry continues to recover the momentum of development, production continues to rebound, domestic sales improve steadily, exports maintain rapid growth, enterprise benefits gradually improved, profitability slightly improved, the overall economic operation of the industry to achieve a stable end. Driven by positive factors such as the recovery of demand outside China, the production growth of China's garment industry has gradually stabilized, and output has basically returned to the pre-epidemic scale. However, there are still four factors affecting the operation of the garment industry, including the weakening of the demand growth in the international market, the epidemic has accelerated adjustment of the global supply chains, the lack of endogenous impetus for the recovery of Chinese consumption and the continuous increase of business pressure.

The lack of endogenous driving force for China's consumption recovery refers to the fact that the recovery of China's consumer market has been affected to some extent by the repeated epidemic and extreme weather. The growth rate of sales and investment has slowed down, showing a weak recovery overall. According to the National Bureau of Statistics, China's retail sales of consumer goods grew 12.5 percent year-on-year in the January-December period, with a two-year average growth rate of 3.9 percent, 4.1 percentage points lower than in the same period in 2019. The new orders component of the manufacturing purchasing managers' index (PMI) has been in contraction territory for five consecutive months in December, reflecting overall weak demand. In the fourth quarter, China's per capita personal income and per capita consumer spending rose 8.1 percent and 12.6 percent year-on-year, 3.9 and 4.8 percentage points slower than in the first half of the year, respectively. Among them, the per capita clothing consumption expenditure in the fourth

quarter was 1,419 yuan, up 14.6% year on year, 6.8 percentage points slower than the first half of the year.

In addition, under the influence of multiple factors such as the spread of the global epidemic, the complex international situation, the limited loop of the industrial and supply chains, and the rising commodity prices, the operating pressure of China garment enterprises continues to increase, especially the rising manufacturing costs and export costs of small and medium-sized enterprises. Tight energy supply and rising raw material prices have pushed up the prices of intermediate products. The gap between the purchasing price index of textile raw materials and the producer price index of clothing industry has been widening, rising to 9.2 percentage points in December, severely narrowing corporate profit margins. On the other hand, due to the impact of the epidemic, port congestion and poor collection and distribution system have led to multiple increases in international freight prices. In addition, the RMB exchange rate and the DOLLAR index have strengthened simultaneously, and garment export enterprises are faced with exchange losses, logistics difficulties and extended payment settlement cycle, which have brought great risks to normal production and operation of enterprises.

To sum up, the China clothing market will recover in 2021, and the company will also be committed to improving the overall performance of the company by maintaining market share and shipment volume in 2020, controlling order quantity, enhancing shipping discount and ensuring loss reduction as business objectives.

(2) Budget implementation

The company's 2021 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 2021 was NT\$2.964 billion, rise 5.54 percent from its consolidated revenue of NT\$2.808 billion in 2020; Net loss after tax for 2021 was NT\$0.7 billion, declined 68.64 percent from NT\$2.23

million net loss after tax in 2020; Earnings per share after tax for 2020 was a loss of NT\$6.43. (see table below).

Analysis of the project		Year		
		2021	2020	Increase (decrease) ratio (%)
Profit and loss analysis	Operating income (thousand)	2,963,906	2,808,383	5.54%
	Operating margin (thousand)	-220,712	-1,357,552	83.74%
	After-tax profit (thousand)	-700,818	-2,234,698	68.64%
Profitability	Net profit rate (%)	-23.65%	-79.57%	70.28%
	EPS (NT)	-6.43	-20.44	68.54%

(4) Research and development status

In 2021, the epidemic situation in China is still repeated from time to time, and the strict control lockdown and "zero clearance" policy still affect the operation of some regional agents of the company. In addition, the record extreme rainstorm weather prompted the company to accelerate the research on relevant technologies for the transformation of marketing from offline to online. In order to combat the continuous weakness of offline marketing, the company continues to cooperate with relevant universities on the technical impact of 5G technology on the garment industry, and explore the seamless integration of supply chain and sales end to achieve flexible production and intelligent sales. In addition, in the process of product development, the company continues to explore the application of antibacterial fabrics in new products to protect children from bacteria and viruses. At present, a few products have tried to use fabrics such as "anti-odor Fabric" and "anti-mite Fabric" to improve the antibacterial properties of children's wear products. Affected by the repeated epidemic, China scientific research institutes and university institutions are still developing new antibacterial fabrics. The company will continue to closely cooperate with Minjiang University, Art and Craft College of Fuzhou University, Jiangxi Institute of Fashion and other institutions of higher learning to study the application direction of all kinds of healthy antibacterial new materials. With a view to applying the latest antibacterial technology to the field of children's wear. It can enhance the antibacterial effect of children's wear, improve the safety of children's wear products in the face of uncertain environmental pollution, and also improve the degree of scientific and

technological innovation of children's wear to a certain extent, creating more differentiated advantages for the company's children's wear products.

2. Business plan for 2022

(1) Business objectives

In 2022, the global economic recovery and the recovery of international market demand will slow down, and the China economy will face considerable downward pressure. However, the fundamentals of strong macroeconomic resilience and long-term sound growth will remain unchanged. Under this development background, the economic operation of China's garment industry has the stable and good conditions and foundation. Based on the high base effect of the industry's recovery growth in 2021 and the weakening of the market recovery, it is expected that the overall economy of the garment industry will run at a low speed in 2022 and gradually return to the track of normal recovery.

From the perspective of the China market, the macroeconomic environment becomes more complex, and the network channel passes the period of concentrated release of dividends brought by the epidemic. The domestic apparel market will continue to maintain recovery growth, but the growth rate will show a marginal slowdown. China will firmly implement the strategy of expanding domestic demand to deploy, effective to boost public consumption, foster new consumption and expanding urban consumption, expedite rural consumption and a series of policies and measures, continue to promote new forms, new scenes and new products, new brand to flourish, to help China's garment market present a high-quality development trend of product innovation, quality improvement and brand upgrading. From the perspective of the international market, supported by a number of foreign trade stabilization policies, overseas demand recovery, implementation of regional trade agreements, industrial chain advantages and other positive factors, China's garment export in 2022 is expected to maintain a stable operation from a high base. However, it will still face many downward risks and challenges, such as increased uncertainty in the recovery of consumer demand in the international market, the backflow of overseas orders may gradually fade, and the international logistics difficulties, freight increases, geopolitics, Uyghur Human Rights Policy Act of 2020 related laws, and RMB exchange rate fluctuations.

In the face of the complex and changeable development environment outside China, the company will continue to stabilize the total volume of orders, increase shipping prices, control gross profit, reduce operating losses as the goal, the implementation of the "Increase income and reduce expenditure" business policy. "Increase income" means to expand online channels, accelerate the transformation to online sales, fully open the online sales licensing rights of

existing agents, encourage and guide agents to expand online channels, accelerate online retail layout, and strive to make up offline losses by online, in line with the pipeline reform in the post-epidemic era. In addition, the company will also reduce the company's operating and management expenses by appropriately reducing the proportion of advertising expenses to sales expenses, reduce personnel costs, control travel on business and entertaining and all kinds of unnecessary office expenses, and strive to return to positive operating performance in 2022.

(2) Sales forecast and sales policy

In the past year, China's garment industry has slowly recovered from the major impact of COVID-19 in 2020. Under the combined action of multiple factors such as low base effect, China's economic stimulus policy and adjustment of epidemic control measures, China's garment industry ushered in the dawn of pre-epidemic return in 2021, but faced with the overall market environment in 2022, it was still under great pressure, and omicron infection intensified, leading to repeated outbreaks. China's clothing market still faces great uncertainties due to many challenges such as slowing economic growth, rising inflation and supply chain bottlenecks. According to China's National Bureau of Statistics, in 2021, the retail sales of clothing, shoes, hats and needles above designated size reached 1.384.2 trillion yuan, an increase of 12.7 percent over the previous year, and an average growth of 1.2 percent over the two years compared with 2019. The per capita consumption expenditure on clothing was 1,419 yuan, an increase of 14.6 percent over the previous year, accounting for 5.9 percent of the per capita consumption expenditure. Compared with 2019, the average growth rate of clothing expenditure in the past two years was 3.0 percent. In 2021, online retail sales of clothing products will grow by 8.3 percent. Because of influenced by the epidemic situation and weather in some regions, the retail sales of clothing knitting in units above designated size decreased year-on-year for five consecutive months from August to December 2021. Therefore, the company's 2022 operating expectations remain cautious, it is expected that this year will continue the previous year's operating expectations, take a stable strategy to control the total number of orders, gradually increase the shipment price, in order to ensure gross profit as the main goal, according to the market conditions appropriate adjustment of 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

In recent years, traditional offline clothing enterprises are facing more and more problems. First, the sharp increase in the number of stores brought by brand clothing enterprises cost upward pressure, coupled with inventory backlog, rental increase, personnel costs increase and other factors, the store closure continues to intensify. More than two years after the outbreak, the sale of physical store have been hit by a drop in traffic to department stores. With the consumer of the post-90s and post-00s, as well as the rapid development of mobile Internet and mobile payment, "Internet +" has quietly entered our lives and changed our lives, from online commodity purchase to offline mobile payment. "Online + offline" integrated marketing has become a new consumer trend, completed the pipeline transformation of clothing enterprises will become the real winner. On the one hand, it broadens the sales channels of clothing brands, it can also optimize the shopping experience of consumers to the greatest extent. How to realize the seamless connection between online and offline will depend on the channel integration ability of garment enterprises. Therefore, the company will fully open the online sales rights of agents this year, while strengthening efforts to encourage and guide agents to increase their online layout. On the basis of last year's practice, it continues to explain that agents use wechat member special performance, small program distribution, live broadcast and other forms to promote online channels to reduce the impact of offline channels on performance.

(b) Online model, assist agents to introduce a variety of sales channels, including livestream e-commerce

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

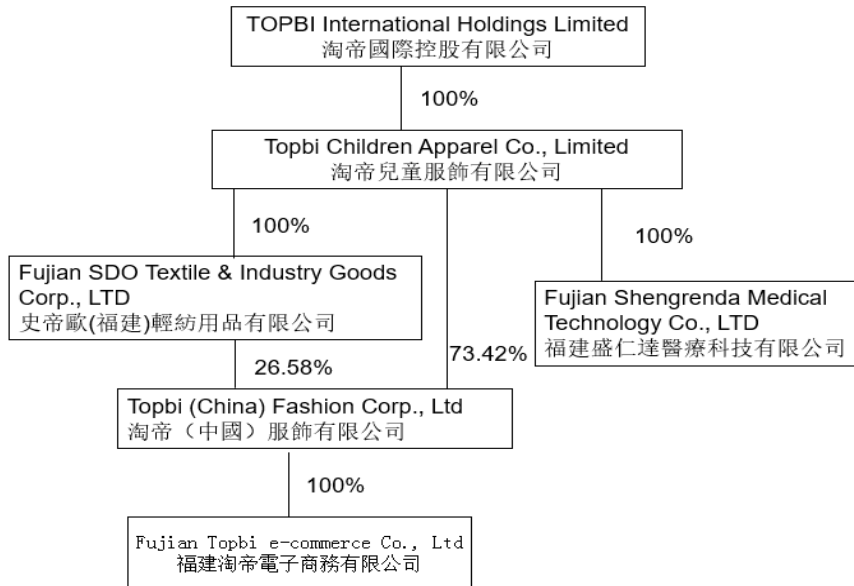
(1) TOPBI International Holdings Limited (hereinafter called "the company", "the group" or "TOPBI International company" established on October 3, 2012, in the British Cayman Islands, and completed the restructuring of the group in the fourth quarter. Our important investments are TOPBI Children Apparel 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 and the cancellation of registration was completed with the approval of the local government on February 9, 2022. Fujian Topbi E-commerce Co., Ltd. is mainly engaged in online sales of children's brand clothing. Since its establishment in 2021, there has been no sales activity. The rest are investment holding companies.

