Stock Code: 1464

DE LICACY INDUSTRIAL CO., LTD.

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2020 Annual Report

Apr. 30, 2021

Website for inquiry of annual report: http://mops.twse.com.tw

http://www.delicacy.com.tw/zh-tw/Investor/Shareholders/Stockholders' Meeting

1. Spokesman, Acting Spokesman

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   Name of the Acting Spokesman: YU, I-NENG
   Title: Executive Deputy General Manager of Management Division
   Tel.: (06) 5992866 #201
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2. Company Address:

Name	Address	Tel.
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4. Accountant Certified the Recent Annual Financial Statement

   Name：Deloitte & Touche
   Name of Accountant：YANG, CHAO-CHIN, LI, CHI-CHEN
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5. Name of the exchange of trading listed overseas securities and methods to inquire about the listed overseas securities: None.

6. Company's Website

   http://www.delicacy.com.tw

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I. Letter to Shareholders

Ladies and gentlemen of the shareholders：Good day to you all!

Thank you to all shareholders for taking the time to attend the shareholders' meeting. We sincerely welcome and thank you for your interest and support.

Inthe year 2020,the Company reported a net loss of NT$207 million and EPS of -0.54 due to the impact of the COVID-19 epidemic on the European and U.S. end markets and the depreciation of the U.S. dollar.

1. Production and Sales Overview:

(1) Production: 12,771 thousand yards of staple fabrics were produced in 2020, a negative growth of 34.96% compared to 19,636 thousand yards in 2019; 121,748 thousand yards of long fiber fabrics were produced in 2020, a negative growth of 20.60% compared to 153,342 thousand yards in 2019.

(2) Sales: In 2020, sales of staple fabrics were 12,439 thousand yards, a negative growth of 33.29% compared to 2019, which was 18,647 thousand yards; sales of long fibers were 112,305 thousand yards, a negative growth of 25.67% compared to 2019, which was 151,098 thousand yards.

2.Operating situation:

Consolidated net operating revenues of NT$8,594,659 thousand for fiscal 2020 compared to NT$10,919,724 thousand for fiscal 2019, a negative growth of 21.29%. The consolidated net loss of NT$206,633 thousand for 2020 grew 133.63% negative than the consolidated net income of NT$614,463 thousand for 2019.

Looking forward to the operations in 2021, most of our customers have restarted their shipment momentum and our operations are gradually rejuvenating. In the year 2021, we will focus on the development of environmentally friendly, functional and fashionable products that meet the needs of the environment. We are actively working with upstream material manufacturers to develop new recycled materials and additives, and integrate our innovative technologies in false-twin, weaving, dyeing and finishing, and post-processing lamination and coating equipment to improve product quality and added value.We are working hard to transform our production technology.

Future Company Development Strategy

(1)Strengthen the interaction with brand customers and cooperate directly with final buyer to improve the sales volume andWe will actively grasp the main and potential customer groups (such as GOLF products, UN IFORM products, Casual products).

(2)Promote core products and strengthen theaccess to garment factories.

Long fiber products: elastic shirt fabric, soluble yarn, brushed fabric.

Short-fiber products: elastic shirt fabric, flannel fabric, interwoven and post-dyed fabric.

(3)We are deeply involved in functional furniture fabric, apparel fabric, SPORT fabric and OUTDOOR fabric. The furniture fabric was emphasized in Mainland China, Northern Europe and Italy, with BVB yarn and wool yarn as the main sales; while the clothing market was emphasized in the top brands in North America and Europe, with sports, casual and fashion.

(4)Enhance R&D and innovation capabilities, strengthen product planning, improve quality, and accelerate the development of differentiated products (especially in response to the tariff exemptions in ASEAN-7 countries).

Moreover, by participating in a large number of exhibitions and other activities, we are able to cultivate quick and flexible market responsiveness among our sales staff and R&D personnel.

(5)Dedicated to the research and development of leisure products and expanding the market of sports and leisure field, we develop the latest materials , such as: high elasticity and high resilience elastic processing yarn, Tencel cotton feel processing yarn, embossed appearance fabric material, wool feel processing yarn, etc.

(6)Vietnam Deli Factory mainly: ①In response to the tariff exemption in the Japanese market, the main suppliersUNIQLO The main products are casual and home wear, supplemented by designer co-branded products of +J series.② Strengthen cooperation with Vietnamese garment manufacturers and trading companies. We supply Vietnamese garment factories with short delivery time and fast service as our biggest advantage.③Japanese company technical cooperation, the Japanese company send staff to the field of technology & quality control, to raise the level of the Vietnamese and Japanese customers in line with the requirements.

Influences from the external competitive environment, regulatory environment and general business environment

The Company's business is conducted in compliance with the relevant laws and regulations of domestic and overseas transfer countries, and the management team will continue to pay close attention to any changes in policies and laws that may affect the Company's financial and business operations. We will continue to promote our products and quality systems to meet the requirements of international regulations and obtain certifications to enhance the positive effects on our operations.

As we welcome the new year, we are confident that we will be able to emerge in the face of various difficult circumstances. We ask for the continued support and guidance of our shareholders and directors, and our management team will strive to move towards stable growth and create better performance.

Lastly, we wish all shareholders

good health and all the best

Chairman YEH,CHIA-MING

一、 Business Report of the Previous Year (2020)

(1) Business Plan Implementation Results:

Unit:; NT$1,000

Items \ Year	2020	2019	Increase (decrease)	Changes ratio %
Net sales revenue	8,407,460	10,533,526	(2,126,066)	(20.18)
Other operating revenue	187,199	386,198	(198,999)	(51.53)
Total operating revenue	8,594,659	10,919,724	(2,325,065)	(21.29)
Operating costs	7,350,952	8,865,307	(1,514,355)	(17.08)
Gross profit	1,243,707	2,054,417	(810,710)	(39.46)
Unrealized sales income	(26)	-	(26)	(100.00)
Realized operating margin	1,243,681	2,054,417	(810,736)	(39.46)
Sales and marketing	471,947	576,654	(147,707)	(18.16)
General and administrative	490,694	475,357	15,337	3.23
Research and development	208,459	231,949	(23,490)	(10.13)
The expected credit loss impairment	60,043	24,314	35,729	146.95
Total operating expenses	1,231,143	1,308,274	(77,131)	(5.90)
Other income and expenses	(9,383)	55,618	(65,001)	(116.87)
Operating net profit	3,155	801,761	(798,606)	(99.61)
Total non-operating income and expenses	(294,957)	(134,874)	(160,083)	(118.69)
Net income (loss) before income tax	(291,802)	666,887	(958,689)	(143.76)
Total income tax expense (income)	(85,169)	52,424	(137,593)	(262.46)
Current net income (loss)	(206,633)	614,463	(821,096)	(133.63)
Other comprehensive income (Income after tax)	(17,771)	(113,896)	96,125	84.40
Current total comprehensive income	(224,404)	500,567	(724,971)	(144.83)

Production and sales:

(1) Production: 12,771 thousand yards of staple fabrics were produced in 2020, a negative growth of 34.96% compared to 19,636 thousand yards in 2019; 121,748 thousand yards of long fiber fabrics were produced in 2020, a negative growth of 20.60% compared to 153,342 thousand yards in 2019.

(2) Sales: In 2020, sales of staple fabrics were 12,439 thousand yards, a negative growth of 33.29% compared to 2019, which was 18,647 thousand yards; sales of long fibers were 112,305 thousand yards, a negative growth of 25.67% compared to 2019, which was 151,098 thousand yards.

(2)Status of implementation of budgets: not applicable.

(3)Financial Revenue and Expenditure and Analysis of Profitability:

Unit: %

Item		2020	2019
Financial structure	Debt to asset ratio (%)	69.44	66.63
	Long-term capital to fixed assets ratio (%)	145.82	153.51
Solvency	Current ratio	111.66	120.12
	Quick ratio	68.52	72.24
	Interest coverage ratio	(0.64)	4.24
Profitability	Return on assets (%)	(0.33)	4.43

	Shareholders Return on equity (%)		(3.53)	10.70
	Percentage of paid-in capital (%)	Operating profit	0.08	20.85
		Net profit before tax	(7.59)	17.34
	Net profit ratio (%)		(2.40)	5.63
	Earnings per share (NT$)		(0.54)	1.61

(4) Research and Development Status: See Page 61~66.

二. Overview of Business Plan of the Current Year (2021)

In the year 2021, we will focus on the development of environmentally friendly, functional and fashionable products that meet the needs of the environment. We are actively working with upstream material manufacturers to develop new recycled materials and additives, and integrate our innovative technologies in false-twin, weaving, dyeing and finishing, and post-processing lamination and coating equipment to improve product quality and added value. We are making efforts to transform our production technology, and in the area of short-fiber fabrics, we 1. Produce long fiber YD fabric. 2. Fine count cotton fabric. 3. Produce new long and short fiber interwoven fabrics. Functional products that combine fashion, leisure and comfort. In the area of long-fiber fabrics, we focus on high-tech innovation to produce functional products that are thinner, more flexible, comfortable and environmentally friendly.

(1) Management policy and important production and marketing policies:

1.Strengthen the interaction with brand customers and cooperate directly with final buyers to improve the sales volume and the stability of single source, and actively grasp the main and potential customer base.

2.Promote our core products and strengthen the access to garment factories.
Long fiber products: elastic shirt fabric, soluble yarn, brushed fabric.
Short-fiber products: elastic shirt fabric, flannel fabric, interwoven and post-dyed fabric.

3.Deeply involved in functional furniture fabric, apparel fabric, SPORT fabric and OUTDOOR fabric. The furniture fabric was emphasized in Mainland China, Northern Europe and Italy, with BVB yarn and wool yarn as the main sales; while the clothing market was emphasized in the top brands in North America and Europe, with sports, casual and fashion.

4.Enhance R&D and innovation capabilities, strengthen product planning, improve quality, and accelerate the development of differentiated products (especially in response to the tariff exemptions in ASEAN-7 countries) as well as foster fast and flexible market responsiveness of our sales and R&D staff.

5.Dedicated to the research and development of leisure products and expanding the market of sports and leisure field, we develop the latest materials , such as: high elasticity and high resilience elastic processing yarn, Tencel cotton feel processing yarn, embossed appearance fabric material, wool feel processing yarn, etc.

6.Vietnam Deli Factory mainly: (1) In response to the tariff exemption in the Japanese market, the main suppliersUNIQLO The main products are casual and home wear, supplemented by designer co-branded products of +J series. (2) Strengthen cooperation with Vietnamese garment manufacturers and trading companies. We supply Vietnamese garment factories with short delivery time and fast service as our biggest advantage. (3) Japanese company technical cooperation, the Japanese company send staff to the field of technology & quality control, to raise the level of the Vietnamese and Japanese customers in line with the requirements.

(2) Expected sales volume and its basis (The following expected sales volume is estimated by the sales department based on the current economic conditions):

Main Products	Long-fiber fabrics	Staple Fiber Fabric
Expected sales volume for the year	166,208 thousand yards	19,580 thousand yards

Responsible Person: YEH,CHIA-MING. Manager: YEH,WEI-LI Accounting Supervisor: Yu Yi-Neng

II. Company Profile

1. Date of Incorporation: July 10, 1982

2. Company History:

1982	The company was founded with a paid-in capital of NT$1 million, and purchased about 50 sets of Chinese antique looms and rented a factory in the Yong-Han Industrial Zone in Hsin-Chiu to engage in the OEM business of fabric weaving.
1984	The preparation equipment such as warping and sizing are added to make the whole weaving operation consistent.
1985	We purchased 54 looms and started the production of pre-dyed fabrics.
1986	Purchased the current site of 6,500 pings in Sanshue, Xinshi Township, Tainan County to cope with the rapid expansion of business.
1987	The company has purchased 120 sets of rapier type shuttleless looms and set up an office in Taipei to actively expand its domestic and foreign sales business. At this point, the company has moved away from OEM and is taking orders for its own business. In the second half of the year, we introduced yarn-dyeing equipment, which enabled us to enter the field of weaving and dyeing of fabrics in a consistent manner.
1989	Purchased an office in Taipei to strengthen the expansion of domestic and foreign sales.
1992	The capital increase from retained earnings and cash was used to build a long-fiber weaving plant and a dyeing and finishing plant, which enabled the company to enter the ranks of medium-sized enterprises and to master the highest value-added part of the weaving process. Since then, the Company has formally entered the field of production and sales of long-fiber fabrics and dyed fabrics after dyeing and finishing.
1996	The stock exchange approves the listing of the stock.
1997	Stock listing in January.
1998	Expanded long fiber dyeing and finishing plant, false-twister plant and yarn dyeing plant. The factory in Hangzhou, China is completed with an investment of US$30 million, with 45% investment by our company (Taiwan Deli).
1999	Obtained European "Oeke-Tex" certification.
2000	The Company invests another NT$29 million in the Hangzhou Deli factory in China, resulting in a total investment of NT$479 million, or 43.55% of the Company's investment. Awarded member of Du Pont's Best Partner Program.
2001	Obtained the "EZ-DRY" trademark pattern.
2005	On September 5, the board of directors of Baihe Investment Co., Ltd., Baili Investment Co., Ltd. and Zhaohong Investment Co., Ltd. resolved to merge, with Baihe Investment Co., Ltd. as the surviving company, and set October 5 as the base date for the merger. On October 18, the board of directors resolved to merge the subsidiaries, Baihe Investment Co., Ltd. and Charles Schwab Investment Co., Ltd. and set December 8 as the base date for the merger, and to cancel the shares of the parent company held by the original subsidiary. On December 8, the Company absorbed and cancelled 46,541,374 shares of the parent company held by its subsidiaries, and the capital stock amounted to NT$1,755,960,020 after the cancellation.
2006	Added a finishing and laminating plant.
2007	The finishing and laminating factory starts to take orders for production.
2009	Victory Samoa Holdings Co., Ltd., the 100% owned subsidiary of the Company use equity transfer to increase capital up to USD 2,050,005 and obtained 15.56% of shares from Yizhong (Shanghai) Co., Ltd. (Deli (Shanghai) Textile Co., Ltd.)
2010	In June 2000, the Company purchased 907 thousand shares of Tung Ming Fiber from an unrelated party, and held 89.84% of the Company’s shares as of the end of December 2000. On July 9, 2000, the Company adopted paperless shares.
2011	The Company and its subsidiary Defa International Industrial Limited jointly invested in The Deying International Trade Company in January 2011, holding 50% and 49.90% of the Company's shares, respectively. The Deying International Trade Company is principally engaged in the wholesale and retail of garments. Purchased 6,119 thousand shares of LUCKY UNIQUE ENT. CO., LTD. and increased its shareholding from 3.20% to 23.55%. Acquired 1,873,000 shares of Defa International Industrial Limited, increasing its shareholding from 43.55% to 77.60%. The Company reinvested in China Hangzhou De Licacy Factory in the amount of NT$472,749 thousand, and the total investment amounted to NT$1,026,451 thousand, representing 77.60% of the investment.

2012 Acquired 5,100 thousand shares of Fufa Industrial Limited and increased its shareholding from 23.55% to 45.30% by increasing its shareholding by 3,485 thousand shares through cash capital increase.

Acquired 1,981 thousand shares of Defa International Industrial Limited, increasing its shareholding from 77.60% to 100%.

The Company reinvested in China Hangzhou De Licacy Factory in the amount of NT$308,021 thousand, and the total investment amounted to NT$1,334,472 thousand, with an investment ratio of 100.00%.

2013 Eden Road Company established NEW HAO ENTERPRISE CO., LTD. (NEW HAO Company, 100% shareholding) with a capital contribution of $10,500 thousand in 2013 and on December 27, 2013, NEW HAO Company acquired 44.44% of De Licacy (Shanghai) from Guangzhou De Licacy Company at a cost of US$10,500,000.

2014 On Jan. 16, 2014, the 14th Board 18th Board Meeting, the adjustment of organization of Hangzhou De Licacy Texile Limited, De Licacy (Shanghai) Textile Limited was approved

On March 26, 2014, the Chairman of the Company, on behalf of its subsidiaries, EDEN ROAD INTERNATIONAL LIMITED and DE LICACY (SAMOA) HOLDINGS CO. On March 6, 2013, the chairman of the board of directors of EDEN ROAD INTERNATIONAL LIMITED and DE LICACY (SAMOA HOLDINGS CO., LTD.), entered into a share transfer agreement with PERFECT STEP INVESTMENTS LIMITED, which provides for a total transfer price of RMB260,835,000 per mu, based on a land parcel area of 245.57 mu as verified by both parties.

In April, CHADTEX INDUSTRIAL CO., LTD. was established with a capital of NT$85,000 thousand, holding 53.125% of the shares.

Since October, the Company's consolidated shareholding in Fufa Company is 50.59%, and the Company has control over Fufa Company and its investees E TEXTILE CO. Ltd., Zhejiang Fufa Textile Co., Ltd. are included as subsidiaries of the Company.

At the end of December, Bright Wisdom Holding Ltd. purchased 80.769% of the shares of TOTAL EXPRESS LTD. with a capital contribution of US$1, and TOTAL EXPRESS LTD. was incorporated as a subsidiary of the Company.

In December, De Licacy (Shanghai) Textile Limited, Somoa Victory Holdings Limited, and NEW HAO ENTERPRISE CO., LTD. completed the transfer of their shareholdings and the Company lost control over them.

2015 In March, the board of directors approved the issuance of NT$200 million of the first domestic secured convertible bonds and NT$250 million of the second domestic unsecured convertible bonds.

On June 11, 2015, SERVICE GREEMENT was signed with Toyotsu Fashion Express Co., Ltd., a 100% owned subsidiary of TOYOTA TSUSHO CO.

The Company invested in DE DLICACY HOLDINGS CO., LTD. and then invested in DE SHEN (CAYMAN) HOLDINGS CO. and then invested in Vietnam Company.

2016 In cooperation with Tainan Enterprise, Nan De Company invested $5,100,000 to acquire 51% equity in December 2015, and Nan De Company is a subsidiary of the Company. In March 2016, our subsidiary, De Licacy SAMOA Holding Limited, invested in De Licacy (Anguilla) Holdings Limited for USD4,905,000 and invested in NEWPREMIUM ENTERPRISE CO. ENTERPRISE CO.,LTD and indirectly acquired Jei Jom ENTERPRISE CO.,LTD USD1,470,000. The Company owns 49% of the shares of NEWPREMIUM and Jei Jom ENTERPRISE CO.

2017 Deli International Limited, a subsidiary, acquired Budweiser Holdings Limited for US$5.63 million from FAITH GAIN INVESTMENT LIMITED, a subsidiary, in order to indirectly hold the equity interest in Zhejiang Fufa Textile Ltd.

The subsidiaries, De Licacy (Samoa) Holdings Co., LTD. and Nutransfer International Co.,LTD. and Subtex Trading Co., LTD. agreed to jointly invested to establish NUTRANSFER (SAMOA) INTERNATIONAL CO., LTD. abroad with the total contribution of USD 200, where De Licacy (Samoa) Holdings Co., LTD. invested USD 1 million, accounted for 50% of the total shares, NUTRANSFER (SAMOA) INTERNATIONAL CO.,LTD then indirectly made investment in Vietnam and established Nutransfer International (Vietnam) Co., Ltd. with 100% shareholding and entered pringing industry.

2018 In December 2017, the Company invested US$1,105 thousand to establish Jingda Global Company (100% shareholding), and in July 2018, the Company invested an additional US$830 thousand mainly for indirect investment in ATAGO Vietnam (30% shareholding).

In April 2018, Somoa Le Licacy invested US$11,920,000 to establish Mega Ventures Company (85% shareholding), which is mainly used to indirectly invest in GLORY WEALTHY CORPORATION LIMITED (38% shareholding).

In November 2018, Deli International Limited and Eden Road International Limited increased their investment in Bright Wisdom Ltd. by US$2,151 thousand and US$416 thousand, respectively, mainly to reinvest in Lucky Apex Ventures Limited (100% shareholding) and then indirect investment on Anqing Defa Company (100% shareholding). The investment was approved by the Investment Review Committee of the Ministry of Economic Affairs on October 30, 2018.

2019 On June 28, 2019, the Company established Deguo Company (60% shareholding) with an unrelated party at a capital of $12,000 thousand, which is mainly engaged in general import and export trade.

Acquired 3.96% equity interest in Fufa Company from an unrelated party for $21,664 thousand in June 108, resulting in an increase in shareholding from 55.74% to 59.7%.

Deyi Company and Eden Road Company invested in Bright Wisdom Ltd. for reinvestment in Lucky Apex Ventures Limited (100% shareholding) and indirectly in Anqing Defa Company (100% shareholding). The investment was approved by the Investment Commission of the Ministry of Economic Affairs on October 30, 2018. Bright Wisdom Ltd. increased its capital in cash in June 2019, but Tung Ming, Deli Company and Eden Road Company did not recognize the investment in Bright Wisdom Ltd. in proportion to their shareholdings. However, Tung Ming, Deli Company and Eden Road Company did not recognize the change in their proportional shareholding in Bright Wisdom Ltd. to 5.22%, 45.85% and 20.23%, respectively.

Bright Wisdom Ltd. acquired 19.231% of the shares of Zhejiang Fufa Company and Total Express Ltd. from key management at the end of 2019 for $74,950 thousand ($2,500 thousand) (recorded as other payables - related parties), resulting in an increase in the shareholding ratio from The shareholding ratio increased from 80.769% to 100%.

In June 2019, the Company acquired 3.96% of Fufa Company from an unrelated party for $21,664 thousand, increasing its shareholding from 55.74% to 59.7%.

2020 On January 14, 2020, the board of directors approved the acquisition of 5.22% and 20.23% of the shares of Bright Wisdom Ltd. from Dongming Company and Eden Road Company, respectively, at US$1.0376 per share, in order to indirectly increase the investment in Zhejiang Fufa Company and Anqing Fufa Company, resulting in an increase in the shareholding ratio from 45.85% to 71.3%. The transfer of shares was a reorganization of a jointly controlled entity.

On January 14, 2020, the board of directors approved the purchase of 1.22% equity interest in Fufa from Dongming, a subsidiary, for $6,633,000, resulting in an increase in shareholding from 59.7% to 60.92%, which is an organizational reorganization under common control.