(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 13 provinces and 2 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.

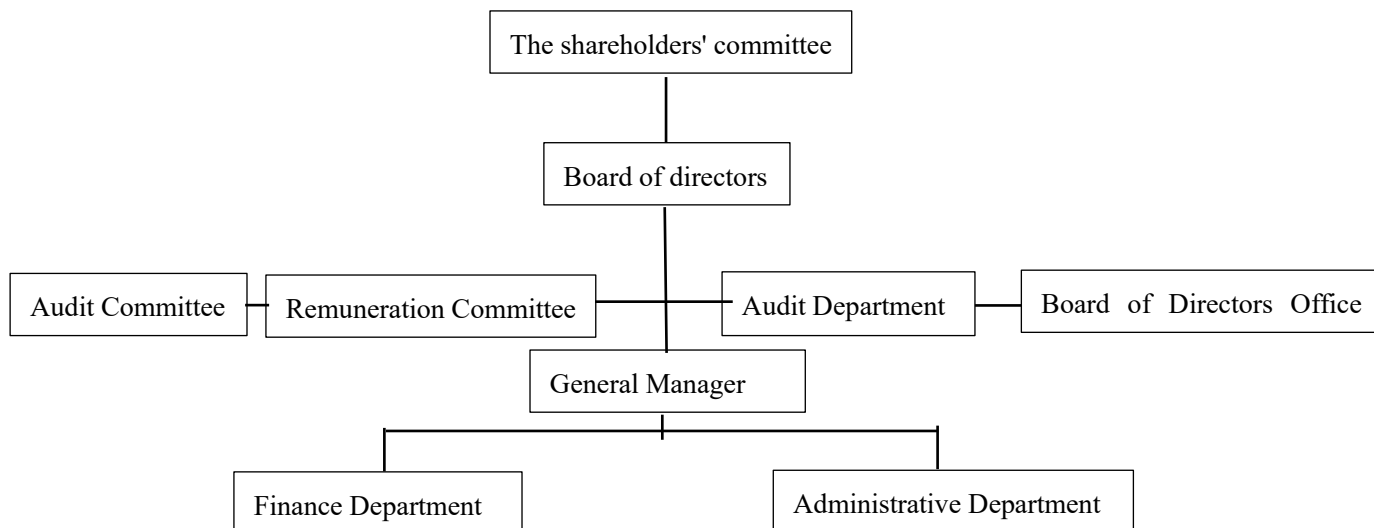
May 2019	"TOPBI" brand was awarded "Advanced Private Enterprise" by FuJian branch of Agricultural Development Bank of China.
July 2019	"TOPBI" brand was awarded the title of "2018 top 100 enterprises in China's garment industry" by China Garment Association.
October 2020	"TOPBI" brand was awarded the 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)
September 2021	Fujian Topbi E-commerce Co., Limited was registered and established (Topbi E-commerce)

III. Corporate Governance Report

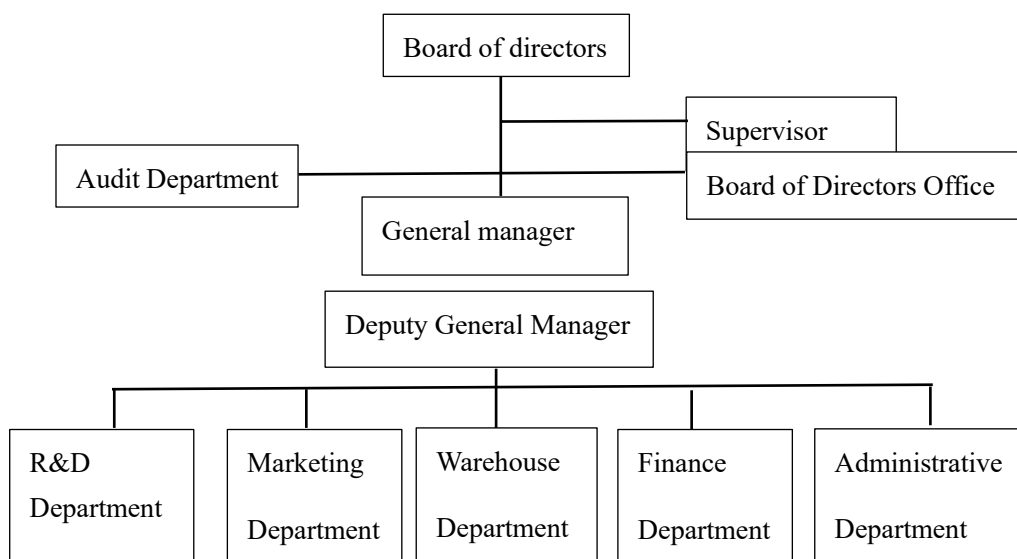
1. Organization

(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

May 18, 2022; 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 General Manager 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 independent information disclosure of directors :

Criteria Name	Professional Qualification and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Zhou Xun Cai	Served as the chairman of the board of directors of the company since its establishment and has nearly 30 years of experience in the trade field, specializing in board leadership experience, operation and management, financial and accounting business experience. There was no violation of Article 30 of the Company Act.	Not Available	-
Lien Chih Chi	Expertise in board leadership experience, operation and management experience. There was no violation of Article 30 of the Company Act.		-

Chen DongSheng	Expertise in board leadership experience, operation and management experience. There was no violation of Article 30 of the Company Act.	<p>The independent directors of the Company have met the following independence requirements under the Securities and Exchange Act:</p> <ul style="list-style-type: none"> • Not an employee of the company or any of its affiliates. • 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. • 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. • 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. 	-
Wu Chin Shan	Expertise in board leadership experience, operation and management, financial expertise, and work experience of the board members of other publicly issued companies. There was no violation of Article 30 of the Company Act.	<ul style="list-style-type: none"> • 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. • 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. 	-
Lai Tiao Tsan	Expertise in board leadership experience, operation and management, accounting expertise, and work experience of the board members of other publicly issued companies. There was no violation of	<ul style="list-style-type: none"> • 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. • 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. 	-

	Article 30 of the Company Act.	<ul style="list-style-type: none"> • 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. • Not having a marital relationship, or a relative within the second degree of kinship to any other director of the company. • Not having any of the situations set forth in Article 30 of the Company Act of the ROC. • Not a government agency, juristic person, or its representative set forth in Article 27 of the Company Act of the ROC 	
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(e) Board diversity and independence

1. Board diversity:

In accordance with the company's policy of diversity, strengthening corporate governance and promoting the sound composition and structure of the board of directors, the company shall adopt the candidate nomination system in accordance with the provisions of the Articles of Association. Evaluate the candidates' academic qualifications and work experiences, measure their professional background, credibility, or relevant professional qualifications, and submit them to the shareholders' meeting for election after passing the resolution of the board of directors. The composition of the board of directors shall not exceed one third of the total number of directors who are also managers of the company, and shall formulate appropriate diversification policies for its own operation, business type and development needs, including but not limited to the following:

- A. Basic qualifications and values: sex, age, nationality, and culture.
- B. Professional knowledge and skills: Operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market view, leadership, and decision-making skills.

Title	Name	Basic Composition				Industry Background				Professional knowledge and skills					
		Nationality	Sex	Age		Accounting	Industry	Law	Business	Operational Judgment	Management ability	Leadership and decision making ability	Crisis management capability	Industry knowledge	International market view
				40~50 Years	60~70 Years										
Director	Zhou Xun Cai	Hong Kong	Male		v		v		v	v	v	v	v	v	
	Lien Chih Chi	Taiwan	Male	v			v		v	v	v	v	v	v	
Independent Director	Chen DongSheng	China	Male		v		v		v	v	v	v	v	v	
	Wu Chin Shan	Taiwan	Male		v	v	v		v	v	v	v	v	v	
	Lai Tiao Tsan	Taiwan	Male		v	v	v		v	v	v	v	v	v	

2. Board independence:

The company has a total of 5 directors, among which 3 are independent directors, accounting for 60% of the total number of directors. All the directors of the company are not related to each other by spouse or second relative, and if the matters of the board meeting involve the interests of the directors, the directors will avoid the discussion and voting of the proposal, so as to ensure the independent and objective performance of the board of directors. The board of directors of the Company is independent (please refer to page 18 of this Annual Report - The professional qualifications and independent information disclosure of directors). The education, sex and work experience of each director (please refer to page 16-17 of this annual Report - Directors' information)

(2) Information of management team

May 18, 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	2016.03	—	—	—	—	—	—	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 Topbi E-commerce 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	Supervisor of Fujian Topbi E-commerce Co., LTD	—	—	—
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	—	—	—	—

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 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 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 SDO Textile & Industry Goods Corp., Limited Vice chairman of Fujian Topbi E-commerce Co., Ltd	—	—	—			

3. Remuneration of Directors, Independent Directors, Supervisors, President, and Vice Presidents

(1) 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)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Lien Chih Chi	307	307	-	-	-	-	28	28	335 0.05%	335 0.05%	-	-	-	-	-	-	-	-	335 0.05%	335 0.05%	-
Independent Director	Chen DongSheng	511	511	-	-	-	-	-	-	511 0.07%	511 0.07%	-	-	-	-	-	-	-	-	511 0.07%	511 0.07%	-
	Wu Chin Shan	511	511	-	-	-	-	28	28	539 0.08%	539 0.08%	-	-	-	-	-	-	-	-	539 0.08%	539 0.08%	-
	Lai Tiao Tsan	511	511	-	-	-	-	28	28	539 0.08%	539 0.08%	-	-	-	-	-	-	-	-	539 0.08%	539 0.08%	-
<ul style="list-style-type: none"> Please state the remuneration policy, system and standard of independent directors, and state the correlation between the remuneration amount and the responsibility, risk, investment time and other factors: The remuneration conditions of independent directors are consistent. Remuneration received by directors of the company for services rendered in the most recent year (e.g., as an adviser to the parent company/to all companies listed in the financial reports/to subventures other than employees) except as disclosed in the table above: None. 																						

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

(2) 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	-	5,666	-	-	-	470	-	-	-	-	-	6,136 0.88%	-

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

The company does not distribute employee remuneration

(3) Remuneration of the Top Five Executives of Company

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	-	5,666	-	-	-	470	-	-	-	-	-	6,136 0.88%	-
Director of Administration Dept. of Topbi International	Wu DongFeng	-	3,086	-	-	-	255	-	-	-	-	-	3,341 0.48%	-
Director of Warehouse Dept. of Topbi (China) Fashion Corp., Ltd.	Yang Wen	-	2,333	-	-	-	192	-	-	-	-	-	2,525 0.36%	-
Director of R&D Dept. of Topbi (China) Fashion Corp., Ltd.	Guan YouJin	-	2,333	-	-	-	192	-	-	-	-	-	2,525 0.36%	-
Director of Marketing Dept of Topbi (China) Fashion Corp., Ltd.	Lin, Yong	-	2,333	-	-	-	192	-	-	-	-	-	2,525 0.36%	-

(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	2020				2021			
	The company		Consolidated		The company		Consolidated	
	Amount	%	Amount	%	Amount	%	Amount	%
Director	3,385	-0.15	10,085	-0.45	1,924	-0.26	1,924	-0.27
General Manager & Deputy General Manager	—	—	7,214	-0.30	—	—	6,136	-0.88
After-tax profit	-2,234,698	100.00	-2,234,698	100.00	-700,818	100.00	-700,818	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.

4. Implementation of Corporate Governance

(1) Operations of the board of directors

A total of 12 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	12	-	100%	Re-appointed on January 21,2021
Director	Lien Chih Chi	11	-	100%	Newly appointed on January 21, 2021
Independent director	Chen DongSheng	10	1	90.91%	Re-appointed on January 21, 2021
Independent director	Wu Chin Shan	11	-	100%	Newly appointed on January 21, 2021
Independent director	Lai Tiao Tsan	11	-	100%	Newly appointed on January 21, 2021

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 act 14-3 listed items	The independent director opposes or neutral
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The fifth session, 2nd meeting 2021.3.12	1.Appoint new accounting firms and certified accountants through the company	√	None
	2.Suspending the resolution of the board of Directors of the company on December 6, 2020 concerning the production and sales of masks and the transfer of assets between subsidiaries and related persons	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: Zhou Xun Cai is avoiding exercise the voting rights in the case of Suspending the resolution of the board of Directors of the company on December 6, 2020 concerning the production and sales of masks and the transfer of assets between subsidiaries and related persons. All the attending of directors and independent directors passed the case without objection.		
The fifth session, 3rd meeting 2021.3.26	1.The effectiveness assessment and internal control statement of the company's internal control system in 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 fifth session, 4th meeting 2021.4.23	1.Report on the revision of procurement, production and internal control cycle and accounting system of the subsidiary Topbi China	√	None
	2.The company's 2020 annual compensation distribution plan for employees and directors	√	None
	3.The company's general director and independent director salary case	√	None
	4.The organization rules and salary management methods of the remuneration committee of the company are proposed	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: The company's general director and independent director salary case divided into two votes. All the attending of directors and independent directors passed the case without objection. Lien Chih Chi is avoiding exercise the voting rights in the case of the company's general director salary. Lai Tiao Tsan, Wu Chin Shan, and Chen DongSheng are avoiding exercise the voting rights in the case of the company's independent director salary. All the attending of directors and independent directors passed the case without objection.		
The fifth session, 5th meeting 2021.5.13	1.Revise the management method of the company and its subsidiaries' authority of approval	√	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 fifth session, 6th meeting	1.Revise to the provisions of the Management Measures for Lending Funds to Other Parties of the company and its subsidiaries	√	None

2021.6.10	2.Proposal of loans and transactions through subsidiaries	√	None
	3.Proposal of borrowing from the subsidiary – Topbi (China) Fashion Co., Ltd	√	None
	4.The improvement plan for obtaining or disposing of financial products through the subsidiary Topbi (China) Fashion Co., Ltd., and the accountant's opinion on the rationality of financial products obtained through the subsidiary	√	None
	Opinions of independent directors: None		
	The firm's opinion on independent directors: None		
	The resolution: Zhou Xun Cai is avoiding exercise his voting rights in the case of loans and transactions through subsidiaries and case of borrowing from the subsidiary – Topbi (China) Fashion Co., Ltd. All the attending of directors and independent directors passed the case without objection.		
The fifth session, 7th meeting 2021.7.16	1.By requesting the subsidiary to ratify the relevant transaction in accordance with the fourth resolution of the Board of Directors of the Company in 2019 for the case of the Short-term Investment Plan of the Subsidiary 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 fifth session, 8th meeting 2021.8.2	1.The amendment to the consolidated financial reports of the company and its subsidiaries in 2020 and the first quarter of 2021, and the amendment to the deficit compensation proposal of the company in 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		

(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	Passing the proposal of suspending the resolution of the board of Directors of the company on December 6, 2020, concerning the production and sales of masks and the transfer of assets between subsidiaries and related persons	interest at stake	Approval from the other directors

Lien Chih Chi, Lai Tiao Tsan, Wu Chin Shan, and Chen DongSheng	Passing the proposal of the company's general director and independent director salary case	interest at stake	Approval from the other directors
Zhou Xun Cai	Passing the proposal of loans and transactions through subsidiaries	interest at stake	Approval from the other directors
Zhou Xun Cai	Passing the proposal of borrowing from the subsidiary – Topbi (China) Fashion Co., Ltd	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, 2021 to December 31, 2021	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 11 (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	10	1	90.90%	Re-appointed on January 21, 2021
Independent director	Wu Chin Shan	11	-	100%	Newly appointed on January 21, 2021
Independent director	Lai Tiao Tsan	11	-	100%	Newly appointed on January 21, 2021

Other items to be recorded:

- 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 fifth session, 2nd meeting 2021.3.12	1.Appoint new accounting firms and certified accountants through the company	√	None
	2.Suspending the resolution of the board of Directors of the company on December 6, 2020 concerning the production and sales of masks and the transfer of assets between subsidiaries and related persons	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fifth session, 3rd meeting 2021.3.26	1.The effectiveness assessment and internal control statement of the company's internal control system 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 fifth session, 4th meeting 2021.4.23	1.Adoption of the Company's 2020 consolidated financial statements	√	None
	2.The company's 2020 annual compensation distribution plan for employees and directors	√	None

	3.The company's general director and independent director salary case	√	None
	4.The organization rules and salary management methods of the remuneration committee of the company are proposed	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fifth session, 5th meeting 2021.5.13	1. Revise the management method of the company and its subsidiaries' authority of approval	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fifth session, 6th meeting 2021.6.10	1.Revise to the provisions of the Management Measures for Lending Funds to Other Parties of the company and its subsidiaries	√	None
	2.Proposal of loans and transactions through subsidiaries	√	None
	3.Proposal of borrowing from the subsidiary – Topbi (China) Fashion Co., Ltd	√	None
	4.The improvement plan for obtaining or disposing of financial products through the subsidiary Topbi (China) Fashion Co., Ltd., and the accountant's opinion on the rationality of financial products obtained through the subsidiary	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fifth session, 7th meeting 2021.7.16	1. The amendment to the consolidated financial statements of the company and its subsidiaries in 2020, the amendment to the deficit compensation proposal of the company in 2020, and the reformulation of the consolidated financial statements of subsidiaries for the first quarter of 2021	√	None
	2. By requesting the subsidiary to ratify the relevant transaction in accordance with the fourth resolution of the Board of Directors of the Company in 2019 for the case of the Short-term Investment Plan of the Subsidiary in 2019	√	Yes
	Audit committee opinion: 1. Future relevant investment plans shall be discussed case by case. 2. Ratification no longer occurs and is no longer discussed.		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
	1.The amendment to the consolidated financial reports of the company and its subsidiaries in 2020 and the first	√	None

The fifth session, 8th meeting 2021.8.2	quarter of 2021, and the amendment to the deficit compensation proposal of the company in 2020		
	Audit committee opinion: The company is requested to review and plan the use of RMB400 millions of current deposit in Agricultural Bank of China for operating turnover. If there is any surplus, the company should arrange to repay the loan from TOPWEALTH and submit the annual cash to the independent director in a written plan		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fifth session, 9th meeting 2021.8.26	1.The company's second quarter 2021 consolidated financial report	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		
The fifth session, 10th meeting 2021.11.12	1.The company and subsidiaries' third quarter 2021 consolidated financial report	√	None
	Audit committee opinion: None		
	Opinions of independent directors: None		
	Resolution result: All members of the board of auditors have passed without objection		

(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.	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	
<p>(a) Does the board formulate and implement a diversity policy and specific management objectives regarding membership?</p> <p>(b) In addition to the remuneration committee and audit committee, does the company voluntarily set up other functional committees?</p> <p>(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?</p> <p>(d) Does the company regularly assess the independence of the CPA?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p>		<p>(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.</p> <p>(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.</p> <p>(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.</p>	<p>No significant difference</p> <p>No significant difference</p> <p>No significant difference</p>
<p>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?</p>	<p>Yes</p>		<p>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.</p>	<p>No significant difference</p>

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>	
<p>9. Please referred to the annual corporate governance evaluation released by the Taiwan Stock Exchange, it shows our recent improvements, and priorities to strengthen the matters that have yet to be improved: The company did not participate in the latest annual corporate governance evaluation.</p>				

Remarks 1: Directors' training records in 2021.

Title	Name	Date	Hours	Organization	Course
Director	Lien Chih Chi	2021.10.28	3	Securities & Futures Institute	2021 Annual Anti-insider Trading Seminar
		2021.11.5	3	Securities & Futures Institute	2021 Annual Insider Equity Trading Legal Compliance seminar
Independent Director	Lai Tiao Tsan	2021.5.7	3	Taiwan Corporate Governance Association	Risk and financial management issues in Corporate Governance 3.0
		2021.9.1	3	Financial Supervisory Commission R.O.C (Taiwan)	The 13th Taipei Corporate Governance Forum
		2021.11.5	3	Securities & Futures Institute	2021 Annual Anti-insider Trading Seminar
	Wu Chin Shan	2021.9.1	3	Financial Supervisory Commission R.O.C (Taiwan)	The 13th Taipei Corporate Governance Forum
		2021.11.5	3	Securities & Futures Institute	2021 Annual Anti-insider Trading Seminar
		2021.12.7	3	Taiwan Stock Exchange	2021 Cathay Pacific Sustainable Finance and Climate Change Summit

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

(a) Member information of remuneration committee.

2022.05.18

Title	Criteria Name	Professional qualifications and working experience	Independent Criteria	Concurrently assume other public company remuneration committee member number		
Independent director	Chen DongSheng	Refer to page XX for directors' professional qualifications and disclosure of independent directors' independence	<ul style="list-style-type: none"> • Not an employee of the Company or any of its affiliates. • 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). • 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. • 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). • 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). • 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). • 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). • 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). • 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. • Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C. 	0		
Convener and independent director	Lai Tiao Tsan					0
Independent director	Wu Chin Shan					0

(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: 21.01.2021-20.01.2024. The remuneration committee met 3 times (A) in the 2021 annual report, members and attendance are as follows:

Title	Name	Attendance (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Member	Chen DongSheng	3	-	100	Re-appointed on January 21, 2021
Member	Lai Tiao Tsan	3	-	100	Newly appointed on January 21, 2021
Convener	Wu Chin Shan	3	-	100	Newly appointed on January 21, 2021

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) Implementation of Sustainable Development and Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons.

Promote Item	Implementation Status			The differences and reasons of the code of practice on sustainable development of the listed company
	Yes	No	Summary	
1. Whether the company has established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle, and the board of directors' supervision?	Yes		The company has established a governance structure to promote sustainable development and set up a full-time unit of sustainable development in the office of the board of directors, and the board of directors authorized senior management to deal with the situation and report to the board of directors.	There are no significant differences.
2. 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.
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; Fujian SDO Textile & Industry Goods Corp., Ltd and Fujian Topbi E-commerce Co., Ltd have 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, water-saving electricity and photovoltaic power stations have been built.	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	There are no significant differences.

Promote Item	Implementation Status			The differences and reasons of the code of practice on sustainable development of the listed company
	Yes	No	Summary	
(IV) Has the company made statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?	Yes		of climate change and launches products such as sunscreen clothing in response to climate-related issues. (IV) Our company to promote low-carbon office, water and electricity saving and photovoltaic power stations have been built.	There are no significant differences.
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	Yes		(VI) Our company has formulated supplier management policies, requiring suppliers to follow relevant norms in environmental	There are no significant differences.