On March 12, 2020, the board of directors approved the sale of 60% of the shares held by Teckwah to its subsidiary, FuFa Company, for $12,000 thousand, which is an organizational reorganization under common control.

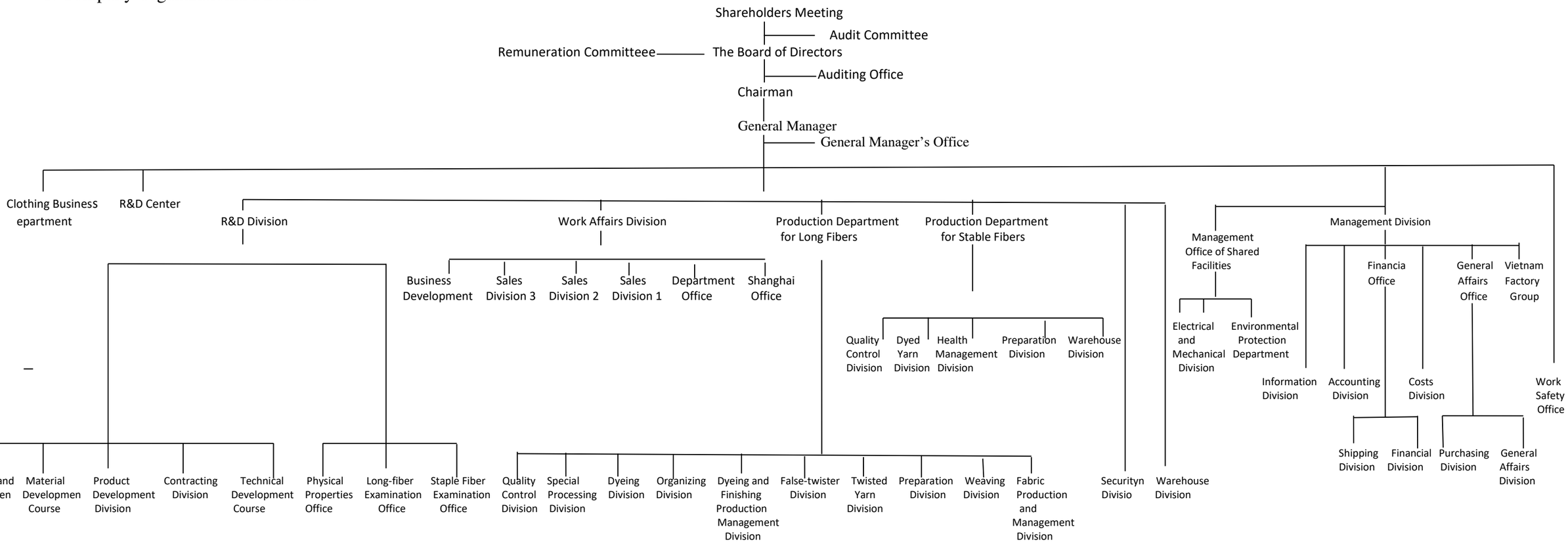
The sold shares of LUCKY UNIQUE ENT. CO., LTD. which accounted for 35.94% of all and held by the Company is proposed and approved by the Board of Directors on June 16, 2020, which reduced shareholding ratio to 24.98%; hence, the amalgamated company lost control of LUCKY UNIQUE and its subsidiary and the remaining part of investment is recognized for investment in associates subject to the fair value on the day losing control of the same.

The 91.28% shares of TONG MING ENTERPRISE CO., LTD. held by the Company was approved by the Board of Directors to sell to LUCKY UNIQUE ENT. CO., LTD. on April 20, 2020; hence, the transfer of equity is classified as reorganization under a common control entity

III. Corporate Governance Report

(I) Organization Structure

1. Company Organizational Structure



2. Business Content of All Departments

Department	Main Task
Auditing Office	• Establish the company's auditing system and revise it in a timely manner. • Audit each cycle operation is executed in accordance with the company rules and regulations, and submit audit reports for approval, and make tracking reports for any irregularities. • Schedule the annual audit schedule and upload the related information.
Work Safety Office	Manage the planning and supervise the affairs of labor safety and health management of each department.
Management Division	• Responsible for budgeting, audit accounting, bookkeeping, cost accounting, financial tax management, capital market fundraising, capital management and utilization, operation analysis, general affairs, procurement, personnel, system planning, external affairs related to IPO, stock trading, programming, system maintenance, and other matters as assigned. • Handle matters related to investor relations.
Management Office of Shared Facilities	• Provide power, steam, soft water and machine maintenance for the whole company.
Production Department for Long Fibers Production Department for Stable Fibers	• Manage the affairs related to production control, manufacturing, quality control, maintenance and repair, and other assigned matters.
Work Affairs Division	• Responsible for market research, sales forecasting and planning, sales promotion, market development, product sales, payment collection, and after-sales service.
R&D Division	• Develop, execute and follow up on new product development plans. • The collection and management of new product information and market trends. • Production design analysis, manufacturing technology and processing technology research. • Develop new cloths and materials. • Improve the quality of existing products and improve the efficiency of machinery and human resources.
R&D Center	• Engage in forward-looking innovative R&D work. • Focus on long-term research and development and patent applications. • Submit applications to government departments and consortia for research and development projects. • Develop Senior Human Resources. • Build the company's core technology.
Clothing Business Department	• Develop and manufacture all kinds of functional outdoor and sportswear. • Produce high-end apparel for internationally renowned brands.

(II) Directors, Supervisors, General Manager, Deputy General Manager, Associates, Departments and Branches Officer Information

1. Directors' Information (1)

Apr. 12, 2021

Title (Note 1)	Name	Nationality/ Registration Place	Gender	Date First Elected (Note 2)	Date Elected	Term (Years)	Shareholding when Elected		Own Shareholdings		Shares held by spouse, minor children		Shareholding by Nominee Arrangement		Experience (Education) (Note 3)	Other Position in the Company and other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Chairman	YEH,CHIA-MING	R.O.C.	Male	2008.06.06	2017.06.08	3	3,398,181	0.88	3,288,181	0.86	--	--	--	--	Graduate Institute, University of Southern California Associates, De Licacy Industrial Co., Ltd.	Note 5	Directors Directors	YEH,WEI-LI YEH,CHIA-HAO	Brothers Brothers	
Institutional Director	Fuhua Investment Co., Ltd. Representative: YEH,CHIA-HAO	R.O.C.	Male	2006.06.14	2017.06.08	3	31,213,994	8.12	30,000,994	7.80	--	--	--	--	Graduate Institute, New York University Hangzhou Deli Textile Co., Ltd. Deputy Chairman	Note 6	Chairman Directors	YEH,CHIA-MING YEH,WEI-LI	Brothers Brothers	
Institutional Director	Fuhua Investment Co., Ltd. Representative: YEH,WEI-LI	R.O.C.	Male	2014.06.20	2017.06.08	3	31,213,994	8.12	30,000,994	7.80	60,835	0.02	--	--	Graduate Institute, University of Southern California Manager, De Licacy Industrial Co., Ltd.	Note 7	Chairman Directors	YEH,CHIA-MING YEH,CHIA-HAO	Brothers Brothers	
Institutional Director	Fuhua Investment Co., Ltd. Representative: KUO,CHUN-HSIUNG	R.O.C.	Male	2006.06.14	2017.06.08	3	31,213,994	8.12	30,000,994	7.80	322,069	0.08	--	--	Major in Textiles, National Taipei University of Technology Associates, EVEREST	Note 8	None	None	None	
Independent Director	HUANG,CHUN-JEN	R.O.C.	Male	2017.06.08	2017.06.08	3	60,577	0.01	60,577	0.01	564	--	--	--	Department of Chemical Engineering, Hwa Hsia University of Technology General Manager, WELL UNIQUE ENTERPRISE CO., LTD. Chairman, Hanpin International Co., Ltd.	Note 9	None	None	None	
Independent Director	SU,PO-CHENG	R.O.C.	Male	2017.06.08	2017.06.08	3	12,762	--	12,762	--	--	--	--	--	Department of Applied Chemistry, Tamkang University General Manager, HONE-STRONG INDUSTRIAL CO., LTD.	Note 10	None	None	None	
Independent Director	TSAI,CHI-CHUN	R.O.C.	Male	2020.06.10	2020.06.10	3	--	--	--	--	--	--	--	--	Graduate Institute, University of Southern California Graduated from the Department of Public Administration Deputy Chairman, SPORTSLINK TAIWAN LIMITED	Note 11	None	None	None	

Note 1: Corporate shareholders should list the name of the corporate shareholder and the representative separately (for those who are representatives of the corporate shareholder, the name of the corporate shareholder should be indicated), and should fill in Table 1 below.

Note 2: Enter the time when you first became a director or supervisor of the Company. If there is any interruption, please provide a note to explain.

Note 3: For experience related to the current position, if you have worked for a certified public accountant firm or a related company during the previous reporting period, you should specify the title and responsibilities of your position.

Note 4: If the chairman of the board of directors and the president or equivalent (top manager) are the same person, spouses or relatives of one another, the reasons, reasonableness, necessity, and relevant information on the measures to be taken shall be stated.

Note 5: Chairman, YEH, CHIA-MING, is concurrently working as chairman of Fufa International Investment Co., Ltd., WELL UNIQUE ENTERPRISE CO., LTD., Yongyi Investment Co., Ltd., representative of institutional director and chairman of DNE ENERGY INC., DE-FA INTERNATIONAL INDUSTRIAL CO., LTD. and TUNG MING TEXTILE CO.,LTD., representative of institutional director, Zhejiang Fufa Textile Co., Ltd., Deyang Co., Ltd., SHENG-BO TECHNOLOGY CORP., E TEXTILE CO., LTD., Hangzhou DE LICACY Texile CO., LTD., SILVER SHORES INTERNATIONAL LIMITED, APEX (ANQING)TEXTILE CO.,LTD, De Kao Trading Co., Ltd, R&L SOLAR SOLUTIONS TAIWAN INC., Deri company, Dexing company, Full Vision Enterprise Co., Ltd and Jinlin Venture Capital Co., Ltd.,

representative of institutional director and responsible person of De Licacy (Anguilla) Holdings Limited, Xinhu Venture Investment Co,.Ltd., EDEN ROAD Inernational Limited, Jingda Global Co., Ltd., Mega Ventures Co., Ltd., director of FORWARD Investment Limited, Vicotry International Trade Company, Fufa Industrial Co., Ltd., ERA NOUVEAU INTERNATIONAL CO., LTD. and FUTURE TYCOON TRADING CO., Ltd., representative of institutional director and responsible person of EDEN ROAD Inernational Limited, De Licacy (Anguilla) Holdings Limited, Xinhu Venture Investment Co,.Ltd., Jingda Global Co., Ltd. and Mega Ventures Co., Ltd., and responsible person of DE SHEN (Cayman) Holdings Limited, Delicacy BVI Holdings Limited, DE HONG HOLDINGS CO.,LTD, EDEN ROAD Inernational Limited(Hong Kong), FAITH GAIN INVESTMENT LIMITED and CHENG FONG BAKERY SUPPLY CO..

Note 6: Representative of institutional director of FORWARD Investment Limited, Mr. YEH, CHIA-HAO, is concurrently working as deputy chairman of the Company, chairman of Vicotry International Trade Company, Quanye Investment (Stock) Co., Ltd., representative of institutional director and chairman of Zhejiang Fufa Textile Co., Ltd., APEX (ANQING)TEXTILE CO.,LTD, FUTURUS CO., LTD., representative of institutional director and responsible person of Jinlin Venture Capital Co., Ltd., responsible person of Lee hing co., ltd., LUCKY APEX VENTURES LIMITED, TOTAL EXPRESS LTD, Bright Wisdom Holdings Limited, representative of institutional director of Hangzhou DE LICACY Texile CO., LTD., DE-FA INTERNATIONAL INDUSTRIAL CO., LTD., DNE ENERGY INC., TUNG MING TEXTILE CO.,LTD., director of FORWARD Investment Limited, Fufa International Investment Co., Ltd., WELL UNIQUE ENTERPRISE CO., LTD., SILVER SHORES INTERNATIONAL LIMITED, Mega Ventures Co., Ltd., representative of institutional supervisor of Deyang Co., Ltd., SHENG-BO TECHNOLOGY CORP., Deri company, Dexing company.

Note 7：Representative of institutional director of FORWARD Investment Limited, Mr. YEH,WEI-LI, is concurrently working as the general manager of the Company, chairman of FORWARD Investment Limited, Morning Light International Investment Company, director of Fufa International Investment Co., Ltd., Vicotry International Trade Company, Accuratech precision inc., Mega Ventures Co., Ltd., SILVER SHORES INTERNATIONAL LIMITED, FUTURE TYCOON TRADING CO., Ltd., representative of institutional director of Hangzhou DE LICACY Texile CO., LTD., Zhejiang Fufa Textile Co., Ltd., CHADTEX INDUSTRIAL CO., LTD., DE HONG HOLDINGS CO.,LTD, APEX (ANQING)TEXTILE CO.,LTD, Jinlin Venture Capital Co., Ltd., supervisor of WELL UNIQUE ENTERPRISE CO., LTD., TUNG MING TEXTILE CO.,LTD., representative of institutional supervisor of Defa International Industrial Co., Ltd., responsible person of Vietnam DE LICACY INDUSTRIAL CO., LTD., ALPHABAY INVESTMEN LIMITED.

Note 8：Representative of institutional director of FORWARD Investment Limited, Mr. KUO,CHUN-HSIUNG, is concurrently working as the deputy chairman of the Company, representative of institutional director and general manager, TUNG MING TEXTILE CO.,LTD., representative of institutional supervisor of Hangzhou DE LICACY Texile CO., LTD., Zhejiang Fufa Textile Co., Ltd., representative of institutional director and chairman of CHADTEX INDUSTRIAL CO., LTD., E TEXTILE CO., LTD., De Kao Trading Co., Ltd, Full Vision Enterprise Co., Ltd, representative of institutional director of Fufa Industrial Co., Ltd., representative of institutional director and responsible person of DE HONG INTERNATIONAL CO.,LTD (DH), responsible person of FUTURE TYCOON HOLDINGS CO., Ltd., director of ERA NOUVEAU INTERNATIONAL CO., LTD., De Licacy Educational Foundation.

Note 9: Mr. HUANG,CHUN-JEN, an independent director, is currently the general manager of WELL UNIQUE ENTERPRISE CO., LTD.

Note 10: Mr. SU,PO-CHENG, an independent director, is currently the directorandgeneral manager of HONE-STRONG INDUSTRIAL CO., LTD.; Director of ZIG SHENG INDUSTRIAL CO., LTD. and BEAUTY-STRONG DYEING & FINISHING CO., LTD.; chairman of Tianhe Investment Co., Ltd.

Note 11: Mr. TSAI,CHI-CHUN, an independent director, is currently the Vice Chairman of SPORTSLINK TAIWAN LIMITED

Table 1: Major shareholders of the institutional shareholders

Name of Institutional Shareholders	Major shareholders of the juristic persons
Fuhua Investment Co., Ltd.	YEH,WEI-LI (18.03%), Chenxi International Investment Co., Ltd. (81.97%)

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be entered.

Note 2: Enter the names of the major shareholders of the corporation (the top ten in terms of shareholding) and their shareholding ratios. If the major shareholder is a corporation, the following table 2 should be completed.

Note 3: If a corporate shareholder is not a corporate organization, the name of the shareholder and the percentage of shareholding should be disclosed in the preceding paragraph.The name of the shareholder and the percentage of shareholding disclosed in the preceding paragraph are the name of the contributor or donor and the percentage of contribution or contribution.

Table 2: Major shareholders of the Company's major institutional shareholders

Name of Institutional Shareholders	Major shareholders of the juristic persons
Chenxi International Investment Co., Ltd.	YEH,WEI-LI,HUNG,SHEN-I

Note 1: If the director or supervisor is a representative of a corporate shareholder, the name of the corporate shareholder should be entered.

Note 2: Enter the names of the major shareholders of the corporation (the top ten in terms of shareholding) and their shareholding ratios.

Note 3: If a corporate shareholder is not a corporate organization, the name of the shareholder and the percentage of shareholding should be disclosed in the preceding paragraph.The name of the shareholder and the percentage of shareholding disclosed in the preceding paragraph are the name of the contributor or donor and the percentage of contribution or contribution.

Directors' Information (2)

Criteria / Name (Note 1)	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note 2)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	
YEH,CHIA-MING			✓							✓		✓	✓	None
Fuhua Investment Co., Ltd. Representative: YEH,CHIA-HAO			✓							✓		✓		None
Fuhua Investment Co., Ltd. Representative: YEH,WEI-LI			✓							✓		✓		None
Fuhua Investment Co., Ltd. Representative: KUO,CHUN-HSIUNG			✓			✓	✓			✓	✓	✓		None
HUANG,CHUN-JEN			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None
SU,PO-CHENG			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None
TSAI,CHI-CHUN			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None

Note 1: The number of columns is adjusted according to the actual number.

Note 2: Please tick the corresponding boxes with "✓" that apply to a member during the two years prior to being elected or during the term(s) of office.

（1）Not an employee of the Company or any of its affiliates.

（2）Not a Director or Supervisor of the Company or its affiliates, (however, this does not apply, in case where the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country ordinances).

（3）Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.

（4）Not a spouse, second-degree relative or third-degree relative of the managers in (1) or persons in (2) or (3).

（5）Not a director, supervisor, or employees of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings or is the representative being assigned as the director or supervisor of the Company by in accordance with Article 27, Paragraph 1 or 2 of the Company Act, (However, this does not apply, in case where the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country ordinances).

（6）Not a director, supervisor or employee of other company which has over half of the number of directors' seats or shares with voting rights of the Company and is controlled by the same person (however, this does not apply, in case where the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country ordinances).

（7）Not a director, supervisor or employee of other companies or institution which concurrently works as or in a spouse relationship to the chairman, general manager or personnel of relative duties of the Company (however, this does not apply, in case where the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country ordinances).

（8）Not a director, supervisor, manager or a shareholder holing five percent or more of the shares of a company or institution that has a business or financial relationship with the Company, (however, this does not apply, in case where the specific company or institution holds over 20% but less than 50% of the total number of issued shares of the Company and the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country ordinances).

（9）Not a professional who provides auditing, nor a professional who provides commercial legal, financial, accounting, or consulting services to the Company or its affiliates with the cumulated remuneration within the last two years less than NT$500,000, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such service to the Company or its affiliates, However, this does not apply for members of compensation committee, public acquisition audit committee or special committee for merger who exercise power in accordance with relevant laws and regulations in Securities and Exchange Act or Business Mergers and Acquisitions Act.

（10）Not a spouse or relative of second degree or closer to any other directors.

（11）Not a person of any conditions defined in Article 30 of the Company Act

（12）Not elected as a governmental, juridical person or its representative defined in Article 27 of the Compan Act

2. General Manager, Deputy General Manager, Associates, Departments and Branches Officer:

Title(Note 1)	National ity	Name	Date Elected	Gender	Shareholdings		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 2)	Other Position in other Companies	Managers who are spouses or within two degrees of kinship			Remark (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Special assistant of the chairman	R.O.C.	KUO,CHUN-HSIUNG	2011.06.17	Male	156,804	0.04%	322,069	0.08%	--	--	Major in Textiles, National Taipei University of Technology Associates, EVEREST	Representative of Institutional Director, TUNG MING TEXTILE CO., LTD. General Manager Representative of Institutional Supervisor, Hangzhou Deli Textile Co., Ltd. Representative of Institutional Supervisor, Zhejiang Apex Textile Co.,Ltd. Representative of Institutional Director, E TEXTILE CO., LTD. Chairman Representative of Institutional Director, LUCKY UNIQUE ENT. CO. ,LTD Representative of Institutional Director, CHADTEX INDUSTRIAL CO., LTD. Chairman Director, Deli Education Foundation Representative of Institutional Director, Full Vision Enterprise Co., Ltd. Chairman Responsible Person, Juheng Holdings Co., Ltd. Director, ERA NOUVEAU INTERNATIONAL CO., LTD. Representative of Institutional Director and Responsible Person of E HONG INTERNATIONAL CO.,LTD (DH) Representative of Institutional Director, De Kao Trading Co., Ltd. Chairman	None	None	None	
General Manager	R.O.C.	YEH,WEI-LI	2019.03.18	Male	2,859,392	0.74%	60,835	0.02%	--	--	Graduate Institute, University of Southern California De Licacy Industrial Co., Ltd. General Manager	Chairman Fuhua Investment Co., Ltd Director, Fufa International Investment Co., Ltd. Supervisor, WELL UNIQUE ENTERPRISE CO., LTD. Supervisor, TUNG MING TEXTILE CO., LTD. Representative of Institutional Supervisor, DE-FA INTERNATIONAL INDUSTRIAL CO., LTD. Director, FUSON INTERNATIONAL CO., LTD. Representative of Institutional Director, Hangzhou Delicacy Textile Co.,Ltd. Representative of Institutional Director, Zhejiang Apex Textile Co.,Ltd. Representative of Institutional Director, CHADTEX INDUSTRIAL CO., LTD. Director, Accuratech precision inc. Responsible Person, Vietnam Deli Industrial Co., Ltd. Responsible Person, ALPHABAY INVESTMENT LIMITED Director, SILVER SHORES INTERNATIONAL LIMITED Representative of Institutional Director, DE HONG HOLDINGS CO.,LTD Director, Beauty Plus Ventures. Limited Chairman, Chenxi International Investment Co., Ltd. Representative of Institutional Director, Anqing Defa Textile Co., Ltd.	Associates, Management Division	CHI,WEI-HSIEN	Second-degree kinship	

Title (Note 1)	Nationality	Name	Date Elected Date	Gender	Shareholdings		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 2)	Other Position in other Companies	Managers who are spouses or within two degrees of kinship			Remark
					Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio			Title	Name	Relation	
Vice General Manager, Clothing Business Department (Note 4)	R.O.C.	YANG, YUAN-PO	2007.12.28	Male	--	--	--	--	--	--	British Columbia Institute of Technology General Manager, Zhejiang Oriental Baifu Manufacturing Co., Ltd. General Manager, Dragon Crowd Co. Ltd. (USA)	None	None	None	None	
Executive Deputy General Manager of Management Division Financial and Accounting Supervisor	R.O.C.	YU, I-NENG	2014.06.17	Male	--	--	--	--	--	--	Accounting, Tamkang University Manager, Hangzhou Delicacy Textile Co.,Ltd. Manager, DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	Supervisor, Fufa International Investment Co., Ltd. Director, Wanhao Co., Ltd. Supervisor, Fusheng International Trade Co., Ltd. Representative of Institutional Supervisor, Hangzhou Delicacy Textile Co.,Ltd. Supervisor Fuhua Investment Co., Ltd Representative of Institutional Supervisor, LUCKY UNIQUE ENT. CO. ,LTD Supervisor, De Kao Trading Co., Ltd. Supervisor, FUTURE TYCOON TRADING CO., Ltd. Supervisor, Rights Industry Equity (Stock) Co., Ltd.	None	None	None	
Associates, Management Division (Note 5)	R.O.C.	CHI, WEI-HSIEN	2015.09.01	Female	--	--	3,398,181	0.88%	--	--	Graduate Institute, Mills College	Director, WELL UNIQUE ENTERPRISE CO., LTD.	General Manager	YEH,WEI-LI	Second-degree kinship	
Deputy General Manager, Production Department	R.O.C.	TSAI, CHI-HSIU	2017.06.26	Male	628	--	50	--	--	--	Chemical Engineering Department, Vanung University Supervisor, EVEREST Manager, De Licacy Industrial Co., Ltd.	Supervisor, E TEXTILE CO., LTD. Supervisor, WELL UNIQUE ENTERPRISE CO., LTD.	None	None	None	

Note 1: The information of general manager, vice president, assistant manager, department and branch office heads should be included, and any position equivalent to general manager,vice president or assistant manager, regardless of title, should also be disclosed.
Note 2: For experience related to the current position, if you have worked for a certified public accountant firm or a related company during the previous reporting period, you should specify the title and responsibilities of your position.
Note 3: If the chairman of the board of directors and the president or equivalent (top manager) are the same person, spouses or relatives of one another, the reasons, reasonableness, necessity, and relevant information on the measures to be taken shall be stated.
Note 4: Resigned Jun. 30, 2020.
Note 5: Resigned Jun. 25, 2020.

3.Remuneration of Directors, Supervisors, General Manager, and Deputy General Manager in recent years:

(1) Remuneration of General Directors and Independent Directors

NT$1,000

Title	Name	Directors' Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income		Compensation Paid to Directors from an Invested Company Other than the Subsidiaries or Parent Company
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
																The Company		Companies in the consolidated financial				
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	Companies in the consolidated financial statements	
Chairman	YEH,CHIA-MING	0	0	0	0	0	1,085	200	840	(0.10%)	(0.93%)	2,681	7,862	0	0	0	0	0	0	(1.39%)	(4.72%)	0
Institutional Director	Fuhua Investment Co., Ltd. Representative: YEH,CHIA-HAO	0	0	0	0	0	1,085	200	680	(0.10%)	(0.85%)	1,139	3,100	0	0	0	0	0	0	(0.64%)	(2.35%)	0
Institutional Director	Fuhua Investment Co., Ltd. Representative: YEH,WEI-LI	0	0	0	0	0	1,100	200	880	(0.09%)	(0.95%)	2,356	7,901	0	0	0	0	0	0	(1.23%)	(4.76%)	0
Institutional Director	Fuhua Investment Co., Ltd. Representative: KUO,CHUN-HSIUNG	0	0	0	0	0	1,099	200	1,040	(0.09%)	(1.03%)	2,187	7,020	0	0	0	0	0	0	(1.15%)	(4.42%)	0
Independent Director	HUANG,CHUN-JEN	250	0	0	0	0	0	200	200	(0.22%)	(0.22%)	0	0	0	0	0	0	0	0	(0.22%)	(0.22%)	0
Independent Director	SU,PO-CHENG	250	0	0	0	0	0	200	200	(0.22%)	(0.22%)	0	0	0	0	0	0	0	0	(0.22%)	(0.22%)	0
Independent Director	TSAI,CHI-CHUN	250	0	0	0	0	0	100	2011	(0.17%)	(0.17%)	0	0	0	0	0	0	0	0	(0.17%)	(0.17%)	0
Total		750	0	0	0	0	4,369	1,300	3,940	(0.99%)	(4.37%)	8,363	25,883	0	0	0	0	0	0	(5.02%)	(16.86%)	0

1.Please describe the policy, system, criteria and structure for the compensation of independent directors, and the relevance to the amount of compensation paid based on the responsibilities, risks, time commitment, etc.The compensation of the Company's independent directors is determined by the Compensation Committee with reference to the industry or related industry payout and the Company's operating performance. The compensation of our independent directors is determined by the Compensation Committee with reference to the industry or related industry payout and the Company's operating performance, taking into account the directors' participation in the Company' The compensation of our independent directors is determined by the Compensation Committee with reference to the industry or related industry payout and the Company's operating performance, taking into account the directors' participation in the Company's operations and their individual performance contributions.The remuneration is set at NT$250,000 per year for each director, regardless of profit or loss, and ispayable in the event of a loss.

2. Except as disclosed in the table above, the remuneration received by the directors of the Company for services rendered to all companies in the financial statements (e.g., as consultants to non-employees) in the most recent year: None.

Range of Remuneration

Range of remuneration paid to each of the Company's directors	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	Companies in the consolidated financial statements (Note 9) H	The Company (Note 8)	Companies in the consolidated financial statements (Note 9) I
Under NT$ 1,000,000	YEH,CHIA-MING Representative of Fuhua Investment Co., Ltd.: YEH,CHIA-HAO Representative of Fuhua Investment Co., Ltd.: YEH,WEI-LI Representative of Fuhua Investment Co., Ltd.: KUO,CHUN-HSIUNG	HUANG,CHUN-JEN, SU,PO-CHENG, TSAI,CHI-CHUN	HUANG,CHUN-JEN, SU,PO-CHENG, TSAI,CHI-CHUN	HUANG,CHUN-JEN, SU,PO-CHENG, TSAI,CHI-CHUN

	HUANG,CHUN-JEN, SU,PO-CHENG, TSAI,CHI-CHUN			
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)		YEH,CHIA-MING Representative of Fuhua Investment Co., Ltd.: YEH,CHIA-HAO Representative of Fuhua Investment Co., Ltd.: YEH,WEI-LI	Representative of Fufa International Investment Co., Ltd.: YEH,CHIA-HAO	
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)		Representative of Fuhua Investment Co., Ltd.: KUO,CHUN-HSIUNG		
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)			YEH,CHIA-MING Representative of Fufa International Investment Co., Ltd.: YEH,WEI-LI Representative of Fufa International Investment Co., Ltd.: KUO,CHUN-HSIUNG	Representative of Fuhua Investment Co., Ltd.: YEH,CHIA-HAO
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)				YEH,CHIA-MING Representative of Fufa International Investment Co., Ltd.: YEH,WEI-LI Representative of Fufa International Investment Co., Ltd.: KUO,CHUN-HSIUNG
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)				
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)				
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)				
NT$100,000,000 or over				
Total	7 people	7 people	7 people	7 people

Note 1: The names of directors should be listed separately (corporate shareholders should list the names of corporate shareholders and their representatives separately), and the amount of each payment should be disclosed in aggregate. If a director is also a general manager or vice president, he/she should fill in this table and the Table (3-1) and (3-2).

Note 2: This refers to the most recent annual compensation of directors (including directors' salaries, bonuses, severance pay, various bonuses and incentive payments, etc.).

Note 3: The amount of directors' remuneration approved by the board of directors in the most recent year is included.

Note 4: This refers to the latest year's directors' related business execution expenses (including travel expenses, special expenses, various allowances, dormitory, provision of cars, etc.). The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other transportation or personal expenses are provided. If a driver is assigned to the director, please include a note stating that the company will pay the driver the relevant compensation, but it will not be counted as remuneration.

Note 5: This refers to the salary, salary increment, severance pay, various bonuses, incentive payments, transportation expenses, special expenses, various allowances, dormitory, provision of cars, etc., received by the directors and employees (including concurrent general manager, vice president, other managers and employees) in the most recent year. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other transportation or personal expenses are provided. If the director have a driver, please include a note stating that the company will pay the driver the relevant compensation, but it will not be counted as remuneration. Salary expense recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 6: The amount of employee compensation (including stock and cash) received by a director who is also an employee (including also a general manager, vice president, other managers and employees) in the most recent year should be disclosed as approved by the board of directors in the most recent year, and if the amount cannot be estimated, the proposed distribution amount for this year should be calculated in proportion to the actual distribution amount last year, and should also be listed in Table 1 ter.

Note 7: The total amount of each remuneration paid to the Company's directors by all companies in the consolidated report (including the Company) should be disclosed.

Note 8: The total amount of each remuneration paid by the Company to each director is disclosed in the name of the director at the level of vesting.

Note 9: The total amount of each remuneration paid to each director of the Company by all companies in the consolidated report (including the Company) should be disclosed, and the names of the directors should be disclosed at the level to which they belong.

Note 10: The net income after tax refers to the net income after tax of the most recent year for individual or separate financial reports.

Note 11:a. This column should explicitly state the amount of remuneration received by the directors of the Company from businesses other than subsidiaries or from the parent company

b. If a director of the Company receives remuneration from a subsidiary or a parent company, the remuneration received by the director of the Company from a subsidiary or a parent company should be included in column I of the remuneration scale and the name of the column should be changed to "Parent and All Transferred Subsidiaries".

c. Remuneration refers to the compensation, remuneration (including remuneration to employees, directors and supervisors) and business execution expenses of the Company's directors in their capacity as directors, supervisors or managers of a business other than a subsidiary or a parent company.

*The compensation disclosed in this table is different from the concept of income under the Income Tax Act, therefore, the purpose of this table is for information disclosure and not for tax purposes.

(2) Remuneration of General Manager, and Deputy General Manager in recent years:

NT$1,000

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonus and special allowance, etc. (C) (Note 3)		Employee bonus (D) (Note 4)				Ratio of Total Remuneration (A+B+C+D) to Net Income (Note 8)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 9)
		The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Special assistant of the chairman	KUO,CHUN-HSIUNG	1,856	3,421	0	0	331	3,600	0	0	0	0	(1.05%)	(3.39%)	0
General Manager	YEH,WEI-LI	2,025	4,425	0	0	331	3,476	0	0	0	0	(1.14%)	(3.81%)	0
Executive Deputy General Manager of Management Division Financial and Accounting Supervisor	YU,I-NENG	1,821	2,087	0	0	285	2,775	0	0	0	0	(1.02%)	(2.35%)	0
Deputy General Manager, Production Department	TSAI,CHI-HSIU	1,490	1,550	0	0	226	1,682	0	0	0	0	(0.83%)	(1.56%)	0
Vice General Manager, Clothing Business Department (Note 10)	YANG,YUAN-PO	1,438	1,438	0	0	245	245	0	0	0	0	(0.81%)	(0.81%)	0
Total		8,630	12,921	0	0	1,418	11,778	0	0	0	0	(4.85%)	(11.92%)	0

*** Regardless of title, any position equivalent to general manager or vice president(For example: President, CEO, Director...etc.etc.)All of these should be disclosed.**

Range of Remuneration

Range of remuneration paid to each of the Company's General Manager Deputy General Manager	Name of the General Manager and Deputy General Manager	
	The Company (Note 6)	Companies in the consolidated financial statements (Note 7) E
Under NT$ 1,000,000		
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	TSAI,CHI-HSIU, YANG,YUAN-PO	YANG,YUAN-PO
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	KUO,CHUN-HSIUNG, YEH,WEI-LI, YU,I-NENG	TSAI,CHI-HSIU
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)		YU,I-NENG
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)		KUO,CHUN-HSIUNG, YEH,WEI-LI
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)		
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)		
NT$100,000,000 or over		
Total	5 people	5 people

Note 1: The names of the general manager and vice president should be listed separately to disclose the amount of each benefit in a summary manner. If a director is also a general manager or vice president, he/she should fill in this table and the Table

(1-1) and (1-2).

Note 2: The most recent annual salary, duty increment and severance pay of the president and vice president are included.

Note 3: The amount of bonuses, incentives, transportation expenses, special expenses, allowances, dormitories, provision of cars for the president and vice presidents for the most recent year are included. The nature and cost of the assets provided, the actual or fair market value of rent, fuel and other payments should be disclosed when housing, automobiles and other transportation or personal expenses are provided. If the director have a driver, please include a note stating that the company will pay the driver the relevant compensation, but it will not be counted as remuneration. Salary expense recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 4: The amount of employee compensation (including stock and cash) for the president and vice president approved by the board of directors in the most recent year is included. If the amount cannot be estimated, the proposed distribution for this year is calculated in proportion to the actual distribution last year, and the following table should also be included. Net income after tax refers to the net income after tax of the most recent year.If IFRSs have been adopted, net income after tax is the net income after tax of the most recent year for individual or separate financial statements.

Note 5: The total amount of each remuneration paid to the Company's General Manager Deputy General Manager by all companies in the consolidated report (including the Company) should be disclosed.

Note 6: The total amount of each remuneration paid by the Company to each director is disclosed in the name of the General Manager Deputy General Manager at the level of vesting.

Note 7: The total amount of each remuneration paid to each General Manager Deputy General Manager of the Company by all companies in the consolidated report (including the Company) should be disclosed, and the names of the General Manager Deputy General Manager should be disclosed at the level to which they belong.

Note 8: The net income after tax refers to the net income after tax of the most recent year for individual or separate financial reports.

Note 9: a. This column should explicitly state the amount of remuneration received by the General Manager Deputy General Manager of the from businesses other than subsidiaries or from the parent company.

b. If a director of the Company receives remuneration from a subsidiary or a parent company, the remuneration received by the General Manager Deputy General Manager of the Company from a subsidiary or a parent company should be included in column I of the remuneration scale and the name of the column should be changed to "Parent Company and All Transferred Subsidiaries"

c. Remuneration refers to the compensation, remuneration (including remuneration to employees, directors and supervisors) and business execution expenses of the Company's directors in their capacity as directors, supervisors or managers of a business other than a subsidiary or a parent company.

*The compensation disclosed in this table is different from the concept of income under the Income Tax Act, therefore, the purpose of this table is for information disclosure and not for tax purposes.

Note 10: Resigned Jun. 30, 2020.

(4) Name of manager for employee bonus distribution and the circumstances of distribution: None

4.An analysis of the total compensation paid to the Company's directors, supervisors, general manager and deputy general manager percentage of net income after tax for the most recent two-year period for the Company and all consolidated companies, respectively, and a description of the policy, standard and combination of compensation payments, the process for setting compensation, and the relationship to operating performance and future risks:

(1).The Company Total remuneration paid to The Company directors, supervisors, general manager and deputy general manager as a percentage of net income after tax for the last two years:

	2019 Ratio of total remuneration to net income after tax (%)		2020 Ratio of total remuneration to net income after tax (%)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors	3.21	8.41	(5.02)	(16.86)
General Manager and Deputy General Manager	1.95	4.80	(4.85)	(11.92)

(2).The Company's policy, criteria and composition of compensation payments, procedures for setting compensation, and the correlation with operating performance and future risks

The Company may pay remuneration to its directors and supervisors for the performance of their duties, regardless of the Company's operating profit or loss. The remuneration shall be determined by the extent of their participation in the Company's operations and the value of their contributions, and shall not exceed 15% of the maximum salary stipulated in the Company's salary plan. The remuneration of directors and supervisors shall not exceed three percent of the available earnings. The salaries of the President and Vice President are determined in accordance with the "Salary Management Regulations" and are based on the content of the positions held and on industry standards; employee bonuses are paid in accordance with the annual audited earnings, Article 26 of the Company's Articles of Incorporation and employee performance. The Company's remuneration policy and amount are disclosed annually in the annual report in accordance with laws and regulations, and the appropriation of earnings is approved by the board of directors with limited future risk.

III. Implementation of Corporate Governance

1.Information on the operation of Board of Directors

(1). In recent years (2020.01.01~2021.04.30), there are 9 Board of Directors Meeting (A). The attendance of directors was as follows:

Title	Name(Note 1)	Attendance B	Attend by proxy	Attendance Rate (%) (B/A) (Note 2)	Remark
Chairman	YEH,CHIA-MING	9	0	100.00	
Directors	Fuhua Investment Co., Ltd. Representative: YEH,CHIA-HAO	9	0	100.00	
Directors	Fuhua Investment Co., Ltd. Representative: YEH,WEI-LI	9	0	100.00	
Directors	Fuhua Investment Co., Ltd. Representative: KUO,CHUN-HSIUNG	9	0	100.00	
Independent Director	HUANG,CHUN-JEN	9	0	100.00	
Independent Director	SU,PO-CHENG	9	0	100.00	
Independent Director	TSAI,CHI-CHUN	5	0	100.00	Newly elected on 2020.06.11

Other mentionable items:

1. If the Board of Directors' meeting is held under any of the following circumstances, the date and date of the meeting, the content of the motion, the opinions of all independent directors and the Company's handling of the opinions of the independent directors shall be stated.

(1) The matters listed in Article14-3 of the Securities and Exchange Act.

Date of the meetings	Content of Proposals
2020/01/14 16th Board 18th Meeting	(1) The endorsement and guarantee case for Vietnam Deli Industrial Co. was approved. (2) Lending of funds through the Company to MJ DE-YI INTERNATIONAL LTD. was approved. (3) Purchase of BUDWEISER HONG KONG HOLDING COMPANY,LIMITED from TUNG MING TEXTILE CO.,LTD. and EDEN ROAD INTERNATIONAL LIMITED through its subsidiary, MJ DE-YI INTERNATIONAL LTD. was approved. (4) Purchase of LUCKY UNIQUE ENT. CO. ,LTD through the Company from TUNG MING TEXTILE CO.,LTD. was approved. (5) The salary adjustment of Chairman, Mr. YEH,CHIA-MING, President, Mr. YEH,WEI-LI, and Head of Investor Relations of the Management Department, Mrs. CHI,WEI-HSIEN was approved. (6) The salary adjustment of General Manager, KUO,CHUN-HSIUNG, was approved. (7) The payment of year-end bonus for 2019 by the chairman of the board of directors, Mr. YEH,CHIA-MING, the president, Mr. YEH,WEI-LI, and the head of investor relations of the management department, Mrs. CHI,WEI-HSIEN, was approved. (8) Capital financing to a related party, Ye Fulin, through Hangzhou Deli Textile Co. was approved. Opinion of Independent Director: None. The Company's Handling of the Opinions of Independent Director: None. RESOLUTION: The resolution was passed by all directors present.
2020/03/12 16th Board 19th Meeting	(1) The renewal of the directors' and supervisors' liability insurance with Shin Kong Insurance Co. was approved. (2) Donation of NT$3 million to the Deloitte & Touche Educational Foundation through the Company was approved. (3) Capital financing to a related party, Ye Fulin, through Hangzhou Deli Textile Co. was approved. Opinion of Independent Director: None. The Company's Handling of the Opinions of Independent Director: None. RESOLUTION: The resolution was passed by all directors present.
2020/04/20 16th Board 20th Meeting	(1) The motion of changing the proxy spokesperson was approved. (2) The release of new directors from the non-competition restriction was approved. (3) The release of General Manager, KUO,CHUN-HSIUNG, from the non-competition restriction was approved. (4) The Company disposed the shares of TUNG MING TEXTILE CO.,LTD. to its subsidiary, LUCKY UNIQUE ENT. CO. ,LTD, was approved. Opinion of Independent Director: None. The Company's Handling of the Opinions of Independent Director: None.

Title	Name(Note 1)	Attendance B	Attend by proxy	Attendance Rate (%) (B/A) (Note 2)	Remark

	RESOLUTION: The resolution was passed by all directors present.
Date of the meetings	Content of Proposals
2020/06/11 17th Board 1st Meeting (Temporary)	(1) The election of the chairman of the board of directors by the new directors was approved. (2) The election of Deputy Chairman by the new directors was approved. Opinion of Independent Director: None. The Company's Handling of the Opinions of Independent Director: None. RESOLUTION: The resolution was passed by all directors present.
2020/06/19 17th Board 2nd Meeting	(1) The reappointment of General Manager, Mr. YEH,WEI-LI, was approved. (2) The promotion of General Manager KUO,CHUN-HSIUNG to Special Assistant to the Chairman was approved. (3) The disposed of the shares of LUCKY UNIQUE ENT. CO. ,LTD, was approved. (4) Abandoned the cash capital increase to BUDWEISER HONG KONG HOLDING COMPANY,LIMITED through its subsidiary, British Virgin Islands Deyi International Co., Ltd. was approved. (5) Lending the Company's capital to Vietnam Deli Industrial Co. was approved. Opinion of Independent Director: None. The Company's Handling of the Opinions of Independent Director: None. RESOLUTION: The resolution was passed by all directors present.
2020/08/06 17th Board 3rd Meeting	(1) Deputy Chairman YEH,CHIA-HAO's payroll recognition case was approved. (2)Special assistant of the chairman KUO,CHUN-HSIUNG's payroll recognition case was approved. (3) Through a joint credit agreement (the "Credit Agreement") dated February 13, 2019, between the Company and a joint credit syndicate with Wang Tao Commercial Bank as the host bank and the managing bank, with a total credit amount of NT$220 million. It is proposed to apply for a waiver from the syndicate of joint creditors for the performance of certain obligations under the credit agreement, and to revise the credit agreement in conjunction with the new guarantee line for the issuance of medium-term commercial paper (C/P) and the revision of other covenants. (4) Approved the cancellation of investment in garment factories in Vietnam. (5) Approved the establishment of the Company's "Standard Operating Procedures for Handling Directors' Requests". (6) Lending the Company's capital to TOTAL EXPRESS LTD was approved. (7) The endorsement and guarantee case for Zhejiang Xinhu Venture Investment Co,.Ltd. was approved. (8) Approved the Company's capital increase to Zhejiang Xinhu Venture Investment Co,.Ltd. Opinion of Independent Director: None. The Company's Handling of the Opinions of Independent Director: None. RESOLUTION: The resolution was passed by all directors present.
2020/11/06 17th Board 4thMeeting	(1) Approved the Company's capital increase to MJ DE-YI INTERNATIONAL LTD. (2) The endorsement and guarantee case for NEW LAKE LIMITED was approved. Opinion of Independent Director: None. The Company's Handling of the Opinions of Independent Director: None. RESOLUTION: The resolution was passed by all directors present.
2021/01/22 17th Board 5th Meeting	(1) The payment of year-end bonus for 2020 by the chairman of the board of directors, Mr. YEH,CHIA-MING, the General Manager, Mr. YEH,WEI-LI, and Deputy Chairman YEH,CHIA-HAO, was approved. (2) Approved the payment of year-end bonus for the year 2020 to KUO,CHUN-HSIUNG, Special Assistant to the Chairman of the Board of Directors of the Company. (3) The endorsement and guarantee case for Vietnam Deli Industrial Co. was approved. (4) Approved the restructuring of the Group's investment in EDEN ROAD INTERNATIONAL LIMITED. Opinion of Independent Director: None. The Company's Handling of the Opinions of Independent Director: None. RESOLUTION: The resolution was passed by all directors present.
2021/03/15 17th Board 6th Meeting	(1) The renewal of the directors' and supervisors' liability insurance with Shin Kong Insurance Co. was approved. (2) Approved the case of investment in China. Opinion of Independent Director: None. The Company's Handling of the Opinions of Independent Director: None. RESOLUTION: The resolution was passed by all directors present.