Promote Item	Implementation Status			The differences and reasons of the code of practice on sustainable development of the listed company
	Yes	No	Summary	
environmental protection, occupational safety and health, and labor rights, and what is its implementation status?			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.	
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, the company will prepare the sustainability report and other reports to expose the company's non-financial information in accordance with the international standards or guidelines for the preparation of reports, and obtain the confirmation or assurance opinion of the third party verification.	There are no significant differences
6. If a company has its own sustainable development code of practice in accordance with the Code of Practice on Sustainable Development 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 sustainable development for listed companies without material difference.				
7. The sustainable development 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：111年3月18日

本公司民國110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之達成，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、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，認為本公司於民國110年12月31日之內部控制制度(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、為上市公告及申報之需要，本公司依據「處理準則」及「臺灣證券交易所股份有限公司外國發行人第一上市後管理作業辦法」第四條第二項之規定，委託會計師專案審查上開期間與外部財務報導之可靠性及與保障資產安全(使資產不致在未經授權之情況下取得、使用或處分)有關的內部控制制度，如前項所述，其設計及執行係屬有效，並無影響財務資訊之記錄、處理、彙總及報告可靠性之重大缺失，亦無影響保障資產安全，使資產在未經授權之情況下逕行取得、使用或處分之重大缺失。
- 七、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、第三十二條、第一百七十一條及第一百七十四條等之法律責任。
- 八、本聲明書業經本公司民國111年3月18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：周訓財 簽章

總經理：周志鴻 簽章

(b) The internal audit report by the entrusted accountant shall be disclosed:



信永中和聯合會計師事務所 | ShineWing CPAs (Taiwan) | T +886 2 7706 4888 | F +886 2 7706 4899
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淘帝國際控股有限公司
內部控制制度審查報告

後附淘帝國際控股有限公司民國一十一年三月十八日謂經評估認為其與外部財務報導及保障資產安全有關之內部控制制度，於民國一十一年一月一日至民國一十一年十二月三十一日係有效設計及執行之聲明書，業經本會計師審查竣事。維持有效之內部控制制度及評估其有效性係公司管理階層之責任，本會計師之責任則為根據審查結果對公司內部控制制度之有效性及上開公司之內部控制制度聲明書表示意見。

本會計師係依照「公開發行公司建立內部控制制度處理準則」及一般公認審計準則規劃並執行審查工作，以合理確信公司上述內部控制制度是否在所有重大方面維持有效性。此項審查工作包括瞭解公司內部控制制度、評估管理階層評估整體內部控制制度有效性之過程、測試及評估內部控制制度設計及執行之有效性，以及本會計師認為必要之其他審查程序。本會計師相信此項審查工作可對所表示之意見提供合理之依據。

任何內部控制制度均有其先天上之限制，故淘帝國際控股有限公司上述內部控制制度仍可能未能預防或偵測出業已發生之錯誤或舞弊。此外，未來之環境可能變遷，遵循內部控制制度之程度亦可能降低，故在本期有效之內部控制制度，並不表示在未來亦必有效。

依本會計師意見，依照「公開發行公司建立內部控制制度處理準則」之內部控制有效性判斷項目判斷，淘帝國際控股有限公司與外部財務報導及保障資產安全有關之內部控制制度，於民國一十一年十二月三十一日之設計及執行，在所有重大方面可維持有效性；淘帝國際控股有限公司於民國一十一年三月十八日所出具謂經評估認為其上述與外部財務報導及保障資產安全有關之內部控制制度係有效設計及執行之聲明書，在所有重大方面則屬允當。

信永中和聯合會計師事務所
會計師：陳光慧



郭鎮宇



行政院金融監督管理委員會證券期貨局
核准文號：107 金管證審字第 1070345892 號
108 金管證審字第 1080305189 號
中華民國一十一年三月十八日

(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: On March 16, 2021, the Taiwan Stock Exchange Co., LTD announced that the company's securities were listed as a change of trading method and notified the company on the same day, concerning the verification of article 4, Item 1, item 1 of the former procedure. Our company has violated the rules of the previous disclosure procedure by delaying the declaration until 10:28am on March 17, 2021. please pay nt \$30,000 to the finance department of Taiwan Stock Exchange Co., LTD.

Improvement: Fine has 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 (2021) 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	January 4, 2021	1. Approved the list of candidates for independent director of the Company 2. Approved to the amendment of the list of candidates for directors (excluding independent directors) of the Company.
Interim meeting of shareholders	Jan 21, 2021	3. The nomination of chairman in the interim meeting of shareholders 4. The Company's second implementation of the repurchase of the Company's shares implementation report

		<p>5. The general election of directors of the company</p> <p>6. Restriction case of lifting the non-competition prohibition of the new director</p>
Board meeting	February 3, 2021	<p>1. Approved the election of chairman</p> <p>2. Approved the appointment of members of the compensation Committee</p>
Board meeting	March 12, 2021	<p>1. Approved the appointment of new accounting firm and certified accountant</p> <p>2. Approved 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</p> <p>3. Adopt the performance evaluation plan of the board of Directors in 2020</p>
Board meeting	March 26, 2021	<p>1. Approved the 2020 annual internal control system effectiveness assessment and internal control statement of the company</p> <p>2. By booking an ordinary meeting of shareholders for June 24, 2021</p>
Board meeting	April 23, 2021	<p>1. Adoption of the company's 2020 consolidated financial statements</p> <p>2. Approved the company's 2020 annual compensation distribution plan for employees and directors</p> <p>3. Adoption of the company's 2020 annual business report</p> <p>4. Approved the company deposit and open an account at the Taiwan Cooperative Bank International Financial Branch and other related matters</p> <p>5. Approved the company's general director and independent director salary case</p> <p>6. Passing the organizational rules and salary management methods of the company's compensation committee and propose proposals</p>
Board meeting	May 13, 2021	<p>1. Approved the company's 2021 annual accountant independence</p> <p>2. Approved the company's 2020 deficit compensation proposal</p> <p>3. Approved the amendment to the convening of the company's 2022 ordinary meeting of shareholders</p> <p>4. Approved the proposal of the revision of the company and its subsidiaries approval authority management methods</p>
Board meeting	June 10, 2021	<p>1. Revise to the provisions of the Management Measures for Lending Funds to Other Parties of the company and its subsidiaries</p> <p>2. Approved the proposal of loans and transactions through subsidiaries</p> <p>3. Approved the proposal of borrowing from the subsidiary – Topbi (China) Fashion Co., Ltd</p> <p>4. To formulate the date and venue of the postponement of the 2022 annual general meeting of shareholders in response to the impact of the epidemic</p> <p>5. Approved the improvement plan for obtaining or disposing of financial products through the subsidiary Topbi (China) Fashion Co., Ltd., and the accountant's opinion on the rationality of financial products obtained through the subsidiary</p>

Board meeting	July 16, 2021	<p>1. The amendment to the consolidated financial statements of the company and its subsidiaries in 2020, the amendment to the deficit compensation proposal of the company in 2020, and the reformulation of the consolidated financial statements of subsidiaries for the first quarter of 2021</p> <p>2. By requesting the subsidiary to ratify the relevant transaction in accordance with the fourth resolution of the Board of Directors of the Company in 2019 for the case of the Short-term Investment Plan of the Subsidiary in 2019</p> <p>3. Approved the proposal of changing the venue of the 2022 annual general meeting of shareholders</p>
Board meeting	August 2, 2021	1. The amendment to the consolidated financial reports of the company and its subsidiaries in 2020 and the first quarter of 2021, and the amendment to the deficit compensation proposal of the company in 2020
Interim meeting of shareholders	August 5, 2021	<p>1. Adoption of the company's 2020 annual business report and financial statements</p> <p>2. Adoption of the company's 2020 deficit compensation proposal</p> <p>3. Amendment to the provisions of the "Management Measures for Lending Funds to Other Parties" of the company</p>
Board meeting	August 26, 2021	<p>1. The company's second quarter 2021 consolidated financial report</p> <p>2. Approved the set up a new subsidiary in Fuzhou by Topbi (China) Fashion Co., Ltd.</p>
Board meeting	November 12, 2021	1. The company carries out the performance evaluation plan of the Board of Directors in 2021
Board meeting	December 24, 2021	1. Approved the 2022 audit plan of the company and its subsidiaries
Board meeting	March 18, 2022	<p>1. Adopt the performance evaluation plan of the board of Directors in 2021</p> <p>2. Adoption of the company's 2021 consolidated financial statements</p> <p>3. Adoption of the company's 2021 deficit compensation proposal</p> <p>4. Approved the company's 2021 annual compensation distribution plan for employees and directors</p> <p>5. Adoption of the company's 2020 annual business report</p> <p>6. Approved the 2020 annual internal control system effectiveness assessment and internal control statement of the company</p> <p>7. Approved the company intends to start to evaluate the group's asset activation and related benefits plan</p> <p>8. Amendment to the provisions of the "Operational Procedures for Acquisition and Disposal of Assets" of the company</p> <p>9. Approved the company's 2022 accounting public expense and accountant independence</p> <p>10. By booking an ordinary meeting of shareholders for June 29, 2022</p>
Board meeting	May 13, 2022	1. Approved the proposal of loans and transactions through subsidiaries

		<p>2. Approved the proposal of borrowing from the subsidiary – Topbi (China) Fashion Co., Ltd</p> <p>3. Revised the company's second buyback of share and transfer method for employees</p>
Board meeting	May 18, 2022	<p>1. Approved the asset activation plan of the company</p> <p>2. Amendment to the Article of Association</p> <p>3. Amendment to the provisions of the “Rules of Procedure of Shareholders’ Meeting” of the company</p> <p>4. By adding the cause of convening in the company's 2022 ordinary shareholders' Meeting</p>

(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 (2021.8.5)
<p>1. Adoption of the 2020 annual business report and financial statements of the company: The resolution was passed</p> <p>2. Adoption of the company's 2020 deficit compensation proposal: The resolution was passed</p> <p>3. Adoption to amendment to the provisions of the "Management Measures for Lending Funds to Other Parties" of the company: Has been operated in accordance with the revised provisions</p>

The implementation of important decisions of the shareholders' meeting (2021.1.21)
<p>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.</p> <p>2. Passing the restriction case of lifting the non-competition prohibition of the new director: The resolution was passed</p>

(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: None.

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

(1) Certified Public Accountant Audit Fees

Unit:NT \$ (thousand)

Name of accounting firm	Name of the CPA	Inspection period	Audit fees	Non-audit fees	Total	Remarks
ShineWing Taiwan	Chen Kuang Hui	2021/01/01	10,759	653	11,412	Internal control audit report & Opinion on price rationality
	Kuo Chen Yu	- 2021/12/31				

(a) 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.

(b) The amount, proportion, and reasons for the reduction of the audit fees shall be disclosed if the audit fees are reduced by more than 10% compared with the previous year: None.

6. Replacement of CPA: None.

7. 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.

8. 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	2021		As of May 1, 2022	
		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	-	-	-	-

Title	Name	2021		As of May 1, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Independent Director	Chen DongSheng	-	-	-	-
Director	Lien Chih Chi	-	-	-	-
Independent Director	Lai Tiao Tsan	-	-	-	-
Independent Director	Wu Chin Shan	-	-	-	-
CEO	Zhou ZhiHong	-	-	-	-
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	-	-	-	-
Topbi (China) Board Secretary	Zhuang, LingFeng	-	-	-	-
CFO	Chen Chien Wei	-	-	-	-
Audit Supervisor	Jiang Ming	-	-	-	-
Major shareholder	Topwealth International Holdings Limited (Note 1)	-	-	-	-

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

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

9. Relationship among the Top Ten Shareholders

May 1, 2022; 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	-	-	-	-	-	-	-	-	-
林俊榮	2,444,000	2.24%	-	-	-	-	-	-	-
匯豐託管 ENSIG N PEAK 顧問公 司	1,934,930	1.78%	-	-	-	-	-	-	-
劉梅 英	1,626,066	1.49%	-	-	-	-	-	-	-
邱鴻森	1,149,707	1.06%	-	-	-	-	-	-	-
徐航健	897,798	0.82%	-	-	-	-	-	-	-
榮豐工業股份有限公 司	705,584	0.65%	-	-	-	-	-	-	-
邱建發	673,695	0.62%	-	-	-	-	-	-	-
花旗託管 D F A 新興 市場核心證券投資專 戶	667,872	0.61%	-	-	-	-	-	-	-
曾維德	650,000	0.60%	-	-	-	-	-	-	-

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

10. Ownership of Shares in Affiliated Enterprises.

Unit: shares; % , Dec 31, 2021

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

May 1, 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

May 1, 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

May 1, 2022; Unit: Person; Shares: %

Shareholder structure Quantity	Government agency	Financial institutions	Other legal persons	individual	Foreign institutions and foreigners	Total
Number of people	0	2	184	25,928	44	26,158
Number of shares held	0	25,615	1,665,016	85,688,563	21,607,644	108,986,838
Sharehold- ing ratio	0.0	0.02	1.53	78.62	19.83	100

Note: The mainland capital of the company holds 1 share.

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

(3) Equity Diversification

May 1, 2022; Unit: Person; Shares

Shareholding Classification	Number of Shareholders	Number of Shareholding	Shareholding Ratio
1 ~ 999	18,620	768,304	0.71%
1,000 ~ 5,000	4,806	10,969,087	10.07%
5,001 ~ 10,000	1,164	8,706,282	7.99%
10,001 ~ 15,000	429	5,249,856	4.82%
15,001 ~ 20,000	265	4,720,916	4.33%
20,001 ~ 30,000	322	7,969,531	7.31%
30,001 ~ 40,000	165	5,749,133	5.28%
40,001 ~ 50,000	102	4,574,776	4.20%
50,001 ~ 100,000	166	11,465,044	10.52%
100,001 ~ 200,000	72	10,018,666	9.19%
200,001 ~ 400,000	27	7,521,979	6.90%
400,001 ~ 600,000	10	4,462,530	4.09%
600,001 ~ 800,000	4	2,697,151	2.47%
800,001 ~ 1,000,000	1	897,798	0.82%
1,000,001 or over	5	23,215,785	21.30%
Total	26,158	108,986,838	100.00%

Note: No special shares.

Note: The above shareholding ratio of shareholders has been 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%:

May 1, 2022; Unit: Person; Shares: %

Shares Name of main shareholders	Number of Shareholding	Shareholding Ratio
Topwealth International Holdings Limited	16,061,082	14.74%
林俊榮	2,444,000	2.24%
匯豐託管 ENSIGN PEAK 顧問公司	1,934,930	1.78%
劉梅英	1,626,066	1.49%
邱鴻森	1,149,707	1.06%
徐航健	897,798	0.82%
榮豐工業股份有限公司	705,584	0.65%
邱建發	673,695	0.62%
花旗託管 D F A 新興市場核心證券投資專戶	667,872	0.61%
曾維德	650,000	0.60%

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	2020	2021	As of March 31, 2022 (Note 4)
Market value	High	95.40	20.15	12.70
	Low	11.60	7.20	8.60
	Average	46.80	14.61	10.74
Net value per share	Before Distribution	36.75	25.23	26.38
	After Distribution	31.87	Note 8	Note 8
Earnings per share	Weighted average number of shares	109,355	108,987	108,987

Items		Year	2020	2021	As of March 31, 2022 (Note 4)
	Earnings per share	Before adjustment	(20.31)	(6.43)	0.21
		After adjustment	(20.44)	Note 1	Note 1
Dividend per share	Cash dividends		-	-	-
	Stock Dividends	Dividends from Retained Earnings	-	-	-
		Dividends from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends		-	-	-
Investment return analysis	PE ratio		-	-	51.14
	Principal and interest ratio		-	-	-
	Cash dividend yield		-	-	-

Note 1: No dividend will be paid in 2021.

(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, 2022, will not pay a cash dividend or a stock dividend.

(c) Description of significant changes in expected dividend policy:

The Company's dividend policy for the next three years is intended to be implemented in accordance with the foregoing distribution policy, without significant changes.

(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 2021 employee and director compensation allocation plan which was passed by the BOD on March 18, 2022 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: Not applicable.

(9) Circumstances in which the company repurchases its shares: None.

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	2020	2021	Increase (decrease) ratio (%)
	Amount	Amount	
Children's clothes	2,808,383	2,963,906	5.54%

(c) Main products

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

(d) New products development

In order to ensure that the newly developed products meet the national standards, the R&D center increases the research on the fabric and wear comfort of children's clothing products, in order to launch high-quality products higher than market expectations. The company continues to cooperate with relevant universities on the technical impact of 5G technology on the garment industry, exploring the seamless integration of supply chain and sales end, and realizing flexible production and intelligent sales. In addition, in the process of product development, the company continues to explore the application of antibacterial fabrics in new products to protect children from bacteria and viruses. At present, a few products have tried to use fabrics such as "anti-odor Fabric" and "anti-mite Fabric" to improve the antibacterial properties of children's wear products. Affected by the epidemic repeatedly, scientific research institutes and universities are still developing new antibacterial fabrics. The company will continue to closely cooperate with Minjiang University, Fuzhou University arts and Crafts College, Jiangxi Institute of Fashion and other colleges and universities to study the application direction of all kinds of healthy antibacterial new materials. It can enhance the antibacterial effect of children's wear,

improve the safety of children's wear products in the face of uncertain environmental pollution, and also improve the degree of scientific and technological innovation of children's wear to a certain extent, creating more differentiated advantages for the company's children's wear products.

(2) Industry Overview

(a) The current situation and development of the industry

A. The current situation of China children's wear industry

In recent years, it has developed rapidly and accounts for an increasing proportion of the overall clothing market year by year, which is an extremely important growth force of the current clothing industry, the market size of the industry has achieved rapid expansion in recent years. With the continuous increase of children's clothing consumption expenditure, the future children's clothing market development potential is huge. According to Euromonitor, China's children's wear market is expected to exceed 400 billion yuan in 2024. From the perspective of consumer spending intentions, according to the China Toys and Baby Products Association, 55.0% of the surveyed consumers plan to increase their spending on baby products in 2020, of which 16.1% increase the proportion of spending more than 30%; Only 17.1% of the surveyed consumers plan to reduce their spending on baby products in 2020, and less than 3% of them will reduce their spending by more than 30%. Children's clothing as a subdivision of baby products, the increase of consumer spending on baby products will inevitably drive the demand for children's clothing market.

At present, China has more than 10,000 children's wear enterprises, industrial clusters are mainly distributed in Guangdong, Zhejiang, Fujian and other places. The brand of China children's wear industry started late. From the perspective of industrial cycle, the industry is still in the growth stage, which is the most important growth force of the apparel industry at present. In particular, the market size of the industry has achieved rapid expansion in recent years. 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 industry size declined to 229.2 billion yuan affected by the epidemic.

By category, infant clothing accounts for about one-fifth of children's clothing and the proportion is increasing year by year, with great development potential. From the perspective of market competition pattern, Bala Bala is the first brand in children's wear industry, accounting for 7.5% of the market share, while Anta and Adidas brands ranked second and third. The CR3 of the industry in 2020 is 10.4%, and the market concentration is low but increasing year by year. The reason why the high-end children's wear market can expand so fast is mainly because the customer groups of high-end children's wear are concentrated in large and medium-sized cities, and most two-child families in large and medium-sized cities are middle class, which is the mainstream of luxury consumption, and most parents pay more attention to the quality of children's products.

I. Children's clothing future unicorn

There is no monopoly in the children's wear market compared to the adult wear market. The market is very fragmented in both abroad and within China. Nowadays society is willing to spend money on children. For example, Victoria Beckham has launched a children's clothing line with supermarket brand

TARGET, Kanye West is designing a children's clothing line for his newborn daughter, and pop stars JAY and Beyonce are promoting their own children's clothing.

II. Children's wear will become the e-commerce market worth striving for innovation

It is understood that in China's clothing retail industry field, the number of China children's wear enterprises has more than 6000, less than 10% of the total number of China clothing enterprises, the output of only about 6% of the total production of China clothing. There are 230 million children between 0 and 14 years old in China, and the children's wear market is far from saturation, and the two-child policy has given a boost to the children's wear market. 4-6 years old for small children's wear, 7-9 years old for medium children's wear, 10-12 years old for big children's wear, 13-16 years old for youth's wear, at present, the domestic clothing market for the age of 12-16 years old for children's wear is extremely short, and the specifications are maladjusted, especially for big children's wear is out of stock. Children's wear market has broad development space in the future, and the e-commerce development trend of children's wear industry is obvious. Children's wear will become the e-commerce market worth striving for innovation.

III. Children's wear itself has a short wear cycle which the consumption cycle is obviously shorter than adult wear

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. More and more young parents are buying online, forcing e-commerce brands to follow fashion trends and respond quickly to the market.

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

I. 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.

II. 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.

III. 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.

IV. 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.

(b) 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 emergence of e-commerce enables the upper and middle reaches of the industry to directly connect with the downstream sales channels, increasing the fluidity of products in the upper and middle reaches. Research and development design as well as processing production of upstream also has a great requirement and increased the industry's initiative.

(c) 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.

(d) Product competition

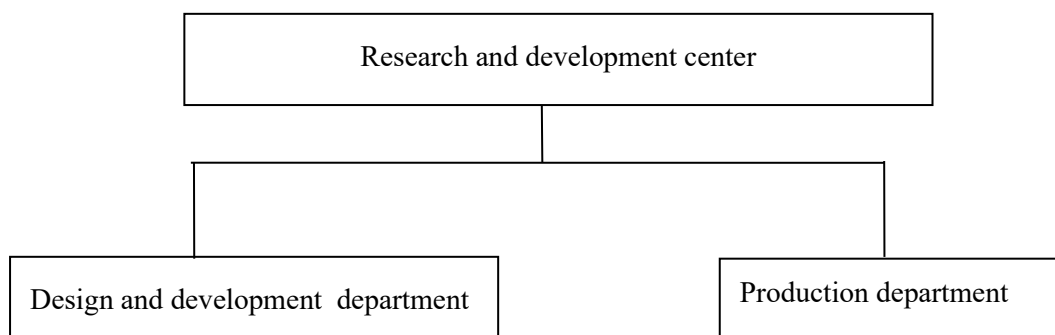
Area	Market positioning	Main competitive brands	Consumer groups	Brand image
East China	Middle end market	巴拉巴拉	Children aged 3-12, middle class and well-off families	Freedom, casual, fashion, health, sports, category complete, diverse and unrestrained style.
East China		安奈兒	Children between 2 to 12 years 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 market	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)		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

(a) 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:



(b) R & D designers and their academic experience

Unit; people; %

Project/year		2019	2020	2021	2022Q1
Employee number	Initial Numbers	43	49	49	47
	New in	-	-	-	-
	Dismission	-	-	2	2
	Severance and retirement	-	-	-	-
	Final Numbers	43	49	47	45
Dismission Rate (Note)		-	-	-	4.26
Average seniority (Year)		9.33	11.03	11.87	12.60
Education distribution	Dr's degree	-	-	-	-
	Master's degree	-	-	-	-
	Bachelor's degree	6	8	8	7
	Specialty (including the following)	37	41	39	38
	Total	43	49	47	45

(c) Development costs of the recent year and the date of issue of the annual end of the annual report

Unit: NT\$ (thousand)

Project	Year	2021	First quarter of 2022
	Research and development costs		49,096

(d) 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

(e) 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

(a) Long term business development plan

A. Encourage and guide agents to accelerate the transformation of online channel and adapt to the channel reform of China's clothing market

In recent years, traditional offline clothing enterprises are facing more and more problems. First, brand clothing enterprises are facing the cost upward pressure due to the rapid increase in the number of stores, coupled with inventory backlog, rising of rental, aggravating personnel costs and other factors, the store closure continues to intensify. More than two years after the outbreak, the fewer shoppers at department stores make the sales of stores are suffering. With the gradual entry of the post-90s and post-00s into the consumer market, as well as the rapid development of mobile Internet and mobile payment, "Internet +" has quietly changed our lives, from online commodity purchase to offline mobile payment. "Online + offline" integrated marketing has become a new consumer trend, clothing enterprises that complete the transformation will become real winners. On the one hand, it broadens the sales channels of clothing brands, and also it can optimize the shopping experience of consumers to the greatest extent. Therefore, the company will fully open the online sales rights of agents in this year, while strengthening efforts to encourage and guide agents to increase their online layout. On the basis of last year's practice,

it continues to explain that agents use wechat member special performance, small program distribution, live broadcast and other forms to promote online channels to reduce the impact of offline channels on performance.

B. Establish a shared vision for the organization and its employees

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.

I. 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.

II. 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. Focus on the reform of logistics system and improve the efficiency of warehouse logistics

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 several 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. Therefore, the company will continue to seek to promote the construction of storage and logistics system in East China, build the e-commerce logistics Industrial Park in order to shorten the time of logistics distribution in the national market, and reduce costs.