(2) Other than the foregoing, other resolutions of the Board of Directors that were opposed or qualified by the independent directors and for which records or written statements are available: The independent directors of the Company concurred with the significant resolutions of the Board of Directors and did not have any opposing or qualified opinions.

2. In the case of recusal of a director from the implementation of an interest motion, the name of the director, the content of the motion, the

Title	Name(Note 1)	Attendance B	Attend by proxy	Attendance Rate (%) (B/A) (Note 2)	Remark

reasons for recusal and the circumstances of participation in voting should be stated:

(1) Board of Directors' Meeting on January 14, 2020 (the 18th meeting of the 16th Board):

1. Regarding discussion on the remuneration change for the Chairman, YEH,CHIA-MING, general manager, YEH,WEI-LI and supervisor of investors' relation in management department and associate, CHI,WEI-HSIEN, it was approved after the proxy chairman(representative of institutional director, KUO,CHUN-HSIUNG) asked the opinions from all attending directors (does not include chairman, YEH,CHIA-MING, representative of institutional director, YEH,CHIA-HAO and representative of institutional director and general manager, YEH,WEI-LI because of interest avoidance; YEH,CHIA-MING, YEH,CHIA-HAO and YEH,WEI-LI are brothers; YEH,CHIA-MING and CHI,WEI-HSIEN are husband and wife; YEH,CHIA-HAO and YEH,WEI-LI and CHI,WEI-HSIEN are of second degree kinship).
2. Representative of institutional director and general manager, KUO,CHUN-HSIUNG: Regarding the renumeration change to general manager, KUO,CHUN-HSIUNG, it was approved after the chairman asked the opinions from all attending directors (does not include representative of institutional director and general manager, KUO,CHUN-HSIUNG, because of interest avoidance).
3. Chairman, YEH,CHIA-MING, representative of institutional director, YEH,CHIA-HAO and representative of institutional director and general manager, YEH,WEI-LI: Regarding distribution of 2019 annual bonus for chairman YEH,CHIA-MING, executive deputy general manager, YEH,WEI-LI and supervisor of investors' relation in management department and associate, CHI,WEI-HSIEN, it was approved after the proxy chairman(representative of institutional director, KUO,CHUN-HSIUNG) asked the opinions from all attending directors (does not include chairman, YEH,CHIA-MING, representative of institutional director, YEH,CHIA-HAO and representative of institutional director and general manager, YEH,WEI-LI, because of interest avoidance; YEH,CHIA-MING, YEH,CHIA-HAO and YEH,WEI-LI are brothers; YEH,CHIA-MING and CHI,WEI-HSIEN are husband and wife; YEH,CHIA-HAO and YEH,WEI-LI and CHI,WEI-HSIEN are of second degree kinship)。
4. Representative of institutional director and general manager, KUO,CHUN-HSIUNG: Regarding the distribution of 2019 annual bonus for general manager KUO,CHUN-HSIUNG, it was approved after the chairman asked the opinions from all attending directors (does not include director, KUO,CHUN-HSIUNG, because of interest avoidance).
5. Regarding the fund financing of Hangzhou DE LICACY INDUSTRIAL CO., LTD.to the related party, YEH,FU-LIN, it was approved after the proxy chairman (representative of institutional director, KUO,CHUN-HSIUNG)asked the opinions from all attending directors (does not include chairman, YEH,CHIA-MING, representative of institutional director and general manager, YEH,WEI-LI, representative of institutional director, YEH,CHIA-HAO, because of interest avoidance).

(2) Board of Directors' Meeting on Mar. 12, 2020 (the 19th meeting of the 16th Board):

1. Chairman, YEH,CHIA-MING, representative of institutional director and general manager, YEH,WEI-LI, and representative of institutional director, YEH,CHIA-HAO: Regarding the fund financing of Hangzhou DE LICACY INDUSTRIAL CO., LTD. to the related party, YEH,FU-LIN, it was approved after the proxy chairman (representative of institutional director, KUO,CHUN-HSIUNG) asked the opinions from all attending directors (does not include chairman, YEH,CHIA-MING, representative of institutional director and general manager, YEH,WEI-LI and representative of institutional director, YEH,CHIA-HAO, because of interest avoidance; YEH,CHIA-MING, YEH,CHIA-HAO and YEH,WEI-LI are brothers).

(3) Board of Directors' Meeting on April 20, 2020 (the 20th meeting of the 16th Board):

1. KUO,CHUN-HSIUNG, the General Manager, was unanimously approved by the Chairman after consultation with all Directors present (excluding Mr. KUO,CHUN-HSIUNG, the General Manager, who is recused from the Board) for the release of non-competition restriction.

(4) Board of Directors' Meeting on Jun. 19, 2020 (the 2nd meeting of the 17th Board):

1. Chairman, YEH,CHIA-MING, representative of institutional director and deputy director, YEH,CHIA-HAO and representative of institutional director and general manager: Regarding the the re-appointment of general manager, YEH, WEI-LI, it was approved after the proxy chairman (representative of institutional director, KUO,CHUN-HSIUNG) asked the opinions from all attending directors (does not include chairman, YEH,CHIA-MING, representative of institutional director and deputy chairman, YEH,CHIA-HAO and representative of institutional director and general manager, YEH, WEI-LI, because of the interest avoidance; YEH,CHIA-MING, YEH,CHIA-HAO and YEH,WEI-LI are brothers).
2. Regarding the promotion of the representative of institutional director and general manager, KUO,CHUN-HSIUNG as special assistant of chairman, it was approved after the chairman ased the opinions from all attending directors (does not include the general manager, KUO,CHUN-HSIUNG because of the interest avoidance).

(5) Board of Directors' Meeting on Aug. 6, 2020 (the 3rd meeting of the 17th Board):

1. Chairman, YEH,CHIA-MING, representative of institutional director and deputy director, YEH,CHIA-HAO and representative of institutional director and general manager: Regarding the recognition of the review on remuneration for general manager, YEH, WEI-LI, it was approved after the proxy chairman (representative of institutional director, KUO,CHUN-HSIUNG) asked the opinions from all attending directors (does not include chairman, YEH,CHIA-MING, representative of institutional director and deputy chairman, YEH,CHIA-HAO and representative of institutional director and general manager, YEH, WEI-LI, because of the interest avoidance; YEH,CHIA-MING, YEH,CHIA-HAO and YEH,WEI-LI are brothers).
2. Regarding the recognition of the review on remuneration for representative of institutional director and special assistant of chairman, KUO,CHUN-HSIUNG, it was approved after the chairman ased the opinions from all attending directors (does not include the special

Title	Name(Note 1)	Attendance B	Attend by proxy	Attendance Rate (%) (B/A) (Note 2)	Remark

assistant of chairman, KUO,CHUN-HSIUNG because of the interest avoidance).

(6) Board of Directors' Meeting on Jan. 22, 2021 (the 5th meeting of the 17th Board):

1. Chairman, YEH,CHIA-MING, representative of institutional director and deputy director, YEH,CHIA-HAO and representative of institutional director and general manager: Regarding the distribution of 2020 annual bonus for general manager, YEH, WEI-LI, it was approved after the proxy chairman (representative of institutional director, KUO,CHUN-HSIUNG) asked the opinions from all attending directors (does not include chairman, YEH,CHIA-MING, representative of institutional director and deputy chairman, YEH,CHIA-HAO and representative of institutional director and general manager, YEH, WEI-LI, because of the interest avoidance; YEH,CHIA-MING, YEH,CHIA-HAO and YEH,WEI-LI are brothers)
2. Regarding the recognition of the review on remuneration for representative of institutional director and special assistant of chairman, KUO,CHUN-HSIUNG, it was approved after the chairman ased the opinions from all attending directors (does not include the special assistant of chairman, KUO,CHUN-HSIUNG because of the interest avoidance).

3. The listed company shall disclose the periodicity and duration, scope, manner and content of the evaluation of the self- (or peer) evaluation by the board of directors, and fill out Appendix 2(2) on the implementation of the evaluation by the board of directors.

Status of implementation on the evaluation of the Board of Directors:

Evaluation cycle(Note 1)	Evaluation period(Note 2)	Evaluation scope(Note 3)	Evaluation methods(Note 4)
Executed once a year	2020.01. 01~2020.12. 31	The Board of Directors Individual Board Members Audit Committee and Compensation Committee	Self-evaluation by the members Self-evaluation by the members of the Board of Directors
Evaluation content (Note 5)			
(1) Evaluation on the performance of the Board of Directors: Participation in the Company's operations, enhancement of the quality of board decisions, board composition and structure, selection and continuing education of directors, and internal control. (2) Evaluation on the performance of individual members of the Board: The company's objectives and tasks, the directors' awareness of their responsibilities, their involvement in the company's operations, internal relations and communication, the directors' professional and continuing education, and internal control. (3) Evaluation on the Performance of the Functional Committee: Participation in the company's operations, awareness of functional committee responsibilities, improvement of the quality of functional committee decisions, composition and selection of functional committee members, and internal control.			

Note 1: This represents the execution cycle of the Board of Directors' evaluation.

Note 2: The period covered by the Board of Directors' evaluation is included.

Note 3: The scope of the evaluation includes the performance evaluation of the Board of Directors, individual board members and functional committees.

Note 4: The methods of evaluation include internal self-evaluation by the board of directors, self-evaluation by board members, peer evaluation, appointment of external professional organizations, experts or other appropriate methods for performance evaluation.

Note 5: The evaluation includes at least the following items according to the scope of the evaluation.

(1) Evaluation on the performance of the Board of Directors: Participation in the Company's operations, enhancement of the quality of board decisions, board composition and structure, selection and continuing education of directors, and internal control.

(2) Evaluation on the performance of individual members of the Board: The company's objectives and tasks, the directors' awareness of their responsibilities, their involvement in the company's operations, internal relations and communication, the directors' professional and continuing education, and internal control.

(3) Evaluation on the Performance of the Functional Committee: Participation in the company's operations, awareness of functional committee responsibilities, improvement of the quality of functional committee decisions, composition and selection of functional committee members, and internal control.

Note 6: Please refer to the Company's website for the self-assessment results of the Board of Directors' performance evaluation for 2020.

4. Assessment of the current and most recent year's goals for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and their implementation:

(1).The Company continues to implement the immediate announcement of significant resolutions of the Board of Directors on the Company's website and the reporting of financial and business information on the Market Observation Post System (MOPS) in accordance with the regulations, and to take out liability insurance for directors and supervisors in order to enhance the transparency of information on the Company's operations and to protect the interests of shareholders.

(2).The Company has established an audit committee to strengthen the functions of the board of directors and to implement corporate governance.

(3).For 2020 and up to the printing date of the annual report, the motions listed in accordance with the Company Act and Article 14-3 and Article 14-5 of the Securities and Exchange Act that should be submitted to the Audit Committee for approval or that must be submitted to the

Title	Name(Note 1)	Attendance B	Attend by proxy	Attendance Rate (%) (B/A) (Note 2)	Remark
Board of Directors for resolution are submitted to the Board of Directors for resolution and execution after the Audit Committee has approved them. (4).In accordance with the amended provisions of the Financial Supervisory Commission, the Company approved the amendments to the "Procedures for Handling the Acquisition or Disposal of Assets", "Procedures for Endorsement and Guarantee" and "Procedures for Lending Funds to Others" at the 13th meeting of the 16th Board of Directors on March 18, 2019. (5).In accordance with the amended provisions of the Financial Supervisory Commission, the Company approved the amendments to the "Procedures for Lending Funds to Others" and the "Internal Control System" at the 17th meeting of the 16th Board of Directors on November 4, 2019.					

Note 1: If a director or supervisor is a corporation, the name of the corporation's shareholder and the name of its representative shall be disclosed.

Note 2: (1) If a director or supervisor vacates his or her position prior to the end of the year, the date of vacancy should be indicated in the Remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Board of Directors and the actual number of attendance during his or her employment.

(2) If there is a change of director and supervisor before the end of the year, the new and old director and supervisor should be listed, and the date of change should be indicated in the Remarks column as the old, new or re-elected director and supervisor. The actual attendance rate (%) is calculated based on the number of meetings held by the Board of Directors and the actual number of attendance during the term of his employment.

(2) Attendance of Members at Audit Committee Meetings:

In recent years (2020.01.01~2021.04.30), there are 9 Audit Committee Meeting (A). The attendance of independent directors was as follows:

Title	Name	Attendance B	Attend by proxy	Attendance Rate (%) (B/A)(Note)	Remark
Independent Director	HUANG,CHUN-JEN	9	0	100.00	
Independent Director	SU,PO-CHENG	9	0	100.00	
Independent Director	TSAI,CHI-CHUN	5	0	100.00	Newly elected 2020.06.11

Other mentionable items:

1. If the Audit Committee' meeting is held under any of the following circumstances, the date and date of the meeting, the content of the motion, the opinions of all audit committee members and the Company's handling of the opinions of the audit committee shall be stated.

(1) The matters listed in Article14-5 of the Securities and Exchange Act.

1. Jan. 14, 2020 (1st Committee 15th Meeting) Audit Committee:

(1) The endorsement and guarantee case for Vietnam Deli Industrial Co.

(2) The endorsement and guarantee case for Victory Cayman Holdings Co., Ltd.

(3) Lending the Company's capital to Vietnam Deli Industrial Co.

(4) Lending of funds through the Company to MJ DE-YI INTERNATIONAL LTD.

(5) Purchase of BUDWEISER HONG KONG HOLDING COMPANY,LIMITED from TUNG MING TEXTILE CO.,LTD. and EDEN ROAD INTERNATIONAL LIMITED through its subsidiary, MJ DE-YI INTERNATIONAL LTD.

(6) Purchase of LUCKY UNIQUE ENT. CO. ,LTD through the Company from TUNG MING TEXTILE CO.,LTD.

(7) Capital financing to a related party, Ye Fulin, through Hangzhou Deli Textile Co.

(8) The endorsement and guarantee case for APEX (ANQING)TEXTILE CO.,LTD.

The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.

The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

2. Mar. 12, 2020 (1st Committee 16th Meeting) Audit Committee:

(1) Business Report, Financial Statements and Consolidated Financial Statements for 2019

(2) The Company 2019 "Statement of Internal Control System".

(3) The endorsement and guarantee case for DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.

(4) The endorsement and guarantee case for Hangzhou Deli Textile Co., Ltd.

(5) The endorsement and guarantee case for EDEN ROAD INTERNATIONAL LIMITED

(6) The endorsement and guarantee case for Vietnam Deli Industrial Co.

(7) Lending the Company's capital to Vietnam Deli Industrial Co.

(8) Donation of NT$3 million to the Deloitte & Touche Educational Foundation through the Company.

(9) The renewal of the directors' and supervisors' liability insurance with Shin Kong Insurance Co.

(10) Capital financing to a related party, Ye Fulin, through Hangzhou Deli Textile Co.

The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.

The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

3. Apr. 20, 2020 (1st Committee 17th Meeting) Audit Committee:

(1) The motion of changing the proxy spokesperson

(2) The release of new directors from the non-competition restriction

(3) The release of General Manager, KUO,CHUN-HSIUNG, from the non-competition restriction

(4) The release of managers from the non-competition restriction

(5) Disposal of the shares of TUNG MING TEXTILE CO.,LTD. to its subsidiary, LUCKY UNIQUE ENT. CO. ,LTD,

(6) The endorsement and guarantee case for Zhejiang Xinhu Venture Investment Co,.Ltd.

(7) The endorsement and guarantee case for EDEN ROAD INTERNATIONAL LIMITED

The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.

The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

4. May. 8, 2020 (1st Committee 18th Meeting) Audit Committee:

(1) Discussion of endorsement of guarantees for EDEN ROAD INTERNATIONAL LTD. and Defa International Industrial Co., Ltd.

The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.

The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

5. Jun. 19, 2020 (2nd Committee 1st Meeting) Audit Committee:

(1) Discussion on the election of the convener and chairman of the second Audit Committee

(2) The appointment of General Manager, Mr. YEH,WEI-LI.

(3) The promotion of General Manager KUO,CHUN-HSIUNG to Special Assistant to the Chairman

(4) Disposal of the shares of the subsidiary, LUCKY UNIQUE ENT. CO. ,LTD,

(5) Abandoned the cash capital increase to BUDWEISER HONG KONG HOLDING COMPANY,LIMITED through its subsidiary, British Virgin Islands Deyi International Co., Ltd.

(6) Lending the Company's capital to Vietnam Deli Industrial Co.

(7) The endorsement and guarantee case for Vietnam Deli Industrial Co.

(8) The endorsement and guarantee case for Zhejiang Xinhu Venture Investment Co,.Ltd

(9) The endorsement and guarantee case for Hangzhou Deli Textile Co., Ltd.

(10) Donation of NT$3 million to the Deloitte & Touche Educational Foundation through the Company.

The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.

The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

6. Aug. 06, 2020 (2nd Committee 2nd Meeting) Audit Committee:

(1) Discussion of consolidated financial statements for the second quarter of 2020

(2) Cancellation of garment factory investment in Vietnam.

(3) Lending of funds to Vietnam Deli Industrial Co.

(4) Lending of funds to TOTAL EXPRESS LTD.

(5) Lending of funds to MJ DE-YI INTERNATIONAL LTD

(6) The endorsement and guarantee case for Hangzhou Deli Textile Co., Ltd.

(7) The endorsement and guarantee case for Zhejiang Fufa Textile Co., Ltd.

(8) The endorsement and guarantee case for CHADTEX INDUSTRIAL CO., LTD.

(9) The endorsement and guarantee case for Zhejiang Xinhu Venture Investment Co,.Ltd.

(10) Discussion of endorsement of guarantees for EDEN ROAD INTERNATIONAL LIMITED (BVI), Co., EDEN ROAD INTERNATIONAL LIMITED (Hong Kong) and DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.

(11) The Company's capital increase to Zhejiang Xinhu Venture Investment Co,.Ltd.

The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.

The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

7. Nov. 06, 2020 (2nd Committee 3rd Meeting) Audit Committee:

(1) Budget Discussions for 2021

(2) Audit Plan Discussions for 2021
(3) Discussion on the evaluation of independence on the certified accountants for 2020
(4) Approved the Company's capital increase to MJ DE-YI INTERNATIONAL LTD
(5) Discussion on lending of funds to Victory Cayman Holdings Co., Ltd.
(6) Discussion on the endorsement and guarantee case for CHADTEX INDUSTRIAL CO., LTD.
(7) Discussion on the endorsement and guarantee case for Victory Cayman Holdings Co., Ltd.
(8) Discussion on the endorsement and guarantee case for NEW LAKE LIMITED.
(9) Discussion on the endorsement and guarantee case for EDEN ROAD INTERNATIONAL LIMITED
(10) Discussion on the endorsement and guarantee case for DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.
The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.
The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

8. Jan. 22, 2021 (2nd Committee 4th Meeting) Audit Committee:
(1) Lending of funds to Vietnam Deli Industrial Co.
(2) Discussion on the endorsement and guarantee case for Vietnam Deli Industrial Co.
(3) The endorsement and guarantee case for Victory Cayman Holdings Co., Ltd.
(4) The endorsement and guarantee case for APEX (ANQING)TEXTILE CO.,LTD.
(5) The endorsement and guarantee case for TOTAL EXPRESS LIMITED.
(6) Discussion on the endorsement and guarantee case for EDEN ROAD INTERNATIONAL LIMITED (domiciled in the Virgin Islands)
(7) Discussion on the endorsement and guarantee case for EDEN ROAD INTERNATIONAL LIMITED (Registered Office: Hong Kong)
(8) Discussion on the endorsement and guarantee case for DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.
(9) Approved the restructuring of the Group's investment in EDEN ROAD INTERNATIONAL LIMITED
The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.
The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

9. Mar. 15, 2021 (2nd Committee 5th Meeting) Audit Committee:
(1) Discussion on Business Report, Financial Statements and Consolidated Financial Statements for 2020
(2) Discussion on the appropriation of losses for the year 2020
(3) The Company 2020 "Statement of Internal Control System".
(4) The endorsement and guarantee case for Hangzhou Deli Textile Co., Ltd.
(5) The endorsement and guarantee case for Vietnam Deli Industrial Co.
(6) Lending of funds to Vietnam Deli Industrial Co.
(7) The renewal of the directors' and supervisors' liability insurance with Shin Kong Insurance Co.
(8) The case of investment in China
The result of the resolution of the Audit Committee: The resolution of the Audit Committee was approved by all members of the Audit Committee.
The Company's handling of the Audit Committee's opinion: All directors present agreed to pass the resolution in accordance with the Audit Committee's resolution.

(2) Except for the preceding matters, other matters not approved by the Audit Committee and approved by two-thirds of all directors: None.