E. Promote the diversification of the Topbi's brands

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. Company will promote the group brand economy, having a unique style of marketing activities, strive for in such aspects as product or service is unique or differentiated, set up some in the children's wear industry has the uniqueness and high degree of recognition to the scope of the product or brand image, make consumer interest and eliminate the comparable price, with difference competitive advantage.

(b) Short term business development plan

A. 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, 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. The pursuit of innovation and individuality and improve competitiveness

B. 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.

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

D. 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

(1) Market analysis

(a) 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.

(b) 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.

(c) 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.

(d) 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 TOPBI brand online members has reached hundreds of thousands of people, leading to the overall proportion of e-commerce sales in the first quarter of 2022 to more than 50%, and continue to move towards the target of online and offline all-channel sales.

(e) The favorable and unfavorable factors and countermeasures of the development vision

A. Favorable factors

I. 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 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 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.

II. 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.

III. 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.

IV. 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:

I. 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.

II. 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.

III. 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.

IV. 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

In order to deal with the impact of the epidemic on the children's clothing industry, the company has worked closely with agents, actively adjusted and closed non-important offline stores, helped the agents to recover cash flow, and guided agents to transform into online channels. Since 2020, the

children's clothing market has accelerated into the online sales mode dominated by e-commerce mode. The sales of various e-commerce and short video platforms will drive the traditional offline sales mode. The company will increase the online sales and actively promote the IP economic effect to face the challenges of the future market.

In addition, the company fully implement the "cutting expenditure" policy, in addition to the strategic expenses, as a basic marketing costs, development costs, and so on, these are essential that can't cut costs, minimize non-strategic expenses, such as company consumables, supplies, non-essential travel, electricity, etc. The reduction will not affect the part of the company's operations to help the company achieve stronger profitability and resilience.

From China's domestic existing epidemic prevention policy, epidemic affects the entity will continue, the company will be based on the new development pattern, implementation of seek improvement in stability, actively implement the "cutting expenditure", implement the development strategy of digital innovation and transformation line, and strive to promote the smooth and healthy operation and management, in order to cope with the above adverse situation.

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

(a) The main purpose of the product

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

(b) 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:

(a) 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 2022.

(b) Major client's information for the last two years

2020				2021				2022 (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
A Client	693,216	25	No	A Client	825,849	27.86	No	A Client	179,145	25.73	No
				B Client	344,699	11.63	No	B Client	86,069	12.36	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	2020				2021			
	Internal sales		Export sales (note)		Internal sales		Export sales (note)	
	Number	Value	Number	Value	Number	Value	Number	Value
Children's clothing	20,890	2,808,383	-	-	17,730	2,963,906	-	-

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

3. Number of employees in recent year

Unit: people: %

Year		2020	2021	May 18, 2021
Employee number	Manager	25	25	24
	General staff	137	128	124
	Production line employees	-	-	-
	Total	162	153	148
Average age		35.51	35.87	37.33
Average service years		7.14	8.88	9.50
Education distribution	Dr.	-	-	-
	Master	2	2	2
	Bachelor	25	23	20
	Junior college (including the following)	135	128	126
	Total	162	153	148

4. Environmental Protection Expenditure

(1) Last year (2021) 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 course, 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 (2021) 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. Information security management

(1) Explain the information security risk management structure, information security policy, specific management plan and resources invested in information security management.

(a) Information security risk management structure

Under the administrative center of the company, the information Department manages the normal operation of the company's hardware, software, data and communication, and conducts regular disaster recovery drills.

(b) Information security policy

There are professionals in the company responsible for information system security prevention and crisis management to prevent computer network crime and crisis, maintain information system security, and regularly promote information security policy to users

(c) Specific management plan and resources invested in information security management

Items	Management Methods
Data Files	<ol style="list-style-type: none"> 1. Encrypt important software and files, and update passwords regularly to avoid misappropriation or plagiarism 2. Important software and data are backed up and stored in a safe place 3. Perform daily backup for important software systems 4. Scan computer viruses and update virus codes regularly on personal computers and network servers 5. Conduct disaster recovery drills regularly
Computer room	<ol style="list-style-type: none"> 1. The machine room is locked on weekdays, and the key is kept by the information personnel. Colleagues are not allowed to enter or leave the machine room 2. The machine room has fire facilities and regular inspection. Take into account natural disasters such as earthquakes and fires 3. The server equipment has an independent power supply system
Network Management	<ol style="list-style-type: none"> 1. Establish a security control mechanism for computer network systems to ensure the security of network data transmission and protect network operations 2. System access shall be authorized
Audit	<ol style="list-style-type: none"> 1. The company's internal auditors carry out the information security inspection every year 2. The information department conducts internal evaluation every year

(2) State the losses, possible impacts and countermeasures incurred due to labor disputes in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, state the fact: None.

7. 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	2021.01.01~ 2021.12.31	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	2021.03.01~ 2022.02.28	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	2021.03.01~ 2022.02.28	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	2021.12.01- 2022.11.30	江蘇財茂科工貿城下列區域廠房 30#-1, 31#-1, 合計14,828.45平方米（建築面積）	-
Lease contract	福建源盛紡織服裝城有限公司	2021.07.22- 2022.07.21	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	2021.08.01- 2022.07.31	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	2021.10.01~ 2022.09.30	淘帝辦公樓六層部分區域房屋租賃面積為1546.70平方米	-
Lease contract	江蘇財茂科工貿城	2020.10.01~ 2021.09.30	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	2021.07.22- 2022.07.21	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 2021.11.06- 2022.11.05	Building insurance The insurance amount is RMB71 million	-
Insurance contracts	中國大地財產保險股份有限公司	2020.07.05~ 2021.07.04 2021.11.06- 2022.11.05	Inventory insurance The insurance amount is RMB30 million	-
Advertising contracts	杭州商聚電子商務有限公司	2021.03.01- 2022.02.28	EVI brand visual design and promotion services	-
Advertising contracts	福州天歌文化傳媒有限公司	2021.05.01- 2022.04.30	Taxi headlights, seats, Windows advertising	-
Advertising contracts	北京華鐵傳媒集團有限公司	2021.05.01- 2022.04.30	Advertising for high-speed trains and trains	-
Agency contract	鄭州閩杭派商貿有限公司	2021.01.01~ 2021.12.31	Distribution agent TOPBI brand children's wear	鄭州、開封、南丘、新鄉、焦作、洛陽

Nature of the contract	Client	The date on which the contract begins and ends	Main content	Restrictions
Agency contract	C公司	2021.01.01~ 2021.12.31	Distribution agent TOPBI brand children's wear	四川（南充、自貢、宜賓地區以外）
Agency contract	D公司	2021.01.01~ 2021.12.31	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	2021.02.01~ 2022.01.31	Distribution agent TOPBI brand children's wear	天津
Agency contract	F公司	2021.02.01~ 2022.01.31	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	2021.02.01~ 2022.01.31	Distribution agent TOPBI brand children's wear	廈門、泉州、漳州、龍岩
Agency contract	E公司	2021.03.01~ 2022.02.28	Distribution agent TOPBI brand children's wear	南昌、九江、宜春、新余、景德鎮
Agency contract	I公司	2021.03.01~ 2022.02.28	Distribution agent TOPBI brand children's wear	上海
Agency contract	蘭州鑫瑞豐商貿有限責任公司	2021.03.01~ 2022.02.28	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	2021.04.01~ 2022.03.31	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	2021.06.01~ 2022.05.31	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	2021.07.01~ 2022.06.30	Distribution agent TOPBI brand children's wear	南寧市
Agency contract	B公司	2021.07.01~ 2022.06.30	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	2021.08.01~ 2022.07.31	Distribution agent TOPBI brand children's wear	西安
Agency contract	G公司	2021.09.01~ 2022.08.31	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	2021.09.01~ 2022.08.21	Distribution agent TOPBI brand children's wear	紹興、寧波、杭州、湖州、嘉興、溫州
Agency contract	J公司	2021.09.01~ 2022.08.31	Distribution agent TOPBI brand children's wear	遼寧
Agency contract	A公司	2021.12.01~ 2022.11.30	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	2021.04.09- 2024.04.08	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

Nature of the contract	Client	The date on which the contract begins and ends	Main content	Restrictions
Cooperation framework agreement	泉州煌騰紡織有限公司	2021.04.20-2024.04.19	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福州鑫錦裳服裝有限公司	2021.05.03-2024.05.02	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	福州常錦服飾有限公司	2021.07.30-2024.07.29	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	南安市凱迪針織服飾有限公司	2018.09.10-2021.09.09	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	常熟市愛貝爾服飾有限公司	2018.09.21-2021.09.20	Clothing OEM production	90 days after invoice date
Cooperation framework agreement	泉州伊衫服飾有限公司	2019.05.06-2022.05.05	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, 2022 (Note 1)
		2017	2018	2019	2020	2021	
Current assets		6,703,409	7,909,543	7,578,881	5,225,949	3,625,291	3,429,065
Property, plant and equipment		342,641	312,532	279,093	256,292	234,773	238,422
Intangible assets		-	-	-	-	-	-
Other assets		259,813	276,749	220,662	319,337	276,338	268,073
Total assets		7,305,863	8,498,824	8,078,636	5,801,578	4,136,402	3,935,560
Current liabilities	Before distribution	2,491,925	3,225,836	2,068,105	2,025,191	1,090,163	752,642
	After distribution (Note 2)	2,872,092	3,484,350	2,084,269	2,025,191	1,090,163	752,642
Non-current liabilities		309,583	303,710	341,290	299,926	296,968	308,043
Total liabilities	Before distribution	2,801,508	3,529,546	2,409,395	2,311,808	1,387,131	1,060,685
	After distribution (Note 2)	3,181,675	3,788,060	2,425,559	2,325,117	1,387,131	1,060,685
Equity vested in the parent company		4,504,355	4,969,278	5,669,241	3,476,461	2,749,271	2,874,875
Equity capital		787,096	826,451	949,553	1,094,938	1,094,938	1,094,938
Capital reserves		1,517,887	1,517,887	1,520,022	1,520,022	1,520,022	1,520,022
Retained earnings	Before distribution	2,448,542	2,982,646	3,735,849	1,339,602	638,784	661,349
	After distribution (Note 2)	2,029,020	2,601,029	3,574,300	1,339,602	638,784	661,349
Other equity interest		-249,170	-322,541	-536,183	-460,949	-487,321	-384,282
Treasury stock		-	-35,165	-	-17,152	-17,152	-17,152
Non-controlling interest		-	-	-	-	-	-
Total equity	Before distribution	4,504,355	4,969,278	5,669,241	3,476,461	2,749,271	2,874,875
	After distribution (Note 2)	4,124,188	4,710,764	5,653,077	3,476,461	2,749,271	2,874,875

Note 1: Consolidated financial data for the last five years and the first quarter of 2022 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, 2022 (Note 1)
	2017	2018	2019	2020	2021	
Operating revenue	5,916,268	6,764,779	7,169,864	2,808,383	2,963,906	696,021
Gross profit	2,302,475	2,629,007	2,802,906	-1,357,552	-220,712	126,601
Income from operations	1,165,985	1,341,398	1,554,456	-2,431,000	-734,432	23,193
Non-operating income	94,113	-17,544	2,168	132,834	68,370	16,055
Non-operating expenses	1,260,098	1,323,854	1,556,624	-2,298,166	-666,062	39,248
Income before tax	912,917	953,626	1,134,819	-2,234,698	-700,818	22,565
Net income (Loss)	-	-	-	-	-	-
Other comprehensive income (income after tax)	912,917	953,626	1,134,819	-2,234,698	-700,818	22,565
Total comprehensive income	-34,768	-95,632	-213,642	75,234	-26,372	103,039
Operating revenue	878,149	857,994	921,177	-2,159,464	-727,190	-125,604
Net income attributable to shareholders of the parent	912,917	953,626	1,134,819	-2,234,698	-700,818	22,565
Net income attributable to non- controlling interest	-	-	-	-	-	-
Comprehensive income attributable to Shareholders of the parent	878,149	857,994	921,177	-2,159,464	-727,190	125,604
Comprehensive income attributable to non-controlling interest	-	-	-	-	-	-
Earnings per share	11.25	10.06	12.01	-20.44	-6.43	0.21