2. In the case of recusal of an independent director from the implementation of an interest motion, the name of the independent director, the content of the motion, the reasons for recusal and the circumstances of participation in voting should be stated: None.

3. Communication between the independent directors and the internal auditors and accountants (including the material matters, manner and results of communication regarding the Company's financial and business conditions).
(1) The independent directors and the head of internal audit communicate with each other through quarterly meetings of the board of directors, and the head of internal audit regularly reports on audit operations to the independent directors at these meetings. There were no such special circumstances in the year 2020 and up to the date of the annual report. The independent directors of the Company have good communication with the head of internal audit.
Communications among independent directors and internal audit supervisors:

Date of the meetings	Communication Items	Communication Results
March 12, 2020	2019 Season 4 Implementation Report on Internal Audit Business	Approved by Independent Directors
	2019 "Statement of Internal Control System"	Approved by Independent Directors
May 8, 2020	2020 Season 1 Implementation Report on Internal Audit Business	Approved by Independent Directors
Aug. 6, 2020	2020 Season 2 Implementation Report on Internal Audit Business	Approved by Independent Directors

Nov. 6, 2020	2020 Season 3 Implementation Report on Internal Audit Business	Approved by Independent Directors
	2020 Audit Plan	Approved by Independent Directors
Mar. 12, 2021	2020 Season 4 Implementation Report on Internal Audit Business	Approved by Independent Directors
	2020 “Statement of Internal Control System”	Approved by Independent Directors

(2) The independent directors and the certifying accountant communicate with each other through post-audit or post-review meetings. The certifying accountant communicates with the independent directors and the chief financial officer on a quarterly basis regarding the results of the audit or review of the financial statements and whether there is any impact on the adjustment of the financial statements or other related statutory amendments. There were no such special circumstances in the year 2020 and as of the date of this annual report. The independent directors of the Company have good communication with the certified accountants.

Communications among independent directors and the CPAs:

Date of the meetings	Communication Items	Communication Results
Feb. 25, 2020	To discuss the audit of the financial statements for the year 2019, including the problems encountered in the audit process and the explanations for adjusting the financial statements.	Approved by Independent Directors
Apr. 28, 2020	To discuss the review of the financial statements for 2020 Q1, including problems encountered in the review process and explanations of adjustments to the financial statements	Approved by Independent Directors
Jul. 27, 2020	To discuss the review of the financial statements for 2020 Q2, including problems encountered in the review process and explanations of adjustments to the financial statements	Approved by Independent Directors
Oct. 28, 2020	Review of the qualifications, independence and suitability of the certifying accountant To discuss the review of the financial statements for 2020 Q3, including problems encountered in the review process and explanations of adjustments to the financial statements	Approved by Independent Directors
Mar. 02, 2021	To discuss the review of the financial statements for 2020, including problems encountered in the review process and explanations of adjustments to the financial statements	Approved by Independent Directors

Note: (1) If an independent director vacates his or her position prior to the end of the year, the date of vacancy should be indicated in the Remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Audit Committee and the actual number of attendance during his or her employment.

(2) If there is a change of independent directors before the end of the year, the new and old independent directors should be listed, and the date of change should be indicated in the Remarks column as the old, new or re-elected independent directors. The actual attendance rate (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of attendance during the term of his employment.

(3) If a company has a compensation committee, it should disclose its composition, duties and operation:

The Compensation Committee is responsible for assisting the Board of Directors in formulating policies and related measures for the evaluation of performance and compensation of directors, supervisors and managers of the Company based on a combination of factors such as the Company's operating performance, individual performance, industry standards and future risks, and evaluating them on a regular basis.

1. Information on Remuneration Committee Members

Title (Note 1)	Criteria / Name	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note 2)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remark
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	HUANG, CHUN-JEN			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Not applicable
Independent Director	SU,PO-CHENG			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Not applicable
Others	CHIANG, SHU-CHING			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	None	Not applicable

Note 1: Please enter your status as a director, independent director or other.

Note 2: Please tick the corresponding boxes with "✓" that apply to a member during the two years prior to being elected or during the term(s) of office.

（1）Not an employee of the Company or any of its affiliates

（2）Not an employee of the Company or any of its affiliates. Not a Director or Supervisor of the Company or its affiliates, however, this does not apply, in case where the person is concurrently working as an Independent Director of the Company or its parent company, subsidiary or subsidiary of the same parent company established according to this Act or local country..

（3）Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.

（4）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 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.

（5）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 1% or more of the total number of outstanding shares of the Company, or ranking in the top 10 in holdings.

（6）Not a spouse, second-degree relative or third-degree relative of the managers in (1) or persons in (2) or (3).

（7）A director, supervisor, or employee who does not directly hold more than five percent of the total issued shares of the company's corporate shareholders, or a director, supervisor, or employee of the top five corporate shareholders who hold shares.

（8）A director (director), supervisor (supervisor), manager, or shareholder holding more than 5% of the shares of a specific company or organization that does not have financial or business dealings with the Company.

（9）Not a professional who provides auditing, nor a professional who provides commercial legal, financial, accounting, or consulting services to the

（10）Company or its affiliates with the cumulated remuneration within the last two years less than NT$500,000, nor is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such service to the Company or its affiliates,

（11）Not been a person of any conditions defined in Article 30 of the Company Act.

2. Attendance of Members at Remuneration Committee Meetings:

(1) There are 3 members in the Remuneration Committee.

(2) The term of office of the current members: June 19, 2020 to June 18, 2023, the most recent year (2020.01.01 to 2021.04.30) the Salary and Compensation Committee held four meetings (A), and the qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)(Note)	Remark
Independent Director	HUANG,CHUN-JEN	4	0	100.00	
Independent Director	SU,PO-CHENG	4	0	100.00	
Committee member	CHIANG,SHU-CHING	4	0	100.00	

Other mentionable items:

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 (If the compensation approved by the Board of Directors is better than that recommended by the Compensation Committee, the difference should be stated and the reasons for the difference): None.

2.Resolutions of the remuneration committee objected to by members or subject to a qualified opinion 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.

Note: (1) If a remuneration committee member vacates his or her position prior to the end of the year, the date of vacancy should be indicated in the Remarks column, and the actual attendance rate (%) should be calculated based on the number of meetings of the Remuneration Committee and The actual number of attendance during his or her employment.

(2) If there is a change of Remuneration Committee members before the end of the year, the new and old remuneration committee members should be listed, and the date of change should be indicated in the Remarks column as the old, new or re-elected remuneration committee members. The actual attendance rate (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of attendance during the term of his employment.

(3)The discussion and results of the Salary and Compensation Committee and the handling of the opinions of the members.

Remuneration Committee	Content of Proposals
1st meeting of 2020 2020.03.12 The 3rd Board 9th Meeting	1. Review the salary and compensation programs to be implemented in 2020. 2. Consider the remuneration of employees and directors of the Company for 2019. The result of the resolution of the Compensation Committee: All members of the Compensation Committee agreed to approve the resolution. The Company's Handling of the Opinions of Remuneration Committee: All the directors present agreed have approved.
2nd meeting of 2020 2020.08.06 4th Committee 1st meeting	1. Deputy Chairman YEH,CHIA-HAO's payroll recognition case. 2. Special assistant of the chairman KUO,CHUN-HSIUNG's payroll recognition case. 3.Executive Deputy General Manager YU,I-NENG's payroll recognition case. 4. Deputy General Manager TSAI,CHI-HSIU's payroll recognition case. The result of the resolution of the Compensation Committee: All members of the Compensation Committee agreed to approve the resolution. The Company's Handling of the Opinions of Remuneration Committee: All the directors present agreed have approved.
1st meeting of 2021 2021.01.14 4th Committee 2nd meeting	1. Consider the payment of year-end bonuses to the Chairman and Manager of the Company for 2020. The result of the resolution of the Compensation Committee: All members of the Compensation Committee agreed to approve the resolution. The Company's Handling of the Opinions of Remuneration Committee: All the directors present agreed have approved.
2nd meeting of 2021 2021.03.15 4th Committee 3rd meeting	1. Review the salary and compensation programs to be implemented in 2021. 2. Consider the remuneration of employees and directors of the Company for 2020. The result of the resolution of the Compensation Committee: All members of the Compensation Committee agreed to approve the resolution. The Company's Handling of the Opinions of Remuneration Committee: All the directors present agreed have approved.

(4) The Company and the Subsidiaries' Corporate Governance Status, Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company established Corporate Governance Best Practice Principles and disclosed it on the Company's website and Market Observation Post System. The important principles in the "Code of Corporate Governance Practices for Listed Companies" - protection of shareholders' rights and interests, corporate governance relationship between the Company and its affiliates, strengthening the functions of the board of directors, performing the functions of the audit committee, respecting the rights and interests of stakeholders, and enhancing the transparency of information - have been explicitly stated and implemented in the Code, taking into account the Company's industrial environment and legal regulations.	No major difference
2. Shareholding structure & shareholders' rights (1) Has the Company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedures?	✓		(1) In addition to the Company's shareholder suggestions, questions and disputes, the Company has a speaking system and the Company's share agent, MasterLink Securities Corporation, to handle shareholder suggestions and disputes. The company has also set up an investor contact box on the company's website, with a designated person responsible for serving shareholders' suggestions and providing immediate answers.	
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) The Company's shareholder affairs are handled by a dedicated share agent, and a shareholder affairs officer maintains good contact with the major shareholders based on the list of shareholders provided by the share unit. In accordance with the regulations, the Company discloses the changes in shareholdings and pledges of shareholders who hold more than 10% of the shares. In accordance with the relevant laws and regulations, changes in the shareholdings of insiders (directors, managers and shareholders holding 10% or more of the total shares) are regularly reported to the Market Observation Post System.	No major difference
(3) Has the Company established and implemented risk management and firewall mechanisms with its affiliates?	✓		(3) The Company has established methods to control the financial operations, capital loans and endorsement guarantees between the Company and its affiliates, and has established the "Supervision and Management of Subsidiaries" operation to implement the risk control mechanism for its subsidiaries in accordance with the management regulations to control risks.	
(4) Has the Company established internal rules against insiders trading with undisclosed information?	✓		(4) The Company has established a "Code of Conduct for the Prevention of Insider Trading" that explicitly prohibits insiders from trading marketable securities using information that is not yet publicly available. We have also incorporated this standard into our Ethical Management Principles and Code of Ethical Conduct with respect to the confidentiality of confidential and commercially sensitive information.	
3. Composition and responsibilities of the Board of Directors (1) Has the Board developed and implemented a diversified policy for the composition of its members?	✓		(1) The members of the Company's Board of Directors are executive diversified and there are seven directors (including three independent directors) with a three-year term of office. The selection of directors is based on the overall configuration of the Board of	No major difference

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
			Directors. The knowledge, skills and qualities necessary for the execution of their duties should be generally possessed by the members of the Board of Directors are specified in the method of election of directors.The powers and duties of the Board o Directors shall be governed by the provisions of the Company's Articles o Incorporation. Among the Company's 3 independent directors, 2 directors will serve for a term of approximately 4 years and 1 director will serve for approximately 1 year. There are no directors who have served three consecutive terms.	
(2) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		(2) The Company has a Compensation Committee in accordance with the law. Please refer to the description of "Operation of the Compensation Committee" on pages 26-27 of this annual report and the Audit Committee on pages 23-26 of this annual report.	
(3) Does the Company establish a standard to measure the performance of the Board, and implement it annual?	✓		(3) The Company's Board of Directors approved the Board of Directors' self-appraisal or peer review on 2015.03.16. Amended by the Board of Directors on November 06, 2020, the performance evaluation will begin in 2020. At the end of each year, the Management Department collects information on the activities of the Board of Directors and distributes self-assessment questionnaires on the "Performance Evaluation of the Board of Directors", "Performance Evaluation of Board Members" and "Performance Evaluation of Functional Committees". Finally, the management department will collect all the data, set the score for the evaluation index, record the evaluation result report, and send it to the board of directors for review and improvement. The Company completed the evaluation of the performance of the Board of Directors, functional committees and board members in January 2021. The results of the evaluation of the Board of Directors' performance for 2020 are still effective and will be used for the reference of individual directors' salary and compensation planning and nomination for reappointment.	
(4) Does the Company regularly evaluate the independence of CPAs?	✓		(4) The Company respects the accounting firm's arrangement for the rotation of accountants and regularly submits to the Board of Directors for evaluation of the independence of the certified accountants. On November 06, 2020, the Audit Committee approved the proposal for the Board of Directors' approval to evaluate the independence and suitability of the certified public accountants. Please refer to the Company's website at http://www.delicacy.com.tw/h-tw /Investor / tw/Investor/Corporate Governance/Organizational Operations for the Accountant's Independence and Suitability Evaluation Form and the letter of declaration issued by the Company's certified public accountants. (Note 1)	

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
4. Has the TWSE/TPEx listed company set up a dedication (or concurrent) corporate governance unit or appointed personnel responsible for corporate governance related matters (including but not limited to providing the directors and supervisors with required information to carry out their business, handling corporate registration and change of corporate registration related matters and taking the minutes of meetings)?	✓		The Management Division is the dedicated (concurrent) unit for corporate governance, who is responsible for corporate governance-related matter and its employees are regularly assigned to participate relevant education and training. The main duties of the staff are as follows: 1.The Board of Directors will consult with the directors before the meeting to plan and prepare the agenda, notify all directors to attend the meeting at least seven days before the meeting, and provide the meeting information before the meeting so that the directors can understand the content of relevant issues in advance; after the meeting, the minutes of the meeting will be prepared and sent to the directors within 20 days. 2.Each year, the Company registers the date of the shareholders' meeting in accordance with the legal deadline, and prepares and reports the notice of the shareholders' meeting, the manual and the minutes of the meeting by the required deadline. 3.If there is a motion to amend the articles of incorporation or to re-elect directors at the shareholders' meeting, an application for registration of the change should be made to the Ministry of Economic Affairs within 15 days after the shareholders' meeting. 4.According to the corporate governance evaluation indexes issued by the Center for Corporate Governance every year, we will check the company's achievement of the standards and the way to increase the scores one by one.	No major difference
5. Has the Company established communication channels and dedicated sections for stakeholder (including but not limited to the shareholders, employees, clients and suppliers) on its website to respond to important issues of corporate social responsibility concerns?	✓		The Company has a spokesperson, an acting spokesperson and a stock agent unit to communicate with the Company and its investors. The business, procurement and accounting units have established appropriate communication channels with major upstream and downstream vendors, banks and other related stakeholders. The company has set up a special electronic feedback and complaint box, and the head of the management department is responsible for handling complaints.	No major difference
6. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company appoints a professional stock agent, MasterLink Securities Corporation Stock Agency Department, to conduct shareholder meetings.	No major difference

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
7. Disclosure of information (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The Company's Chinese website has a special section for shareholders' information and is linked to the Market Observation Post System of the Stock Exchange. Shareholders may inquire about the Company's financial operations and corporate governance information on the Company's website. Please refer to the Company's website: http://www.delicacy.com.tw/zh-tw/Investor	No major difference
(2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information on collection and disclosure, creating a spokesperson system, webcasting investor conferences)?	✓		(2) 1. The Company has set up websites in both English and Chinese, with dedicated personnel responsible for collecting and disclosing relevant information. 2.The Company has a spokesperson and proxy spokesperson system. 3. The Company has set up the presentation and audio-visual files of the institutional investor conference on our website.	We will discuss the feasibility with the checking accountant in the future.
(3) Did the Company announce and declare the annual financial statement within two months at the end of the accounting year and announce and declare the Q1, Q2 and Q3 financial statement and monthly operational status prior to the deadline in the regulation?		✓	(3) In accordance with the relevant regulations, the Company shall announce and report its annual financial statements within 90 days after the end of the fiscal year, and report its quarterly financial statements within 45 days after the end of the first, second and third quarters.	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. Employee rights and benefits: The Company always treats its employees with honesty and trust and protects their legal rights and benefits in accordance with the Labor Standards Law. 2.Employee care: The Company establishes a good relationship with our employees through a welfare system that stabilizes their lives and a good education and training system that builds mutual trust and dependence. 3.Investor Relations: The Company has a spokesperson system, who is responsible for responding to investment corporations and handling shareholders' proposals. 4.Supplier relations: The Company maintains good relations with its suppliers to ensure the rights and interests of both parties. 5.Interested parties' rights: Interested parties may communicate with the Company and make suggestions in order to protect their legitimate rights and interests. 6.Directors (including independent directors) and managers for continuing education: (Note 2) and (Note 3) 7.Implementation of risk management policies and risk measurement standards: The Company has various internal rules and regulations for risk management and evaluation. 8.Implementation of customer policy: The company is committed to quality improvement and professional technology enhancement, through vertical integration of production and marketing, rapid development and production, to provide customers with competitive products to create company profits. 9.The Company purchases liability insurance for directors and supervisors: In accordance with Article 39 of the Code of Corporate Governance Practices, it is appropriate for the Company to purchase liability insurance for directors and supervisors during their term of office in respect of their liability under the law for the execution of their scope of	No major difference

Evaluation Item	Implementation Status (Note)			Deviations from "the Corporate Governance Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration	
			business, in order to reduce and diversify the risk of significant damage to the Company and its shareholders caused by the directors' wrongful or negligent acts.	

9. According to the latest result of the Corporate Governance Evaluation System by the Corporate Governance Center of TWSE, explain the amendments or propose the priority measurements to the unimproved items: In response to the announcement of 6th corporate governance evaluation in 2020, which was conducted for the year of 2019, the Company has proposed the explanation for the improvement on the evaluation index for the Company that have not yet scored: (Not included in the appraised company need not be filled in)
The results of the 6th (2020) Corporate Governance Evaluation, the Company has made efforts to improve the scores, as follows:
(1) Improved situation;

Improved items	Improvement Measures
Provide English notice of shareholders' meeting, annual report of shareholders' meeting, handbook, financial report	Notice of shareholders' meeting, annual report of shareholders' meeting, handbook, financial report in English in 2021
Establishment of a Supervisor of Corporate Governance, responsible for corporate governance related matters	Establishment of a Supervisor of Corporate Governance, responsible for corporate governance related matters

(2) Items yet to be implemented; the priority enhancements and measures expected to be carried out in 2021 are as follows.

Items not yet improved	Improvement Measures
Annual report to be uploaded by 16 days before the regular shareholders' meeting	It is expected that the notice of shareholders' meeting, the annual report of the shareholders' meeting, and the handbook will be provided in English and uploaded within the deadline in 2021
Annual financial report in English to be submitted 7 days before the regular shareholders' meeting	It is expected to be uploaded by 06/01/2021 on MOPS.
The financial statements are approved by the Board of Directors or submitted to the Board of Directors 7 days before the announcement deadline and published within 1 day after the approval date or submission date	Each quarterly financial report is expected to be approved by the Board of Directors or presented to the Board of Directors 7 days prior to the announcement deadline and announced within 1 day after the approval date or presentation date

Note: The operating conditions, regardless of whether "Yes" or "No" is checked, should be described in the summary description field.

Note 1:

020 CPA Dependency and Competency Assessment Form
Date of assessment: October 31, 2020

(1) Profile:

CPA Name:	YANG, CHAO-CHING	CPA Firm:	Deloitte & Touche
Primary Education/Experiences:	Educational background: Bachelor, Accounting Department of Feng JIA University Professional qualification: CPA, R.O.C.		

(2) Details:

Refer to Article 47 of the CPA Act and Gazette No. 10 from CPA Occupational Ethics Regulations:

ITEM	Result
1. The case of CPA remained the same over past 7 years never happened as of the latest notarization.	■Yes □No
2. The subject never built a material financial stakeholder relationship with the principal.	■Yes □No
3. Any inappropriate relationship is avoided to build with the principal.	■Yes □No
4. CPA should make his assistants stick to honest, fairness and independency.	■Yes □No
5. Financial statements of service institution in 2 years prior to operation may not be notarized and audited.	■Yes □No
6. CPA title may not be shared with any third party.	■Yes □No
7. Never hold any shares of the Company and its affiliates.	■Yes □No
8. The subject never had loan with the Company and affiliates, except for normal transactions with banking industry.	■Yes □No
9. The subject never had common investment or shared interested relationship with the Company and affiliates.	■Yes □No
10. The subject never had concurrent routine jobs in the Company or affiliates with fixed salary.	■Yes □No
11. The subject never was involved in decision-making management functionality in the Company or affiliates.	■Yes □No
12. The subject never had concurrent position in another business which may lose independency.	■Yes □No
13. The subject has conneciton of spouse, direct blood relatives & direct in-laws, or Collateral blood relatives with the management of the Company does not require a visa.	■Yes □No
14. The subject never received any commission in connection with business.	■Yes □No
15. The subject never was sanctioned or impeded principal of independency as of now.	■Yes □No

(3) Performance and Plan:

1. Finished 2020 financial notarization for the Company as scheduled.
2. Finished subsidiaries' 2020 financial notarization including DE-FA INTERNATIONAL INDUSTRIAL CO., LTD., EDEN ROAD INTERNATIONAL LTD.,CHADTEX INDUSTRIAL CO., LTD., DE LICACY Holding Co., Ltd., COZY AV INTERNATIONAL CORP.
3. Provided the Company with financial and taxation consulting services irregularly.

(4) Result of Assessment:

THE CPA, YANG, CHAO-CHING has presented and expressed independency on diversified financial, taxation consultation as well as notarization for the Company timely without unfair statements.

Approved by: Made by:

2020 CPA Dependency and Competency Assessment Form
Date of assessment: October 31, 2020

(1) Profile:

CPA Name:	LEE, CHI-JEN	CPA Firm:	Deloitte & Touche
Primary Education/Experiences:	Education: EMBA Master, CHENG KONG UNVERSITY Professionalism: CPA, R. O. C.		

(2) Details:

Refer to Article 47 of the CPA Act and Gazette No. 10 from CPA Occupational Ethics Regulations:

Item	Result
1. The case of CPA remained the same over past 7 years never happened as of the latest notarization.	■Yes □No
2. The subject never built a material financial stakeholder relationship with the principal.	■Yes □No
3. Any inappropriate relationship is avoided to build with the principal.	■Yes □No
4. CPA should make his assistants stick to honest, fairness and independency.	■Yes □No
5. Financial statements of service institution in 2 years prior to operation may not be notarized and audited.	■Yes □No
6. CPA title may not be shared with any third party.	■Yes □No
7. Never hold any shares of the Company and its affiliates.	■Yes □No
8. The subject never had loan with the Company and affiliates, except for normal transactions with banking industry.	■Yes □No
9. The subject never had common investment or shared interested relationship with the Company and affiliates.	■Yes □No
10. The subject never had concurrent routine jobs in the Company or affiliates with fixed salary.	■Yes □No
11. The subject never was involved in decision-making management functionality in the Company or affiliates.	■Yes □No
12. The subject never had concurrent position in another business which may lose independency.	■Yes □No
13. The subject has conneciton of spouse, direct blood relatives & direct in-laws, or Collateral blood relatives with the management of the Company does not require a visa.	■Yes □No
14. The subject never received any commission in connection with business.	■Yes □No
15. The subject never was sanctioned or impeded principal of independency as of now.	■Yes □No

(3) Performance and Plan:

1. Finished 2020 financial notarization for the Company as scheduled.

2. Provided the Company with financial and taxation consulting services irregularly.

(4) Result of Assessment:

THE CPA, LEE, CHI-JEN has presented and expressed independency on diversified financial, taxation consultation as well as notarization for the Company timely without unfair statements.

Approved by: Made

Recipient: DE LICACY INDUSTRIAL CO., LTD.

Subject: We accepted the assignment of auditing Your Esteemed Company's Financial Statement for the Year of 2020 pursuant to the regulations of AIA's "Integrity, Fairness, Objectivity and Independency of Professional Ethical Gazette No. 10" and the Audit Teammates stated their following regulations as follows without violation.

Description:

1. Audit teammate and its spouse, dependents never had cases as follows:
   1) Never held direct or indirect material financial interests with the Esteemed Company.
   2) Never built business relationship affecting independency with Your Esteemed Company or its Directors, Supervisors and Managers.

2. During audit, the Audit Teammates and their spouses, dependents never took positions of Director/supervisors, Managers in Your Esteemed Company or had any duties with direct and material effect on the audit work.

3. The Audit Teammates never had relationship of spouse, immediate blood relatives, immediate blood-in-law or second-relatives and other internal blood relatives with Your Esteemed Company's Directors/supervisors or Managers.

4. The Audit Teammates never received high valued gifts from Your Esteemed Company or its Directors/Supervisors, Managers or major shareholders (the value has never transcended ordinary social courtesy standard).

5. The Audit Teammates have executed necessary independency / interest conflict procedures without discovering any violations or unsolved conflict of interests.

Deloitte & Touche

CPA YANG, CHAO-CHING (With Seal)

CPA LEE, CHI-JEN (With Seal)

Note 2: Directors (including independent directors) pursuing further education in 2020

List of Directors and Supervisors	Date of the Advanced Studies		Organizer	Name of the Course	Hours of the Course
	Start	End			
Chairman YEH,CHIA-MING	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	Review of financial report preparation capability of listed companies, key points and points to note	3
	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	How directors and supervisors supervise companies to implement internal controls to strengthen corporate governance	3
Representative of Institutional Director: YEH,CHIA-HAO	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	Review of financial report preparation capability of listed companies, key points and points to note	3
	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	How directors and supervisors supervise companies to implement internal controls to strengthen corporate governance	3
Representative of Institutional Director: YEH,WEI-LI	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	Review of financial report preparation capability of listed companies, key points and points to note	3
	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	How directors and supervisors supervise companies to implement internal controls to strengthen corporate governance	3
Representative of Institutional Director: KUO,CHUN-HSIUNG	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	Review of financial report preparation capability of listed companies, key points and points to note	3
	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	How directors and supervisors supervise companies to implement internal controls to strengthen corporate governance	3
Independent Director HUANG,CHUN-JEN	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	Review of financial report preparation capability of listed companies, key points and points to note	3
	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	How directors and supervisors supervise companies to implement internal controls to strengthen corporate governance	3
Independent Director SU,PO-CHENG	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	Review of financial report preparation capability of listed companies, key points and points to note	3
	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	How directors and supervisors supervise companies to implement internal controls to strengthen corporate governance	3
Independent Director TSAI,CHI-CHUN	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	Review of financial report preparation capability of listed companies, key points and points to note	3
	2020/11/06	2020/11/06	Taiwan Corporate Governance Association	How directors and supervisors supervise companies to implement internal controls to strengthen corporate governance	3
	2020/11/26	2020/11/26	Securities and Futures Institute	Intellectual Property Management and Corporate Risk	3
	2020/12/08	2020/12/08	Securities and Futures Institute	From Corporate Fraud Prevention to Board of Directors' Functions	3

Note 3. The status of Manager taking advanced study courses in 2020.

List of Managers	Date of the Advanced Studies		Organizer	Name of the Course	Hours of the Course
	Start	End			
Financial Supervisor YU,I-NENG	2020/08/27	2020/08/28	Accounting Research and Development Foundation	Continuing Education Course for Accounting Supervisors of Issuing Securities Firms and Stock Exchanges	12

(5) **Fulfillment of social responsibility and differences from the Code of Corporate Social Responsibility of listed and listed companies and the reasons thereof**: the systems and measures adopted by the Company for environmental protection, community participation, social contribution, social services, social welfare, consumer rights, human rights, safety and health and other social responsibility activities and their fulfillment.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best Practice Principles” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration(Note 2)</th></tr>
<tr><td>1. Has the Company conducted risk assessment on environmental, social and corporate governance issues related to business operations of the Company in accordance with the concept of materiality and established relevant risk management policies or strategies? (Note 3)</td><td>✓</td><td></td><td>The Company has established a “CSR Code of Practice” and disclosed it in MOPS and the Company's website. The Management Department is responsible for conducting relevant risk assessments and formulating relevant risk management policies or strategies based on materiality as follows; in addition, relevant management practices have been established and communication channels with stakeholders have been set up.
<table>
<tr><th>Major Issues</th><th>Risk Evaluation Item</th><th>Risk management policies or strategies</th></tr>
<tr><td>Environment</td><td>Environmental Protection and Workplace Safety</td><td>⊙We are aware of the importance of environmental sustainability, and the Environmental Protection Division and the Industrial Safety Office handle matters related to pollution prevention for on-site operations, and we have hired an accredited environmental testing organization to conduct random inspections to comply with the latest emission standards listed by the Environmental Protection Agency.
⊙The Company regularly implements public safety inspections, labor safety training courses and employee health checks every year to provide a safe and healthy working environment for our employees.</td></tr>
<tr><td>Society</td><td>Ethical Management and Anti-Corruption</td><td>The Management Department of the Company, worked as a concurrent unit to promote the integrity of corporate management, has stipulated the prohibition of dishonest acts such as bribery, accepting bribes, offering or accepting improper benefits, engaging in unfair competition and damaging the rights and interests of stakeholders in accordance with the “Code of Conduct for Ethical Management”, “Procedures and Guidelines for Ethical Management” and “Code of Ethical Conduct”, and has established preventive measures and conducted education and promotion to implement the policy of ethical management.</td></tr>
<tr><td>Corporate Governance</td><td>Legal compliance</td><td>Through the implementation of internal control mechanisms, we ensure that all of our employees and operations comply with the relevant laws and regulations.</td></tr>
</table></td><td>No major difference.</td></tr>
</table>

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration(Note 2)	
2. Has the Company set up a dedicated (or concurrent) corporate social responsibility promotion unit which is authorized by the board of directors to be managed by the high-level management and reports to the board of directors?	✓		1.The Company's management department is responsible for promoting CSR as a concurrent unit, and is responsible for proposing and implementing CSR policies, systems or related management guidelines and specific promotion plans. 2.In the future, the Company will set up dedicated (concurrent) units and report to the Board of Directors on the situation.	No major difference.
3. Environment issues (1) Has the Company established an appropriate environmental management system according to its industrial characteristics?	✓		(1) The Company maintains the working environment and natural environment in accordance with public safety building regulations, fire regulations, labor health and safety regulations, the Waste Disposal Act, and energy-saving and carbon-reduction management regulations, and reports them in accordance with the law. There is also an industrial safety office to supervise and manage the related environmental protection business, and all the staffs are qualified with relevant certificates.	No major difference.
(2) Is the Company committed to improving the efficiency in the use of resources, and the use of recycled materials with low environmental impact?	✓		(2) The Company's waste materials have been assigned to a waste removal licensee for recycling, and is committed to implementing activities such as factory waste reduction and resource separation and recycling in order to preserve global resources and protect environmental hygiene.	
(3) Has the Company assessed the current and future potential risks and opportunities to the enterprise due to climate change and adopted countermeasures on issues related to the climate?	✓		(3) The Company formulates energy-saving and carbon-reduction strategies based on the impact of its operating activities, and promotes various energy-saving measures, such as turning off lights on the fly and paperless operation, to reduce the impact of its operations on the natural environment.	
(4) Has the Company conducted statistics on the emission of greenhouse gas, water consumption volume and the total waste weight in the past two years and developed policies for energy-saving, reduction on greenhouse gas, water consumption volume or management of other wastes?	✓		(4)1.The Company obtained the "Greenhouse Gas Emission Verification Statement" issued by AFNOR ASIA LTD. on November 25, 2020 to prove that the Company meets the reasonable assurance level approved by the Environmental Protection Administration of the Executive Yuan. We expect more efficient management and control of energy use" to achieve energy savings and reduce greenhouse gas emissions by 2%-5% annually. 2.The Company has installed a sludge dryer to reduce the amount of sludge removal, which is expected to reduce the amount of waste removal by 1/2 per year. 3.It is intended to comply with government regulations to completely phase out coal and oil-fired boilers and replace them with gas-fired (i.e., natural gas) boilers to reduce PM2.5 and improve air quality.	
4. Social issues (1) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		(1) The Company protects the legal rights of employees and respects the human rights of all employees in accordance with the Labor Standards Law, and provides fair opportunities for job seekers and employee promotion paths.	No major difference.

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration(Note 2)	
(2) Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacations and other welfares, etc.) and reflected management performances or outcomes on employees' remuneration?	✓		(2) The Company's Employee Benefit Committee arranges employee activities such as employee travels, fellow employees' dinners, weddings and funerals, and other benefit subsidies to provide a comfortable and safe working environment for our employees. We also arrange regular health checkups for our employees to maintain their physical and mental health.	
(3)Does the Company provide a safe and healthy working environment for employees and regularly carry out safety and health education for employees?	✓		(3) The Company provides a safe and healthy working environment for its employees, including the provision of necessary health and first aid facilities, and strives to reduce the risk of employee safety and health to prevent occupational disasters or occupational diseases. In addition, the following operations are conducted regularly to provide a healthy and safe environment for our employees. 1.We hold regular seminars on occupational safety and health to maintain the safety and health of employees in the workplace and to create a healthy and safe working environment for employees. 2.Office fire safety inspection/reporting/and promotion. 3.Regular maintenance of elevators. Employee health maintenance: In addition to cooperating with the government to conduct health checks for occupational disasters, we regularly arrange health checks for employees and cooperate with hospitals within the Group to carry out health management according to the results; each factory is equipped with medicines, hygiene materials, simple medical equipment, etc., and the factory has contracted doctors and nursing staff to provide regular services. Incorporate relevant requirements into daily operations and improve occupational safety and health performance through daily employee education.	
(4) Has the Company developed an effective training program for employees?	✓		(4) The Company follows the relevant provisions of the law and sends employees out for training for career development, and plans relevant career development training programs in accordance with employee needs.	
(5) Regarding the health and safety of products and services, customers' privacy, marketing and labelling, has the Company complied with relevant regulations and international principles and developed relevant policy and compliant procedure to protect consumers' rights and interests?	✓		(5) For the marketing and labeling of products and services, the Company follows the relevant laws and regulations.	
(6) Has the Company established management policy for suppliers and asked the suppliers to comply with environmental	✓		(6) The Company currently requests its major suppliers to provide certification reports that their products do not contain hazardous substances. In addition,	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Corporate Social Responsibility Best Practice Principles" and Reasons
	Yes	No	Abstract Illustration(Note 2)	
friendly, occupational safety or labor rights and present its implementations?			the contract between the Company and its major suppliers contains provisions that allow the suppliers to terminate or cancel the contract at any time if the supplier is involved in a violation of its corporate social responsibility policy that has a significant impact on the environment and society.	

5. Has the Company referenced the international principles or guidelines for preparing generalized report to prepare its non-financial reports such as corporate social responsibility reports? Has the Company obtained confirmation or guarantee opinions from third-party verification agencies regarding the aforementioned report?
The Company has not yet made reference to international standards or guidelines for the preparation of reports that disclose non-financial information such as CSR reports, but the Company will continue to practice CSR and establish related policies as appropriate.

6. If the Company has its own corporate social responsibility in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, please describe the difference between its operational and prescribed code:
The Company has established a "Code of Practice on Corporate Social Responsibility" and has implemented CSR in a gradual manner, taking into account the current situation and legal requirements.

7. Other important information about the Company that is useful in understanding the operation of corporate governance:
1.The company is committed to the government's environmental policy.
2.Sponsorship of local charity and good neighbor activities.
3.Donations were made to the Taiwan Foundation for the Blind, Tainan County Family Support Center, and cultural and educational institutions.
4.Contribute to the education and development of talents in the textile, apparel, and fashion industries (e.g., sponsorship of scholarships for related departments, establishment of short-term training courses, etc.)
5.Establish scholarships to encourage outstanding university students from modest backgrounds
6.Promote industry innovation and development related activities
7.Promote academic and industrial cooperation and exchange related work
8.Promoting care for the underprivileged and assisting in education and employment
9.Highlights of the latest annual activities of the Deli Education Foundation:

Year	Content
2020	Sponsored the Tainan City Association for the Sustainable Development of Taiwan Indigenous Peoples' 2020 After-school Support Program for Taiwan Indigenous Students.
	Donated to the social assistance fund account of the Tainan City Social Bureau, designated for the exclusive use of "education and schooling expenses for children from disadvantaged families".
	Sponsoring Andrew Charity Association to provide immediate and appropriate resources for children aged 0-15 from disadvantaged families in Taiwan to help them develop physically and mentally.
	To the Fortune Social Welfare & Charity Foundation, we donated 5,000 pounds of rice to the disadvantaged groups and low-income families.
	Sponsoring JOY AND HOPE WELFARE FOUNDATION for the winter relief activities of the elderly.
	63 scholarships of NT$20,000 each were awarded for the first semester of the 2020 school year.
	Sponsoring The Giver Association to provide care for urban aboriginal children, new immigrant children, and children of low- and middle-income families, including care for preschool-age children and after-school counseling from elementary school to high school, and to enhance the competitiveness of children from disadvantaged families in society.

8. If the CSR report has passed the verification standards of relevant verification agencies, it should be stated: None.

Note 1: The operating conditions, regardless of whether "Yes" or "No" is checked, should be described in the summary description field.
Note 2: If the company has prepared a CSR report, the summary description can be replaced with a description of how to access the CSR report and the index page.
Note 3: Materiality refers to the environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders.

(6) The Company and the Subsidiaries' Ethical Corporate Management Best-Practice, Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons:

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs approved (1) Does the company formulate its ethical corporate management policies by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board and senior management to implement the policies?	✓		The Company has established "Ethical Management Procedures and Behavior Guidelines" to clarify the policy of integrity management and prevent dishonest behavior. At the same time, there shall be no unnecessary contact with suppliers, customers and related parties.	
(2) Does the company establish evaluation system for the risk of unethical conducts, regularly analyze and evaluate the operating activities with the risk of high-potential unethical conducts within its operating scope and formulate prevention programs and precaution measures against unethical conducts or listed activities stated in Article 2, Paragraph 7 of the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓			No major difference.
(3) Does the company establish clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, and rules of appeal in its prevention programs against unethical conducts, ensure its implementation, and regularly review and revise the aforementioned programs?	✓			
2. Fulfill ethical management (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) The Company has established the "Procedures and Conduct Guidelines for Ethical Management", which stipulates that the Company will consider the legitimacy of agents, suppliers, customers or other business counterparties and whether there is any record of dishonest conduct before conducting business transactions, and will avoid conducting transactions with persons who have engaged in dishonest conduct.	
(2) Does the company establish an exclusively dedicated unit supervised by the Board to be in charge of the promotion of corporate ethical management, regularly (at least once a year) report its ethical management policies and prevention programs against unethical conducts, and supervise its implementations?	✓		(2) In order to improve the ethical management, the Company has designated the Management Department as the dedicated unit to handle the revision, implementation, explanation, consultation service and registration and filing of the notification contents of these operating procedures and conduct guidelines and to supervise their implementation, and shall report to the Board of Directors on a regular basis.	
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) The Company has established a "Code of Ethical Conduct" and "Operating Procedures and Conduct Guidelines for Ethical Management", which stipulate that the Company's personnel shall treat the Company's customers, competitors and employees fairly and with integrity and reasonableness, and shall not obtain improper benefits through manipulation, concealment, misuse of information based on their duties, misrepresentation of material matters or other unfair trade practices.	No major difference.
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management? Does the company's internal audit unit prepare relevant audit plans based on the evaluation results of risk of the unethical conducts from the internal audit unit? Is the compliance of prevention program against unethical conducts audited by either internal auditors or CPAs?	✓		(4) In order to effectively ensure ethical management of the Company's operations, the Company has established a good and effective internal control system and accounting system, which are regularly audited by internal auditors.	
(5) Does the company regularly hold internal and external educational trainings on ethical management?			(5) The Company shall reinforce the principle that employees should treat the	

Evaluation Item	Implementation Status (Note 1)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
	✓		Company's import (sales) customers, competitors and employees fairly and with honesty and reasonableness, and shall not gain improper benefits by manipulating, concealing or misusing information based on their duties, making misrepresentations on important matters or other unfair trading practices.	
3.Operation of the company's complaint system (1) Does the company establish both a specific complaint and reward system and a convenient complaint channel? Can the accused be reached by an appropriate person for follow-up? (2) Does the company establish standard operating procedures for investigating accusation cases, and follow-up measures and relevant confidential system to be adopted after the completion of the investigation? (3) Does the company provide proper whistleblower protection?	✓ ✓ ✓		The company plans a confidential system of reporting, set up a dedicated window to receive reports, through employee complaint box and an employee complaint hotline to receive employee complaints.	No major difference.
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company's annual report discloses the contents of the Code of Conduct and the effectiveness of its promotion, which can be found on the Company's website and on the Market Observation Post System.	No major difference.
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: None.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies: The Company's operations are conducted in accordance with the laws and regulations of the TSE and the regulations of the relevant authorities, and its decisions are made with the interests of shareholders and the Company in mind, and in compliance with the Company's internal regulations.				

Note 1: The operating conditions, regardless of whether "Yes" or "No" is checked, should be described in the summary description field.

(7) If the company has established a code of corporate governance and related regulations, it should disclose its inquiry methods.

The Company has established the "Rules of Procedures for Shareholders' Meetings," "Regulations for Board Meetings," "Regulations for Election of Directors," "Code of Ethical Conduct," "Self-Regulatory Rules for Disclosure of Merger and Acquisition Information," "Regulations for Intercompany Financial Operations," "Code of Corporate Governance Practices," "Rules Governing the Responsibilities of Independent Directors," "Rules for the Organization of the Audit Committee," "Rules for the Organization of the Compensation Committee," "Code of Corporate Social Responsibility Practices," and "Operating Procedures and Guidelines for Ethical Management", which will be implemented in accordance with the relevant regulations. Please visit the Company's website or the Market Observation Post System for more information.

(8) Other Important Information for the Enhancing the Understanding of the Company's Corporate Governance Operations may be disclosed: None.

(9) Implementation of internal control system

1. Statement of Internal Control System

DE LICACY INDUSTRIAL CO., LTD.

Statement of Internal Control System

Date: Mar. 15, 2021

The internal control system from January 1 to December 31, 2020, according to the result of self-assessment is thus stated as follows:

1. The Company acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and management, and the Company has established such system. The internal capital system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability of financial reporting and the compliance of applicable law and regulations are achieved.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reason assurance of accomplishing its three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five constituent elements of managerial internal control: i. control environment, ii. risk assessment, iii. control activities, iv. information and communication, and v. monitoring activities. Each constituent element consists of a number of items. Please refer to the “the Regulations” for the aforementioned items.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the finding of such evaluation, the Company believes that, on December 31, 2020 (Note 2) it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of the Company’s annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement was approved by the board of directors in the meetings held on March 5, 2021, with none of the 7 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

DE LICACY INDUSTRIAL CO., LTD.

Chairman YEH,CHIA-MING

General Manager: YEH,WEI-LI

2. In case that a CPA was engaged to conduct a Special Audit of Internal Control System, its audit report shall be provided: None.

(10) For the most recent year and up to the printing date of the annual report, the Company and its internal personnel have been punished by law, the Company has punished its internal personnel for violating the provisions of the internal control system, and the major deficiencies and improvements: None.

(11) Significant resolutions of the shareholders' meeting and the board of directors for the most recent year and up to the date of printing of the annual report

(1) Resolutions of the ordinary shareholders' meeting

Meeting Date	Important Resolution	Resolution	Status of implementation
2020.06.11	1. Recognition of Business Report, Financial Statements and Consolidated Financial Statements for 2019	The proposal was approved by the shareholders present and voting by electronic ballot.	The resolution was passed.
	2. Earnings Distribution Recognition for 2019	The proposal was approved by the shareholders present and voting by electronic ballot.	Set Jul. 10, 2020 as the Base date for dividend allocation and distribute cash dividends on Jul. 31, 2020
	3. Capital surplus distribution of cash discussion	The proposal was approved by the shareholders present and voting by electronic ballot.	Set Jul. 10, 2020 as the Base date for dividend allocation and distribute cash dividends on Jul. 31, 2020
	4. Amendment to Rules of Procedure for Shareholders Meetings	The proposal was approved by the shareholders present and voting by electronic ballot.	RESOLVED. The revised Rules of Procedure of the Shareholders' Meeting will be published on the Company's website and the Market Observation Post System.
	5.Amendments to the Company's "Procedures for Lending Funds to Others"	The proposal was approved by the shareholders present and voting by electronic ballot.	RESOLVED. The revised Procedures for Lending Funds to Others will be published on the Company's website and the Market Observation Post System.
	6.Full re-election of seven directors (including independent directors)	The proposal was approved by the shareholders present and voting by electronic ballot.	Registration was granted by the Ministry of Economic Affairs on July 02, 2020.
	7. The release of new directors from the non-competition restriction	The proposal was approved by the shareholders present and voting by electronic ballot.	The resolution was passed and the execution was completed in accordance with the resolution of the shareholders' meeting.