Note 1: Consolidated financial data for the last five years and the first quarter of 2022 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
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
2021	Chen Kuang Hui, Kuo Chen Yu	ShineWing Taiwan	No reservations
2022Q1	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, 2022 (Note 1)
		2017 (Note 1)	2018 (Note 1)	2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	
Items to be analyzed							
Financial structure (%)	Debt-to-assets ratio	38.35	41.53	29.82	40.08	33.53	26.95
	Long-term capital ratio of property, plant and equipment	1404.95	1687.18	2153.59	1473.47	1297.53	1334.99
Solvency (%)	Liquidity ratio	263.58	269.01	366.47	258.05	332.55	455.60
	Quick ratio	260.91	265.12	364.09	256.78	330.39	447.29
	Times interest earned	138.38	78.92	41.58	-	-	-
Operating Capacity	Accounts receivables turnover (times)	2.71	2.79	2.80	1.54	2.70	2.94
	Average collection days	134.68	130.82	130.35	237.27	135.19	123.96
	Inventory turnover (times)	73.51	82.13	86.62	118.86	149.12	69.03
	Accounts payable turnover (times)	2.98	3.00	2.96	2.79	2.53	2.71
	Average days of sale	4.97	4.44	4.21	3.07	2.45	5.29
	Property, plant and equipment turnover (times)	16.71	20.65	24.24	10.49	12.07	11.77
	Total asset turnover (times)	0.88	0.86	0.87	0.40	0.60	0.69
Profitability	Return on assets (%)	13.74	12.32	14.04	-32.10	-14.03	0.56
	Return on equity (%)	22.14	20.13	21.33	-48.87	-22.51	0.80
	Ratio of net profit to paid-in capital before tax (%)	160.09	160.19	160.19	-224.82	-60.83	3.58
	Net profit rate (%)	15.43	14.10	15.83	-79.57	-23.65	0.81
	Earnings per share (\$)	11.81	11.56	12.01	-20.44	-6.43	0.21
Cash flow	Cash flow ratio (%)	38.05	30.42	55.51	-62.56	-118.86	-0.16
	Cash flow allowance ratio (%)	2.92	2.75	2.96	2.06	0.55	-0.61
	Cash reinvestment ratio (%)	19.81	11.18	12.51	-0.35	-0.43	0
Leverage	Operating leverage	1.12	1.11	1.10	0.94	0.82	2.69
	Financial leverage	1.01	1.02	1.03	1.00	0.99	1.00
		1. Increase in the inventory turnover (times): Mainly due to the impact of the epidemic in 2020, decrease in income and inventory.					

Year Items to be analyzed	Financial analysis for the last five years					Current year ends March 31, 2022 (Note 1)
	2017 (Note 1)	2018 (Note 1)	2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	
	2. Decrease in the accounts receivables turnover (times): Mainly due to the impact of the epidemic in 2020, decrease in net sale.					
	3. The change of various financial ratios in 2021 was more than 20%, mainly due to the impact of the epidemic in 2020.					

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一百一十一年度營業報告書、合併財務報表及虧損撥補表，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、合併財務報表及虧損撥補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 百 一 十 一 年 三 月 十 八 日

4. Financial statements

(I) Recent annual financial report: Please refer to pages 116-194 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	2020	2021	Difference	
				Amount	%
Current assets		5,225,949	3,625,291	-1,600,658	-69.37%
Property, plant and equipment		256,292	234,773	-21,519	-8.39%
Intangible assets		-	-	-	-
Other assets		319,337	276,338	-42,999	-13.47%
Total assets		5,801,578	4,136,402	-1,665,176	-28.70%
Current liabilities		2,025,191	1,090,163	-935,028	-46.17%
Non-current liabilities		299,926	296,968	-2,958	-0.99%
Total liabilities		2,325,117	1,387,131	-937,986	-40.34%
Equity attributable to the parent company		3,476,461	2,749,271	-727,190	-20.92%
Equity capital		1,094,938	1,094,938	-	-
Capital reserves		1,520,022	1,520,022	-	-
Retained earnings		1,339,602	638,784	-700,818	-52.32%
Other rights and interests		-460,949	-487,321	26,372	-5.72%
Treasury stock		-17,152	-17,152	-17,152	-
Non-controlling interest		-	-	-	-
Total equity		3,476,461	2,749,271	-727,190	-20.92%

Significant changes in project specification: (the amount change of more than 10%, and 1% of the total amount of current assets).

1. Current assets and total assets: Mainly caused by net loss in 2021 and net cash outflow.
2. Other assets: Mainly caused by deferred income tax assets and right assets decreased.
3. Current liabilities Mainly caused by the repayment of short-term borrowings and reduced accounts payable.
4. Equity attributable to the parent company, retained earnings and total equity: Mainly caused by net loss in 2021.

2. Analysis of Financial Performance

(1) Comparative analysis of business results

Unit: NT \$ (Thousands); %

Items	Year	2020	2021	Difference	
				Amount	%
Operating income		2,808,383	2,963,906	155,523	5.54%
Minus: sales return and discount		-	-	-	-
Net operating income		2,808,383	2,963,906	155,523	5.54%
Operating cost		4,165,935	3,184,618	-981,317	-23.56%
Operating margin		-1,357,552	-220,712	1,136,840	83.74%
Unrealized gross profit reduction (increased) between affiliated companies		-	-	-	-
Net operating margin		-1,357,552	-220,712	1,136,840	83.74%
Operating expenses		1,073,448	513,720	-559,728	-52.14%
Operating profit		-2,431,000	-734,432	1,696,568	69.79%
Non-operating income and benefits		148,515	73,047	-75,468	-50.82%
Non-operating expenses and losses		15,681	4,677	-11,004	-70.17%
Pre-tax profit		-2,298,166	-666,062	1,632,104	71.02%
Minus: income tax expenses		-63,468	34,756	98,224	154.76%
After-tax profit		-2,234,698	-700,818	1,533,880	68.64%
<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. Operating cost and net operating margin: Mainly caused the improvement of negative gross margin caused by price increase in 2021. 2. Operating expenses, operating margin, operating profit, pre-tax profit, and after-tax profit decreased: Mainly caused by the epidemic, the price of sales was increased, and expenses were reduced. 3. Non-operating income and benefits decreased: Mainly caused by the decrease of financial product evaluation interests. 4. Non-operating expenses and losses decreased: Mainly caused by decrease in interest expense. 					

(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 (2021)

Unit: NT\$; %

Items \ Year	Year		Increase (decrease) amount	Increase (decrease) ratio
	2020	2021		
Operating activities	-1,267,047	-1,295,771	-28,724	(2.27%)
Investment activities	2,452,098	91,446	-2,360,652	(96.27%)
Financing activities	199,607	-386,576	-586,183	(293.67%)
Analysis of variation:				
1. Operating activities: Mainly due to the net loss in 2021.				
2. Investment activities: Mainly due to the disposal of financial assets in 2020.				
3. Financing activities: Mainly due to the decrease in short-term borrowing in 2021.				

(2) Cash liquidity analysis and liquidity improvement plan for the year of 2022

The Company's loss for the year 2022 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 2021	Explanations
TOPBI (China)	-627,577	During the year of 2021, the company's mainland region was affected by the epidemic, resulting in product price reduction and loss.

(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 2021 and 2020 were NT \$28,483 thousand and NT \$35,308 thousand respectively, net operating income ratio is 0.96% and 1.26% 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 2021 and 2020 were NT\$4,005 thousand and NT\$21,189 thousand respectively, accounting for -0.54% and -0.87% 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 Including Information Security Risks 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. For details of the company's security risk framework, please refer to page 86 of this annual report - Security Management

(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 2021 and 2020 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 2021 and 2020 are all local agents, the company has 14 agents responsible for sales in China in 2021, 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, 2021; 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	1,384,211 (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	208,425 (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	781,920 (RMB180,000 thousands)	Sale of children's clothing
Fujian Shengrenda Medical Technology Co., Ltd	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
Fujian Topbi E-commerce Co., Ltd	2021.09.09	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7層	-	Online sales of children's clothing

Note: NT to RMB \$4.344 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	-	-
Fujian Topbi E-commerce Co., Ltd	Chairman	Zhou ZhiHong		
	Vice Chairman	Zhuang LingFeng		
	Supervisor	Jiang Min		
	General Manager	Zhou ZhiHong		

(e) Operation profile of all related enterprises

December 31, 2021; 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	1,134,620	253,031	881,589	-	(5)	(149,504)	(Note 1)
Fujian SDO Textile&Industry Goods Corp., Ltd.	47,980	301,861	908	300,953	-	(2)	(39,190)	(Note 1)
Topbi (China) Fashion Corp., Ltd.	180,000	1,383,076	247,596	1,135,480	682,456	(160,920)	(144,503)	(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: As the law of the Cayman Islands and the law of the Republic of China (Taiwan) slightly vary from each other, the Checklist of Protection of Shareholders' Rights/Interests in the Jurisdiction where a Foreign Securities

Issuer ("Shareholders' Rights/Interests Protection Checklist"), as amended by Taiwan Stock Exchange Corporation, does not always apply to the Company. The table below provides information about the differences between the Company's current Memorandum and Articles of Association ("AOA") and the Shareholders' Rights/Interests Protection Checklist due to the law of the Cayman Islands, and the provisions of the AOA

Differences	Cayman law and description	AOA regulations and description
<p>2. A company may explicitly provide for in its Articles of Incorporation that its shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. Under the circumstances of calamities, incidents, or force majeure, the central competent authority may promulgate a ruling that authorizes a company, which has no above provision in its Articles of Incorporation, within a certain period of time can hold its shareholders' meeting by means of visual communication network or other promulgated methods.</p> <p>3. In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</p> <p>4. Regarding to a shareholders' meeting proceeded via visual communication network, a company shall be subject to prescriptions of securities in Taiwan for the prerequisites, procedures, and other compliance matters.</p> <p>5. Physical shareholders' meetings shall be held in Taiwan and if a physical shareholders' meeting is to be convened outside Taiwan, the Company shall apply for the approval of the Taipei Exchange or the TSE thereof within two (2) days after the Board adopts such resolution.</p> <p>9. The following matters shall be enumerated and explained in the notice to convene the shareholders meeting, with key information being provided, and should not be proposed by way of an extemporary motion at the meeting; material contents of such matters may be uploaded onto the website designated by the TWSE, TPEx or the Company with the address of website indicated in the notice:</p> <p>(1) Election or discharge of director(s) and supervisor(s);</p> <p>(2) Amendment to the memorandum and articles of association;</p>	<p>1. Regarding the Item 2, 3, 4 and 5 hereto, please see the Cayman lawyer's opinion of the right column for details.</p> <p>2. The Companies Law does not have specific regulations on extemporary motion. According to the Cayman lawyer, with regard to extemporary motion, a notice of shareholders' meeting should specify issues to be discussed at the meeting as well as related information to help shareholders understand the issues. While the notice of shareholders' meeting usually includes the section of "any other proposals", that section should cover only issues of an informal or insignificant nature. The chairperson of the meeting should not propose any important issue by way of an extemporary motion. In the event of an important issue not scheduled for discussion, another meeting should be convened for discussion and resolution according to the procedure. In case of emergency, however, where an additional issue must be discussed at the shareholders' meeting, specific information about the issue must be proposed again for ratification at the next meeting. Despite of the fact the Cayman law does not include an explicit prohibition on extemporary motion, the Cayman lawyer advised against any extemporary motion at a shareholders' meeting.</p>	<p>1. Article 1, 44, 45 and 45A of the AOA are expected to be amended by the annual shareholders' meeting of 2022 in accordance with the provision set forth in the Item 2, 3, 4 and 5 hereto of the "Checklist of Protection of Shareholders' Rights/Interests in the Jurisdiction where a Foreign Securities Issuer" issued by Taiwan Stock Exchange Corporation on March 11, 2022. According to the Cayman lawyer, the Articles of the AOA expected to be amended hereto are not inconsistent with Cayman Islands law.</p> <p>2. As the Companies Law does not have specific regulations on extemporary motion, the requirement under Item 9 is provided in Article 50 of the AOA.</p> <p>According to the Cayman lawyer, with regard to extemporary motion, a notice of shareholders' meeting should specify issues to be discussed at the meeting as well as related information to help shareholders understand the issues. While the notice of shareholders' meeting usually includes the section of "any other proposals", that section should cover only issues of an informal or insignificant nature. The chairperson of the meeting should not propose any important issue by way of an extemporary motion. In the event of an important issue not scheduled for discussion, another meeting should be convened for discussion and resolution according to the procedure. In case of emergency, however, where an additional issue must be discussed at the shareholders' meeting, specific information about the issue must be proposed again for ratification at the next meeting.</p>