(2) Resolutions of the Board of Directors

Committee No.	Meeting Time	Important Resolutions
16th Committee 18th Meeting	2020.01.14	1. Approved the retroactive recognition of the credit line application to Wang Shan Bank. 2. Approved the bank credit line discussion. 3. The endorsement and guarantee case for Vietnam Deli Industrial Co. was approved. 4. The endorsement and guarantee case for Victory Cayman Holdings Co., Ltd. was approved. 5. Lending the Company's capital to Vietnam Deli Industrial Co. was approved. 6. Lending of funds through the Company to MJ DE-YI INTERNATIONAL LTD. was approved. 7. Approved the proposal of salary adjustment on the chairman of the board of directors, Mr.YEH,CHIA-MING, the General Manager, Mr. YEH,WEI-LI, and the head of investor relations of the management department, Mrs. CHI,WEI-HSIEN (the interested parties, Mr. YEH,CHIA-MING, the chairman of the board of directors, Mr. YEH,WEI-LI, the representative of the corporate director and general manager, and Mr. YEH,CHIA-HAO, the representative of the corporate director, recused themselves from voting on the proposal). 8.Approved the proposal of salary adjustment for General Manager, KUO,CHUN-HSIUNG (the interested parties, representative of the corporate director and general manager, KUO,CHUN-HSIUNG,recused himself from voting on the proposal). 9. Approved the proposal of salary adjustment for Financial and Accounting Supervisor, YU,I-NENG , and the Deputy General Manager and Supervisor of Production Department and R&D Department, Mr. TSAI,CHI-HSIU. 10.Approved the proposal of 2019 year-end bonus appropriation by the Chairman, YEH, CHIA-MING, General Manager, YEH, WEI-LI and CRM Supervisor of the Administration Department, Assistant Manager, CHI, WEI-HSIEN of the Company (Stakeholders, Chairman YEH, CHIA-MING, Legal Director Representative concurrent General Manager, YEH, WEI-LI, Legal Director Representative, YEH, CHIA-HAO, evaded the vote to this proposal) 11.Approved the proposal of year-end bonus adjustment for General Manager, KUO,CHUN-HSIUNG(the interested parties, representative of the corporate director and general manager, KUO,CHUN-HSIUNG, recused himself from voting on the proposal).

Committee No.	Meeting Time	Important Resolutions
		12.Approved the proposal of salary adjustment for Financial and Accounting Supervisor, YU,I-NENG,and the Deputy General Manager and Supervisor of Production Department and R&D Department, Mr.TSAI,CHI-HSIU. 13.Purchase of BUDWEISER HONG KONG HOLDING COMPANY,LIMITED from TUNG MING TEXTILE CO., LTD. and EDEN ROAD INTERNATIONAL LIMITED through its subsidiary, MJ DE-YI INTERNATIONAL LTD 14. Purchase of LUCKY UNIQUE ENT. CO. ,LTD through the Company from TUNG MING TEXTILE CO.,LTD was approved. 15.Approved the proposal to establish Eden Road International limited in Hong Kong. 16.Capital financing to a related party, Ye Fulin, through Hangzhou Deli Textile Co. was approved. (Interested Parties, Chairman of the Board of Directors, Mr. YEH,CHIA-MING, Representative of the Corporate Director, Mr. YEH,CHIA-HAO, and Representative of the Corporate Director and General Manager, Mr. YEH,WEI-LI, recused themselves from voting on this case) 17. The endorsement and guarantee case for APEX (ANQING)TEXTILE CO.,LTD. was approved
16th Committee 19th meeting	2020.03.12	1. Approved the recognition of bank loan guarantee line as of February 29, 2020. 2. Approved the bank credit line discussion. 3. Approved the salary and compensation programs to be implemented in 2020. 4. Approved the remuneration of employees and directors of the Company for 2019. 5. Approved Business Report, Financial Statements and Consolidated Financial Statements for 2019 6. Approved Company 2019 “Statement of Internal Control System”. 7.The endorsement and guarantee case for DE-FA INTERNATIONAL INDUSTRIAL CO., LTD. Was approved 8. The endorsement and guarantee case for Hangzhou Deli Textile Co., Ltd. was approved. 9. The endorsement and guarantee case for EDEN ROAD INTERNATIONAL LIMITED was approved. 10. The endorsement and guarantee case for Vietnam Deli Industrial Co. was approved. 11. Lending of funds to Vietnam Deli Industrial Co. was approved. 12.The renewal of the directors’ and supervisors’ liability insurance with Shin Kong Insurance Co. was approved. 13.Donation of NT$3 million to the Deli Educational Foundation through the Company was approved. 14. Amendment to Rules of Procedure for Shareholders Meetings was approved. 15.Approved the proposal to convene the shareholders’ meeting in 2020. 16.Capital financing to a related party, Ye Fulin, through Hangzhou Deli Textile Co. was approved. (Interested Parties, Chairman of the Board of Directors, Mr. YEH,CHIA-MING, Representative of the Corporate Director and General Manager, Mr. YEH,WEI-LI, and Representative of the Corporate Director, Mr. YEH,CHIA-HAO, recused themselves from voting on this case)
16th Committee 20th meeting	2020.04.20	1. Approved the recognition of bank loan guarantee line as of March 31, 2020. 2. Approved the amendments to Operation Directions for Compliance with the Establishment of Board of Directors and the Board’s Exercise of Powers. 3. The endorsement and guarantee case for Zhejiang Xinhu Venture Investment Co,.Ltd. was approved. 4. The endorsement and guarantee case for EDEN ROAD INTERNATIONAL LIMITED was approved. 5. Full re-election of seven directors (including independent directors) was approved. 6. Approved the discussion of the nomination and review of the list of candidates for director (including independent director). 7. The release of new directors from the non-competition restriction was approved. 8. The release of General Manager, KUO,CHUN-HSIUNG, from the non-competition restriction was approved. (General Manager KUO,CHUN-HSIUNG, an interested party, recused himself from voting on this case) 9. The release of managers from the non-competition restriction was approved. 10. Earnings Distribution for 2019 was approved. 11. Capital surplus distribution of cash was approved. 12. The motion of changing the proxy spokesperson was approved.
16th Committee 21th meeting	2020.05.08	1.Approved the recognition of bank loan guarantee line as of Apr. 30, 2020. 2.The endorsement of guarantees case for EDEN ROAD INTERNATIONAL LTD. and Defa International Industrial Co., Ltd. was approved.
17th Committee 1st meeting (Interim Meeting)	2020.06.11	(1) The election of the chairman of the board of directors by the new directors was approved. (2) The election of Deputy Chairman by the new directors was approved.
17th Committee 2nd meeting	2020.06.19	1. The bank credit line discussion case was approved. 2. Approved the reappointment of General Manager, YEH,WEI-LI (Interested Parties, Chairman of the Board of Directors, Mr. YEH,CHIA-MING, Representative of the Corporate Director and General Manager, Mr. YEH,WEI-LI, and Representative of the Corporate Director and Deputy Chairman, Mr.YEH,CHIA-HAO, recused themselves from voting on this case)

Committee No.	Meeting Time	Important Resolutions
17th Committee 2nd meeting	2020.06.19	3.Approved the promotion of General Manager KUO,CHUN-HSIUNG to Special Assistant to the Chairman (the interested parties, representative of the corporate director, KUO,CHUN-HSIUNG, recused himself from voting on the proposal). 4.Approved the promotion of Deputy General Manager, YU,I-NENG to Executive Deputy General Manager 4.Approved the promotion of Associate TSAI,CHI-HSIU to General Manager 5.Approved the proposal of hiring a remuneration committee 6. Approved the disposal of the shares of the subsidiary, LUCKY UNIQUE ENT. CO. ,LTD, 7. Abandoned the cash capital increase to BUDWEISER HONG KONG HOLDING COMPANY,LIMITED through its subsidiary, British Virgin Islands Deyi International Co., Ltd. was approved. 8. Lending of funds to Vietnam Deli Industrial Co. was approved. 9. The endorsement and guarantee case for Vietnam Deli Industrial Co. was approved. 10. The endorsement and guarantee case for Zhejiang Xinhu Venture Investment Co,.Ltd. was approved. 11. The endorsement and guarantee case for Hangzhou Deli Textile Co., Ltd. was approved. 12. The endorsement and guarantee case for Hangzhou Deli Textile Co., Ltd. was approved. 13. Donation of NT$3 million to the Deli Educational Foundation through the Company was approved 14. Base date for dividend allocation from retained earnings for 2019 was approved. 15. Base date for capital reserve cash allocation was approved.
17th Committee 3rd meeting	2020.08.06	1.Approved the recognition of bank loan guarantee line as of Jul. 31. 2.Approved the recognition of Deputy Chairman, YEH,CHIA-HAO's payroll (Interested Parties, Chairman of the Board of Directors, Mr. YEH,CHIA-MING, Representative of the Corporate Director and General Manager, Mr. YEH,WEI-LI, and Representative of the Corporate Director and Deputy Chairman, Mr.YEH,CHIA-HAO, recused themselves from voting on this case) 3.Approved the proposal of salary adjustment for special assistant of the chairman, KUO,CHUN-HSIUNG (the interested parties, representative of the corporate director and special assistant of the chairman , KUO,CHUN-HSIUNG, recused himself from voting on the proposal). 4.Executive Deputy General Manager YU,I-NENG's payroll recognition case was approved. 5. Deputy General Manager TSAI,CHI-HSIU's payroll recognition case was approved 6. The bank credit line discussion case was approved. 7. Approved that on February 13, 2019, the Company entered into a joint credit agreement (the "Credit Agreement") with Wang Tao Commercial Bank as the host bank and the managing bank for a total credit facility of NT$2.2 billion. It is proposed to apply for a waiver from the syndicate of joint creditors for the performance of certain obligations under the credit agreement, and to revise the credit agreement in conjunction with the new guarantee line for the issuance of medium-term commercial paper (C/P) and the revision of other covenants 8. Approved the cancellation of investment in garment factories in Vietnam. 9. Approved the establishment of the Company's "Standard Operating Procedures for Handling Directors' Requests". 10.Approved Proposal for discussion of the Company's loan made to Vietnam DE LICACY INDUSTRIAL CO., LTD. 11.Approved Proposal for discussion of the Company's loan made to TOTAL EXPRESS LTD. 12.Approved Proposal for discussion of the Company's loan made to Vietnam MJ DE-YI INTERNATIONAL LTD. 13.Approved Proposal of the endorsement for DE LICACY INDUSTRIAL CO., LTD. (Hangzhou) 14. Approved Proposal of the endorsement for Apex (Zhejiang) Textile Co., Ltd. 15. Approved Proposal of the endorsement for CHADTEX INDUSTRIAL CO., LTD. 16. Approved Proposal of the endorsement for COZY AV INTERNATIONAL CORP. 17. Approved Proposal of the endorsement for EDEN ROAD INTERNATIONAL LTD. (BVI), EDEN ROAD INTERNATIONAL LTD. (HONG KONG) and TEFUA MFG. CO., LTD. 18. Approved the proposal of capital increase for COZY AV INTERNATIONAL CORP.
17th Committee 4th meeting	2020.11.06	1.Approved the recognition of bank loan guarantee line as of Jul. 31. 2.Approved the discussion of bank loan amount. 3.Approved 2021Audit Plan 4.Approved 2021Audit Plan 5.Approved the Company's "Directors' Performance Evaluation" 6.Approved the independence evaluation of Company's 2020 CPAs 7.Approved the capital increase of MJ DE-YI INTERNATIONAL LTD. 8.Approved for funding loands to Victory (Cayman) Holdings Lts. 9.Approved the endorsement and guarantee for CHADTEX INDUSTRIAL CO., LTD. 10.Approved the endorsement and guarantee for Victory (Cayman) Holdings Ltd. 11.Approved the endorsement and guarantee for NEW LAKE LIMITED

Committee No.	Meeting Time	Important Resolutions
		12.Approved the endorsement and guarantee for EDEN ROAD INTERNATIONAL LIMITED 13. Approved endorsement and guarantee for DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.
17th Committee 5th meeting	2021.01.22	1. Approved the discussion of bank loan amount. 2. Approved the funding of loands for Vietname DE LICACY INDUSTRIAL CO., LTD 3. Approved endorsement and guarantee for Vietname DE LICACY INDUSTRIAL CO., LTD 4. Approved endorsement and guarantee for Victory (Cayman) Holdings Ltd. 5. Approved endorsement and guarantee for APEX (ANQING)TEXTILE CO.,LTD 6. Approved endorsement and guarantee for TOTAL EXPRESS LIMITED 7. Approved endorsement and guarantee for EDEN ROAD INTERNATIONAL LIMITED (Registration place: British Virgin Islands) 8. Approved endorsement and guarantee for EDEN ROAD INTERNATIONAL LIMITED (Registration place: Hong Kong) 9. Approved endorsement and guarantee for DE-FA INTERNATIONAL INDUSTRIAL CO., LTD. 10.Approved 2020 distribution of annual bonus for the chairman, Mr. YEH,CHIA-MING , general manager, Mr. YEH,WEI-LI and deputy chairman, YEH,CHIA-HAO (the interested parties, the chairman, Mr. YEH,CHIA- MING , general manager, Mr. YEH,WEI-LI and deputy chairman,YEH, CHIA-HAO are recusal from voting on the case) 11. Approved 2020 distribution of annual bonus for the spcial assistant of chairman, KUO,CHUN-HSIUNG (interested party, representative of institutional director and special assistant of chairman,KUO, CHUN-HSIUNG, are recusal from voting on the case) 12. Approved 2020 distribution of annual bonus for the financial supervisor and accounting supervisor, YU,I-NENG , and executive deputy general manager and supervisor of the production department, and supervisor of R&D, TSAI,CHI-HSIU 13.Approved Adjustment of the Group's Investment Structure in Arden Road International Ltd.
17th Committee 6th meeting	2021.03.15	1. Approved the recognition of bank loan guarantee amount and usage on Feb. 28, 2021 2. Approved the discussion of bank loan amount. 3. Approved the Company’s 2021 various planned salary and remuneration to be implemented 4. Approved 2020 Employee’s Remuneration and Directors’ Remuneration 5. Approved business report and 2020 individual financial statement and consolidated financial statement 6. Approved 2020 Appropriation of Loss 7. Approved the submission of 2020 “Statement of Internal Control System” 8. Approved endorsement and guarantee for Hangzhou DE LICACY INDUSTRIAL CO., LTD 9. Approved endorsement and guarantee for Vietname DE LICACY INDUSTRIAL CO., LTD 10. Approved the funding of loans for Vietname DE LICACY INDUSTRIAL CO., LTD 11. Approved Renewal of Directors' and Supervisors' Liability Insurance with Shinkong Insurance Co., Ltd. 12. Approved the Company’s “Directors’ Performance Evaluation” 13. Approved the amendement to the Company’s “Rules of Procedure for Shareholders Meetings” 14. Approved the matters for the conveyance of 2021 Shareholders’ Meeting 15. Approved the discussion on investment in China

(12) For the most recent year and as of the printing date of the annual report, if the directors or supervisors have dissenting opinions on important resolutions passed by the board of directors and there are records or written statements of such dissenting opinions, the main content of which: None.

(13) Summary of the resignation and dismissal of the chairman, president, head of accounting, head of finance, head of internal audit, head of corporate governance, and head of research and development of the Company for the most recent year and as of the date of printing of the annual report: None.

4. Accountant's fee information: The company shall disclose the accountant's fee if one of the following circumstances occurs.

Accounting firm	Name of Accountant		Audit Period	Remark
Deloitte & Touche	YANG, CHAO-CHIN	LI, CHI-CHEN	2020.01. 01~2020.12. 31	

Note: If the Company changes its accountant or accounting firm during the year, please indicate the audit period and the reason for the change in the remarks column.

Amount Unit: NT$1000

Professional fee	Audit fee	Non-audit Fee				
		System Design	Business Registration	Human Resources	Others (Note)	Subtotal
Amount	7,290	-	-	432	585	1,017

Note: The expenses mainly consist of transfer pricing, direct debit, disclosure checklist of corporate governance information, filing of foreign investment returns and implementation of the allowance in 2020.

(1) If the proportion of non-audit fees paid to the certified public accountant, the certified public accountant's office, and their affiliates is at least one-fourth of the audit fees, the amount of audit and non-audit fees and the content of non-audit services should be disclosed: None.

(2) If you change your accounting firm and the audit fee paid in the year of change is less than the audit fee paid in the year before the change, you should disclose the amount, percentage and reason of the decrease. The amount, percentage and reason of the decrease in audit fees should be disclosed: None.

(3) If the audit fee has decreased by 10% or more from the previous year, the amount, percentage and reason for the decrease in audit fee should be disclosed: None.

5. Information on Replacement of Certified Public Accountants: None.

6. If the chairman, general manager, or manager in charge of financial or accounting matters of the Company has worked in the firm of the certified public accountant or its affiliates within the last year, the name, title, and period of employment in the firm of the certified public accountant or its affiliates should be disclosed: None.

7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by A Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent during the Most Recent Year or During the Current Year up to the Date of Publication of the Annual Report

1.Changes in shareholdings of directors, supervisors, managers and majority shareholders:

Title	Name	2020		As of Mar. 04, 2021	
		Shares Increase (decrease)	Number of pledged shares Increase (decrease)	Shares Increase (decrease)	Number of pledged shares Increase (decrease)
Chairman	YEH,CHIA-MING	(110,000)	0	0	0
Directors	Fuhua Investment Co., Ltd. Representative: YEH,CHIA-HAO Representative: YEH,WEI-LI Representative: KUO,CHUN-HSIUNG	0	0	0	0
Independent Director	HUANG,CHUN-JEN	(5,000)	0	0	0
Independent Director	SU,PO-CHENG	0	0	0	0
Independent Director(Note 1)	TSAI,CHI-CHUN	0	0	0	0
Deputy Chairman	YEH,CHIA-HAO	0	0	0	0
Special assistant of the chairman	KUO,CHUN-HSIUNG	0	0	0	0
General Manager	YEH,WEI-LI	(60,000)	0	0	0
Vice General Manager, Clothing Business Department (Note 2)	YANG,YUAN-PO	0	0	0	0
Executive Deputy General Manager (Financial and Accounting Supervisor)	YU,I-NENG	0	0	0	0
Management Division Associates (Note 3)	CHI,WEI-HSIEN	0	0	0	0
Supervisor of Production Department and Deputy General Manager of R&D Division	TSAI,CHI-HSIU	0	0	0	0

Note 2: Newly served on Jun. 11, 2020.

Note 2: Resigned Jun. 30, 2020.

Note 3: Resigned Jun. 25, 2020

2. Information on directors, supervisors, managers, and persons related to the transfer of substantial shareholders' equity: None

3. Information on directors, supervisors, managers, and persons related to the transfer of substantial shareholders' equity: None

8. Information on the Relationship between any of the top Ten Shareholders (Related Party, Spouse, or Kinship within the Second Degree):

Information on the relationship between the top ten shareholders and their respective shareholdings

Date: as of Apr. 12, 2021; Unit: shares; %

Name〈 Note 1〉	Own shareholding		Spouse & Minor Shareholding (Note)		Shareholding by Nominee Arrangement		THE NAMES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED PARTIES OR WHO ARE RELATED TO EACH OTHER AS SPOUSES OR SECOND DEGREE RELATIVES. (NOTE 3)		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relation	
Fufa International Investment Co., Ltd. Representative:YEH,CHIA-HAO	32,928,067	8.56%	--	--	--	--	Fuhua Investment Co., Ltd . FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company WELL UNIQUE ENTERPRISE CO., LTD.	The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are	
	3,288,181	0.86%							
Fuhua Investment Co., Ltd. Representative: YEH,WEI-LI	30,000,994	7.80%	--	--	--	--	Fufa International Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company WELL UNIQUE ENTERPRISE CO., LTD.	The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company	
	2,859,392	0.74%	--	--	--	--			
FUSON INTERNATIONAL CO., LTD. Representative: YEH,CHIA-HAO	30,000,443	7.80%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company WELL UNIQUE ENTERPRISE CO., LTD.	The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company	
	2,779,445	0.72%	--	--	--	--			
Yongyi Investment Co., Ltd. Representative: YEH,CHIA-HAO	18,776,460	4.88%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company WELL UNIQUE ENTERPRISE CO., LTD.	The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are	
	3,288,181	0.86%	--	--	--	--			
Chenxi International Investment Co., Ltd. Representative: YEH,WEI-LI	17,664,370	4.59%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Property Investment (Stock) Company WELL UNIQUE ENTERPRISE CO., LTD.	The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are second degree and is a Supervisor of the company	
	2,859,392	0.74%	--	--	--	--			
Fubon Life Insurance Co., Ltd.	16,703,122	4.34%	--	--	--	--	--	--	

Property Investment (Stock) Company Representative: YEH,CHIA-HAO	9,381,819	2.44%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. WELL UNIQUE ENTERPRISE CO., LTD.	The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company	
	2,779,445	0.72%	--	--	--	--			
Entrusted trust property account, CTBC Bank	8,619,017	2.24%	--	--	--	--	De Licacy Industrial Co., Ltd.	With control (Employee Stock Ownership Association)	
Songnian Investment (Stock) Company Representative: WANG,CHIEN-LIANG	5,447,128	1.41%	--	--	--	--	--	--	
	3,507,930	0.91%	--	--	--	--			
WELL UNIQUE ENTERPRISE CO., LTD. Representative: YEH,CHIA-HAO	3,716,479	0.96%	--	--	--	--	Fufa International Investment Co., Ltd. Fuhua Investment Co., Ltd. FUSON INTERNATIONAL CO., LTD. Yongyi Investment Co., Ltd. Chenxi International Investment Co., Ltd. Property Investment (Stock) Company	The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are second degree and is a Supervisor of the company The chairman of the board of directors is a second degree of consanguinity to the chairman of the company and is a director of the company The Chairman of the Board and the Chairman of the Company are The Chairman of the Board and the Chairman of the Company are Second-degree kinship The Chairman of the Board and the Chairman of the Company are Second-degree kinship	
	3,398,181	0.88%	--	--	--	--			

Note 1: The names of supervisors should be listed separately, corporate shareholders should list the names of corporate shareholders and their representatives separately and the amount of each payment should be disclosed in aggregate.