Differences	Cayman law and description	AOA regulations and description
<ul style="list-style-type: none"> (3) Reduction in share capital; (4) Application for de-registration as a public company; (5) Dissolution, merger, share transfer and split-up of the company; (6) Signing of, amendment to or termination of a contract in respect of lease of all business, appointment of an agent to operate business, or regular joint operation with a third party; (7) Assignment of all or major business or assets; (8) Assumption of all business or assets of a third party that may have a significant impact on the operation of the company; (9) Issue of securities of a nature similar to shares in private placement; (10) Approval of performance of activities by director in violation of non-compete restrictions; (11) Allocation of all or part of share dividends and bonuses through issue of new shares; (12) Allocation of legal reserve and additional paid-in capital from the income derived from the issuance of new shares at a premium or from endowments received by the company by issuing new shares or by paying cash to original shareholders through issue of shares. 		
<ul style="list-style-type: none"> 1. Voting as one of the voting methods in shareholders' meetings. 2. When voting rights are to be exercised in writing or by way of electronic transmission, the method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders. A shareholder exercising his or her voting rights in writing or by way of electronic transmission is deemed present at the shareholders' meeting in person but will be deemed to have waived his or her rights to cast votes on issues proposed by way of an extemporary motion and amendment to an existing proposal. 	<ul style="list-style-type: none"> 1. Regarding the Item 1 and the original Item 2 which has been abolished hereto, please see the Cayman lawyer's opinion of the right column for details. 2. The Companies Law does not have any specific regulations on the requirement under Item 2. 	<ul style="list-style-type: none"> 1. Article 67 and 68 of the AOA are expected to be amended by the annual shareholders' meeting of 2022 in accordance with the provision set forth in the Item 1 and 2 hereto of the "Checklist of Protection of Shareholders' Rights/Interests in the Jurisdiction where a Foreign Securities Issuer" issued by Taiwan Stock Exchange Corporation on March 11, 2022. According to the Cayman lawyer, the Articles of the AOA expected to be amended hereto are not inconsistent with Cayman Islands law. 2. As the Companies Law does not have any specific regulations on the first part of requirement under Item 2, the first part of the requirement under Item 2 is provided in Article 68 of the AOA. Also, according to the Cayman lawyer, a shareholder casting votes in writing is deemed to have appointed the chairperson of the meeting to cast votes on his or her behalf. Thus, with reference to the Cayman lawyer's opinion, the second part of the requirement under Item 2 is provided in Article 68 of the AOA (i.e. a shareholder exercising his or her voting rights in writing or by way of electronic transmission is deemed to have authorized the chairperson of the meeting to exercise his or her rights at the shareholders' meeting as instructed in the written or electronic

Differences	Cayman law and description	AOA regulations and description
		instructions, but the shareholder will be deemed to have waived his or her rights to cast votes on issues proposed by way of an extemporary motion and amendment to an existing proposal at the shareholders' meeting, provided that the above authorization shall not work as appointment of agent under the listing regulations).
4. If a shareholder decides to attend the shareholders' meeting in person after he or she has exercised his or her voting rights in writing or by way of electronic transmission, he or she should revoke the declaration of intent to exercise of voting rights in the same manner as how he or she has exercised voting rights two days before the shareholders' meeting, or he or she shall still be deemed to have exercised his or her voting rights by writing or by way of electronic transmission.	The Companies Law does not have any specific regulations on the requirement under Item 4.	As the Companies Law does not have any specific regulations on the requirement under Item 4, the requirement under Item 4 is provided in Article 70 of the AOA. According to the Cayman lawyer, under common law, a person may revoke its proxy by attending the meeting in person. In view that a shareholder exercising his or her voting rights in writing or by way of electronic transmission is deemed to have authorized the chairperson of the shareholders' meeting to exercise voting rights on his or her behalf according to his or her written or electronic instructions, the requirements under Item 4 may not be enforceable.
4. If a shareholder decides to attend the shareholders' meeting in person or exercise his or her voting rights in writing or by way of electronic transmission after his or her proxy has been delivered to the company, he or she should issue a written notice to the company to revoke the authorization two days before the shareholders' meeting, or he or she shall still be deemed to have authorized his or her proxy to vote at the meeting.	The Companies Law does not have any specific regulations on proxy or solicitation of proxies.	As the Companies Law does not have any specific regulations on proxy or solicitation of proxies, the requirement under Item 4 is provided in Article 62B of the AOA. According to the Cayman lawyer, under common law, a person may revoke its proxy by attending the meeting in person. Therefore, the requirements under Item 4 may not be enforceable.
3. Twenty-one days before a company is to convene a regular shareholders' meeting, or 15 days before it convenes a special shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the information disclosure website specified by the FSC. However, in the case of a TWSE or TPEx listed company with paid-in capital reaching NT\$10 billion or more as of the last day of the most recent fiscal year, or in which the aggregate shareholding percentage of foreign investors and Mainland Chinese investors reached 30% or more as recorded in the shareholders' register at the time of holding of the regular shareholders' meeting in the most recent fiscal year, it shall upload the aforesaid electronic file by 30 days prior to the day on which the regular shareholders' meeting is to be held.	Regarding the Item 3 hereto, please see the Cayman lawyer's opinion of the right column for details.	Article 49 of the AOA is expected to be amended by the annual shareholders' meeting of 2022 in accordance with the provision set forth in the Item 3 hereto of the "Checklist of Protection of Shareholders' Rights/Interests in the Jurisdiction where a Foreign Securities Issuer" issued by Taiwan Stock Exchange Corporation on March 11, 2022. According to the Cayman lawyer, the Article of the AOA expected to be amended hereto are not inconsistent with Cayman Islands law.

Differences	Cayman law and description	AOA regulations and description
Regulations on supervisors.	The Companies Law does not have any specific regulations on supervisors.	The AOA is not amended for this purpose as the Company does not have any supervisor.
<ol style="list-style-type: none"> 1. A shareholder holding 1% or more of the Company's total issued shares for six consecutive months or longer may request in writing the supervisor to institute an action against the director on behalf of the Company, in which case the Taiwan Taipei District Court shall be the court of first instance. 2. In the absence of action initiated by supervisor after 30 days of a shareholder's request, the shareholder may initiate an action for the Company, in which case the Taiwan Taipei District Court shall be the court of first instance. 3. In addition to the condition that the board of directors does not or is unable to convene a meeting of shareholders, the supervisors may, for the benefit of the company, call a meeting of shareholders when it is deemed necessary. 	<p>The Cayman law does not provide any specific requirement or prohibition.</p> <p>According to the Cayman law, a shareholder may file an action on behalf of the company against: (A) an action that is illegal or not within the powers or authority of the company, and therefore cannot be ratified by shareholders; or (B) an action constituting fraud against minority shareholders (i.e. the purpose of the action is to seek relief against majority shareholders who will not allow the company to do nothing against the plaintiff to the action seeking relief, provided that the shareholder must prove the occurrence of fraud and that the person engaging in unlawful activities has controlling power over the company before an action may be initiated.)</p> <p>To the extent that an action is performed within the powers of the company, or an action performed is not within the powers of the company but can be ratified by shareholders, generally the Cayman court will not interfere with the company's internal acts. We have doubt on the enforceability in Cayman Islands of this provision if it is incorporated into the AOA of the Company because the courts of Cayman Islands are unlikely to recognize and enforce foreign judgment which is not the monetary judgment without any re-examination of merits of the underlying dispute.</p> <p>Regarding the Item 3 hereto, please see the Cayman lawyer's opinion of the right column for details.</p>	<p>The Cayman law does not provide any specific requirement or prohibition, and the Company does not have a supervisor and instead has established the audit committee. With reference to TWSE Tai-Zheng-Shang-Zi No. 1011702189 Letter of July 27, 2012, providing those supervisors shall be replaced by independent directors of the audit committee, the requirement on replacement of supervisors by audit committee under Items 1 and 2 is provided in Article 123 of the AOA, and the governing court (including the Taiwan Taipei District Court, if applicable) shall have jurisdiction over the matter. Also, according to the Cayman lawyer, Article 123 of the AOA must be in consistence with the Cayman law, which states that if the director believes filing of an action is not beneficial to the company, the director shall not be liable to initiate an action against other directors of the company despite of the request of a shareholder holding more than 1% of the shares.</p> <p>The Company establishes an audit committee instead of supervisors. According to Article 165-1 of Securities and Exchange Act in Taiwan, Item 4 of Article 14-4 of the same Act, which provides that Article 220 of Company Act, which allows the supervisors to call a meeting of shareholders for the benefit of the company when it is deemed necessary, shall apply mutatis mutandis with regard to independent directors who are members of the audit committee, doesn't apply mutatis mutandis with regard to the foreign company. Article 123A of the AOA, which allows independent directors who are members of the audit committee to call a meeting of shareholders for the benefit of the company when it is deemed necessary, is expected to be amended by the annual shareholders' meeting of 2022 in accordance with the provision set forth in the Item 3 hereto of the "Checklist of Protection of Shareholders' Rights/Interests in the Jurisdiction where a Foreign Securities Issuer" issued by Taiwan Stock Exchange Corporation on March 11, 2022. According to the Cayman lawyer, the Article of the AOA expected to be amended hereto are not inconsistent with Cayman Islands law.</p>
<ol style="list-style-type: none"> 1. Directors of the company shall have the loyalty and shall exercise the duty of care as good administrators in conducting the business operation of the company. Director shall be liable for damages to the company in the event of a violation of the above. If the act was performed for themselves or others, the shareholders may resolve at a general meeting to treat the gains from the act as the gains of the 	<p>According to the Cayman law, directors have fiduciary duties to the company. In the event of damage to the company due to violation of the duties, the court of law may order the directors to be liable for damage compensation. If directors violated their fiduciary duties for themselves or others and have gained profits as a result, the court may order return of the profits derived therefrom.</p> <p>According to the Cayman law, if a</p>	<p>By referring to the Cayman lawyer (see the left column for details), we have included the requirements under Items 1, 2, and 3 in Article 97A of the AOA. According to the Cayman lawyer, however, despite of the fact that the AOA provides directors and the Company have joint and several liability, from the perspective of the Cayman law, a third party cannot directly claim against the director.</p>

Differences	Cayman law and description	AOA regulations and description
<p>company.</p> <p>2. If directors have, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, the directors and the company shall be jointly and severally liable for the damages to the injured.</p> <p>3. Within the scope of performance of their duties and functions, managers and supervisors of the company shall have the same liability as the directors of the company.</p>	<p>director causes damage to a third-party during performance of company business, the third party may claim damages against the company, and the company may further claim compensation by the director for losses arising from the third-person claim. Despite of the fact that the AOA provides directors and the Company have joint and several liability, from the perspective of the Cayman law, the third party cannot directly claim against the director.</p>	

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

淘帝童装

淘帝國際控股有限公司

TOPBI INTERNATIONAL HOLDINGS LIMITED

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