Note 2: The calculation of the percentage of shareholding refers to the calculation of the percentage of shareholding in the name of oneself, one's spouse, minor children or the use of others, respectively.

Note 3: The shareholders listed in the preceding paragraph include both legal and natural persons, and the relationships between them should be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

9. The number of shares held by the Company, its directors, supervisors, managers and businesses directly or indirectly controlled by the Company in the same re-invested business and the consolidated percentage of shareholding are calculated as follows:

As of Dec. 31, 2020; Unit: shares; %

Re-invested businesses	The Company's investment		Directors, Supervisors, Managers and Investments in Direct or Indirectly Controlled Businesses		Total investment	
	Number of	Percentage	Number of shares	Percentage	Number of shares	Percentag
DE LICACY (SAMOA) HOLDINGS CO., LTD.	52,604,382	100.00	-	-	52,604,382	100.00
WELL UNIQUE ENTERPRISE CO., LTD.	9,936,207	24.98	13,629,773	34.27	23,565,980	59.25
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD.	5,500,000	100.00	-	-	5,500,000	100.00
CHADTEX INDUSTRIAL CO., LTD.	18,931,098	55.06	-	-	18,931,098	55.06
DE LICACY OLDINGS CO., LTD	27,010	100.00	-	-	27,010	100.00
VIEW BEST GLOBAL LIMITED	2,475,000	100.00	-	-	2,475,000	100.00
Bright Wisdom Holdings Limited	-	-	14,902,500	53.22	14,902,500	53.22
BEST ALLIANCE INTERNATIONAL LIMITED	-	-	37,900,000	100.00	37,900,000	100.00
Vantage Gain Holdings Limited	-	-	6,501,742	73.33	6,501,742	73.33
EDEN ROAD International Co., Ltd.	-	-	50,000	100.00	50,000	100.00
HONG KONG EDEN ROAD INTERNATIONAL LTD.	-	-	50,000	100.00	50,000	100.00
Total Express Limited	-	-	1	100.00	1	100.00
Zhejiang Apex Textile Co.,Ltd.	-	-	13,000,000	100.00	13,000,000	10.00
HANGZHOU DE LICACY TEXTILE CO.,LTD.	-	-	42,000,000	100.00	42,000,000	100.00
DE SHEN (CAYMAN) HOLDINGS CO., LTD.	-	-	108,032,700,860	100.00	108,032,700,860	100.00
VIETNAM DE LICACY INDUSTRIAL CO., LTD.	-	-	114,660,895.50	100.00	114.660.895.50	100.00
Perfect Step Ltd.	-	-	8,862,037	20.00	8,862,037	20.00
DE LICACY (ANGUILLA)HOLDINGS CO., LTD.	-	-	5,005,000	100.00	5,005,000	100.00
ERA NOUVEAU INTERNATIONAL CO., LTD.	-	-	5,000,000	50.00	5,000,000	50.00
DE HONG HOLDINGS CO.,LTD.	-	-	1,500,000	50.00	1,500,000	50.00
New Lake Co., Ltd.	-	-	6,100,000	100.00	6,100,000	100.00
DE HONG INTERNATIONAL CO.,LTD (DH)	-	-	2,500,000	100.00	2,500,000	100.00
ATAGO GARMENT VIETNAM CO.,LTD	-	-	1,915,070	30.00	1,915,070	100.00
BEAUTY PLUS VENTURES LIMITED	-	-	11,920,238	85.00	11,920,238	85.00
Lucky Apex Ventures Limited	-	-	14,655,000	100.00	14,655,000	100.00
GLORY WEALTHY CORPORATION LIMITED	-	-	38	38.00	38	38.00
APEX TEXTILE CO.,LTD	-	-	10,400,000	100.00	10,400,000	53.22
FUTURUS CO., LTD.	-	-	1,000,000	100.00	1,000,000	100.00

IV. Capital Overview

1. Capital and Shares

(I) Source of Capital

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Number of shares	Amount (NT$)	Number of shares	Amount (NT$)	Source of Capital	Capital Increased by Assets Other than Cash	Others
1982.07	1,000	1,000	1,000,000	1,000	1,000,000	Incorporation	None	None
1983.07	1,000	6,500	6,500,000	6,500	6,500,000	Capital increase by cash NT$5,500,000	None	None
1987.02	1,000	40,000	40,000,000	40,000	40,000,000	Capital increase by cash NT$33,500,000	None	None
1988.09	1,000	62,000	62,000,000	62,000	62,000,000	Capital increase by cash NT$22,000,000	None	None
1989.10	1,000	100,000	100,000,000	100,000	100,000,000	Capital increase by cash NT$38,000,000	None	None
1990.05	10	18,000,000	180,000,000	18,000,000	180,000,000	Capital increase by cash NT$80,000,000	None	None
1990.11	10	20,000,000	200,000,000	20,000,000	200,000,000	Capital increase from retained earnings NT$20,000,000	None	None
1991.06	10	22,200,000	222,000,000	22,200,000	222,000,000	Capital increase from retained earnings NT$22,000,000	None	None
1992.03	10	65,000,000	650,000,000	45,510,000	455,100,000	Capital increase by cash NT$166,500,000 Capital increase from retained earnings NT$66,600,000	None	None
1993.05	10	65,000,000	650,000,000	63,714,000	637,140,000	Capital increase by cash NT$91,020,000 Capital increase from retained earnings NT$63,714,000 Capital increase from retained earnings NT$27,306,000	None	None
1994.11	10	90,000,000	900,000,000	73,271,100	732,711,000	Capital increase from retained earnings NT$57,342,600 Capital increase from retained earnings NT$38,228,400	None	None
1995.08	10	90,000,000	900,000,000	84,261,765	842,617,650	Capital increase from retained earnings NT$65,943,990 Capital increase from retained earnings NT$43,962,660	None	None
1996.12	10	150,000,000	1,500,000,000	109,540,294	1,095,402,940	Capital increase by cash NT$84,261,760 Capital increase from retained earnings NT$126,392,650 Capital increase from capital reserve NT$42,130,880	None	None
1997.07	10	160,000,000	1,600,000,000	153,356,411	1,533,564,110	Capital increase by cash NT$219,080,580 Capital increase from retained earnings NT$142,402,380 Capital increase from capital reserve NT$76,678,210	None	None

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Number of shares	Amount (NT$)	Number of shares	Amount (NT$)	Source of Capital	Capital Increased by Assets Other than Cash	Others
1998.06	10	280,000,000	2,800,000,000	191,695,515	1,916,955,150	Capital increase from retained earnings NT$230,034,620 Capital increase from capital reserve NT$153,356,420	None	None
1999.06	10	280,000,000	2,800,000,000	239,619,394	2,396,193,940	Capital increase from retained earnings NT$297,128,050 Capital increase from capital reserve NT$182,110,740	None	None
2003.10	10	280,000,000	2,800,000,000	239,719,394	2,397,193,940	Capital increase by cash NT$1,000,000	None	None
2003.11	10	280,000,000	2,800,000,000	239,819,394	2,398,193,940	Capital increase by cash NT$1,000,000	None	None
2004.12	10	280,000,000	2,800,000,000	230,137,394	2,301,373,940		None	None
2005.04	10	280,000,000	2,800,000,000	222,137,394	2,221,373,940		None	None
2006.01	10	280,000,000	2,800,000,000	175,596,020	1,755,960,200		None	None
2008.01	10	280,000,000	2,800,000,000	168,693,020	1,686,930,200		None	None
2008.11	10	280,000,000	2,800,000,000	164,849,020	1,648,490,200		None	None
2009.04	10	280,000,000	2,800,000,000	156,849,020	1,568,490,200		None	None
2010.08	10	280,000,000	2,800,000,000	227,439,020	2,274,390,200	Capital increase by cash NT$705,900,000	None	None
2012.04	10	280,000,000	2,800,000,000	223,080,020	2,230,800,200	Cancellation of treasury stock	None	None
2012.10	10	280,000,000	2,800,000,000	216,896,020	2,168,960,200	Cancellation of treasury stock	None	None
2015.09	10	280,000,000	2,800,000,000	233,003,305	2,330,033,050	Capital increase from retained earnings NT$108,448,010 Convert convertible corporate bond NT$52,624,840	None	None
2015.12	10	280,000,000	2,800,000,000	233,776,230	2,337,762,300	Convert convertible corporate bond NT$7,729,250	None	None
2016.03	10	280,000,000	2,800,000,000	240,722,232	2,407,222,320	Convert convertible corporate bond NT$69,460,020	None	None
2016.05	10	280,000,000	2,800,000,000	272,155,209	2,721,552,090	Capital increase by cash NT$300,000,000 and Convert convertible corporate bond NT$14,329,770	None	None
2016.09	10	280,000,000	2,800,000,000	275,002,820	2,750,028,200	Convert convertible corporate bond NT$28,476,110	None	None
2016.11	10	280,000,000	2,800,000,000	277,681,573	2,776,815,730	Convert convertible corporate bond NT$26,787,530	None	None
2017.08	10	360,000,000	3,600,000,000	320,681,573	3,206,815,730	Capital increase by cash NT$430,000,000	None	None
2017.09	10	360,000,000	3,600,000,000	334,565,652	3,345,656,520	Capital increase from retained earnings NT$42,893,450	None	None
2019.10	10	480,000,000	4,800,000,000	384,565,652	3,845,656,520	Capital increase by cash NT$500,000,000	None	None

Note: The approved date of capital increase for 1991 is 1991.06.08; the approved document number is (80) Tai-Tsai-Cheng (1) No. 01145.

The approved date of capital increase for 1992 is 1992.03.31; the approved document number is (81) Tai-Tsai-Cheng (1) No. 00606.
The approved date of capital increase for 1993 is 1993.05.03; the approved document number is (82) Tai-Tsai-Cheng (1) No. 00954.
The approved date of capital increase for 1994 is 1994.10.26; the approved document number is (83) Tai-Tsai-Cheng (1) No. 44068.
The approved date of capital increase for 1995 is 1995.06.16; the approved document number is (84) Tai-Tsai-Cheng (1) No. 35880.
The approved date of capital increase for 1996 is 1996.09.26; the approved document number is (85) Tai-Tsai-Cheng (1) No. 55227.
The approved date of capital increase for 1997 is 1997.06.12; the approved document number is (86) Tai-Tsai-Cheng (1) No. 42251.
The approved date of capital increase for 1998 is 1998.06.04; the approved document number is (87) Tai-Tsai-Cheng (1) No. 48754.
The approved date of capital increase for 1999 is 1999.06.09; the approved document number is (88) Tai-Tsai-Cheng (1) No. 53514.
A total of 200,000 shares of common stock were placed in a private placement in 1993, which did not require the approval of the Securities and Futures Bureau.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2004.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2005.
The cancellation of shares by merger in 2006 did not require the approval of the FSC.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2008.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2008.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2009.
The approved date of capital increase for 2010 is 2010.08.16; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1000036878.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2012.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2012.
In accordance with Article 28(1)(3) of the Securities and Exchange Act, the capital reduction of treasury stock was carried out in 2012.
The approved date of capital increase for 2005 is 2005.07.03; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1040025122.
2015: Convertible bonds converted into shares are registered at least once a quarter with the company's registration authority for capital changes in accordance with Article 34 of the "Rules Governing the Issuer's Collection and Issuance of Marketable Securities.
2016: Convertible bonds converted into shares are registered at least once a quarter with the company's registration authority in accordance with Article 34 of the "Rules Governing the Issuer's Collection and Issuance of Marketable Securities.
The approved date of capital increase for 2016 is 2016.01.14; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1040054002.
The approved date of capital increase for 2017 is 2017.05.17; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1060016176.
The effective date of the declaration of the capitalization of the 2017 surplus is 2017.07.31.
The approved date of capital increase for 2019 is 2019.07.18; the approved document number is Ching-Guan-Cheng-Fa-Tzi No. 1080322470.

Type of Shares	Authorized Capital			Remarks
	Issued Shares (Note)	Un-issued Shares	Total Shares	
Common Stock	384,565,652	95,434,348	480,000,000	

Note: Of the shares issued, 384,565,652 shares were listed shares.

Information about the Shelf Registration Form: Not applicable.

(2) Status of Shareholders

Apr. 12, 2021

Status of Shareholders / Items	Government Financial Institutions	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Treasury Stock	Total
Number of Shareholders	0	10	203	39,879	62	--	40,154
Shares	0	26,166,520	166,767,420	186,307,252	5,324,460	--	384,565,652
Percentage	--	6.80%	43.37%	48.45%	1.38%	--	100.00%

Note: First listed companies and emerging companies should disclose the proportion of their shares held by Chinese capital; Chinese capital refers to the people, legal entities, organizations, and other institutions in mainland China or their companies invested in third regions as stipulated in Amendment No. 3 to the Regulations for the Permission of People from Mainland China to Invest in Taiwan.

(3) Shareholding Distribution Status

1) Common Stock Apr. 12, 2021

Shareholdings Tiers	Number of Shareholders	Shares	Percentage
1 to 999	22,027	1,574,704	0.40%
1,000 to 5,000	12,382	27,346,908	7.11%
5,001 to 10,000	2,700	20,215,155	5.26%
10,001 to 15,000	1,072	13,153,018	3.42%
15,001 to 20,000	539	9,708,607	2.52%
20,001 to 30,000	524	12,904,437	3.36%
30,001 to 40,000	231	8,211,496	2.14%
40,001 to 50,000	151	6,914,730	1.80%
50,001 to 100,000	291	20,128,708	5.23%
100,001 to 200,000	119	16,777,927	4.36%
200,001 to 400,000	56	15,808,834	4.11%
400,001 to 600,000	18	9,070,453	2.36%
600,001 to 800,000	9	6,250,092	1.63%
800,001 to 1,000,000	8	7,150,400	1.86%
Over 1,000,001	27	209,350,183	54.44%
Total	40,154	384,565,652	100.00%

2) Preferred Shares: None.

(4) List of Major Shareholders: List of shareholders with a shareholding of 5% or more or the top ten shareholders in terms of shareholding

Shareholder's Name / Shares	Shares	Percentage
Fufa International Investment Co., Ltd.	32,928,067	8.56%
Fuhua Investment Co., Ltd.	30,000,994	7.80%
FUSON INTERNATIONAL CO., LTD.	30,000,443	7.80%
Yongyi Investment Co., Ltd.	18,776,460	4.88%
Chenxi International Investment Co., Ltd.	17,664,370	4.59%
Fubon Life Insurance Co., Ltd.	16,703,122	4.34%
Property Investment (Stock) Company	9,381,819	2.44%
Entrusted trust property account, CTBC Bank	8,619,017	2.24%
Songnian Investment (Stock) Company	5,447,128	1.42%
WELL UNIQUE ENTERPRISE CO., LTD.	3,716,479	0.97%

(5) Market Price, Net Worth, Earnings, and Dividends per Share for the past two years:

Items \ Year				2019	2020	As of Mar. 31, 2021 (Note 8)
per Share Market Price (Note 1)	Maximum			29.25	27.25	19.10
	Minimum			19.60	15.00	16.90
	Average			23.96	19.93	17.88
Net worth per share (Note 2)	Before distribution			14.28	12.23	--
	After distribution			--	--	--
Earnings per share	Weighted Average Shares (thousand shares)			347,360	383,924	384,789
	Earnings per share (Net loss)(Note 3)		Before adjustment	1.61	(0.54)	0.25
			After adjustment	1.61	(0.54)	0.25
per Share Dividends	Cash Dividends	Bonus shares		1.05	--	--
		Dividends from Capital Surplus		0.45	--	
	Bonus shares	Bonus shares		--	--	--
		Dividends from Capital Surplus		--	--	--
	Accumulated Undistributed Dividends (Note 4)			--	--	--
Return on Investment	Price / Earnings Ratio (Note 5)			14.88	(36.91)	--
	Price / Dividend Ratio (Note 6)			15.97	--	--
	Cash Dividend Yield Rate (Note 7)			6.26	--	--

Note 1: The highest and lowest market prices of common stock for each year are listed, and the average market price for each year is calculated based on the value and volume of transactions for each year.

Note 2: Please use the number of shares outstanding at the end of the year as the basis for the distribution of shares resolved at the following year's shareholders' meeting.

Note 3: If there is a retroactive adjustment due to a no-compensation stock allotment, the earnings per share before and after the adjustment should be shown.

Note 4: If the conditions of issuance of equity securities provide that unpaid dividends for the current year may be accumulated and paid in the year of earnings, the dividends accumulated and unpaid as of the current year should be disclosed separately.

Note 5: The Price / Earnings Ratio = average closing price per share for the year / earnings per share.

Note 6: The Price / Dividend Ratio = average closing price per share for the year / cash dividend per share.

Note 7: The Cash Dividend Yield Rate = cash dividend per share / average closing price per share for the year.

Note 8: The net value per share and earnings per share should be presented as of the most recent quarterly period audited (reviewed) by the accountants as of the printing date of the annual report; the remaining columns should be presented for the current year as of the printing date of the annual report.

(6) Dividend Policy and Implementation Status

1. Dividend Policy

Article 26-1 of the Company's Articles of Incorporation provides as follows: The Company shall first set aside 10% of the Company's annual earnings, if any, as legal reserve, except that if the legal reserve has reached the amount of the Company's paid-in capital, it may not be set aside, and the remainder shall be set aside or reversed to a special reserve in accordance with the provisions of the Act, and the remainder shall be added to the accumulated undistributed earnings of previous years as distributable earnings. The Board of Directors shall, at its discretion, retain the accumulated undistributed earnings of the

previous year as distributable earnings and prepare a proposal for the distribution of the earnings to shareholders for resolution at the shareholders' meeting.

The Company shall distribute dividends with reference to the characteristics of the industry's economic cycle and in the interest of sustainable operation and long-term development. The cash portion of dividends and bonuses to shareholders shall not be less than 10%, subject to adjustments based on the Company's performance and capital requirements.

2. Implementation Status

The Company has proposed to compensate loss with legal surplus reserve, NT$162,083 thousand by the Board of Director on March 15, 2021 and proposed to appropriate cash dividends with capital reserve NT$115,370 thousand by the Board of Directors on April 28, 2021 (NT$0.3 per share). For the proposal of loss refill by appropriation in 2020 and cash dividends by capital reserve proposal are pending in the resolution in the General Shareholders' Meeting on June 10, 2021.

(7) The effect of the proposed gratis stock allotment at the shareholders' meeting on the Company's operating results and earnings per share: The shareholders' meeting was held without a resolution for the allotment of shares.

(8) Information on Remuneration of Employees Directors and Supervisors:

1.The percentage or scope of remuneration for employees, directors and supervisors as set forth in the Articles of Incorporation:

Article 26 of the Company's Articles of Incorporation provides as follows: If the Company makes a profit in a year, it shall set aside not less than 4% as employee compensation, which shall be distributed in shares or cash by resolution of the Board of Directors, to employees of subordinate companies who meet certain criteria; the Company may set aside not more than 3% of the above-mentioned profit as remuneration to directors and supervisors by resolution of the Board of Directors. The remuneration to employees and remuneration to directors and supervisors should be reported to the shareholders' meeting.

However, the Company's accumulated losses shall have been covered first, and then the remuneration to employees and directors and supervisors should be provided in proportion to the aforementioned amount.

2.The basis for estimating the amount of compensation to employees, directors and supervisors, the basis for calculating the number of shares for employee compensation distributed in stock, and the accounting treatment if the actual amount of allotment differs from the estimated amount:

(1) The basis for estimating the amount of employees' remuneration and directors' and supervisors' remuneration for the current period: In accordance with the Company's Articles of Incorporation.

(2) The basis for calculating the number of shares to be allotted as stock dividends and the actual amount allotted: None.

(3) Accounting for differences from estimates: The accounting treatment is based on the change in accounting estimate.

3. The Board of Directors approved the distribution of remuneration:

(1) Employees' remuneration and directors' and supervisors' remuneration distributed in cash or shares.

For 2020, the Company's net loss was NT$207,286,476, therefore, no compensation to employees and directors was paid.

(2) The amount of employee compensation distributed in stock and its proportion to the aggregate amount of net income after tax and total employee compensation in the individual financial statements for the period: Not applicable.

4. The actual allotment of employees', directors' and supervisors' remuneration in the previous year (including the number of shares allotted, the amount and the price of shares), the difference between the allotment and the recognition of employees' bonuses and directors' and supervisors' remuneration, and the amount of the difference, the reasons for the difference and the circumstances under which the difference was handled, should be stated: None.

(9) Buyback of Treasury Stock: None.

2. Corporate Bond: None

3. Preferred Shares: None

4. Issuance of Overseas Depositary Receipts: None

5. Employ Stock Warrants: None

6. New Restricted Employee Shares: None

7. Issuance of New Shares for Acquisition or Exchange of Other Companies' Shares: None

8. Implementation of capital utilization plan

(1) Implementation Content: None.

(2) Status of implementation: None.

V. Operations Profile

1. Business Scope

(1) Business Scope

1. The principal elements of the Consolidated Company's business operations are as follows:
   (1)Printing, dyeing, finishing, manufacturing and trading of various textile products such as bubble fabric, blended fabric, jacquard, plaid, stretch fabric, chemical fiber fabric, polyester cotton fabric, silk satin, etc.
   (2)Manufacturing, trading, processing, importing and exporting of the aforementioned products and related yarn materials.
   (3) Artificial fiber manufacturing industry.
   (4) Cloth wholesale industry.
   (5) Dyes and pigments wholesale industry.
   (6) Pollution control equipment wholesale industry.
   (7) Cloth retail industry.
   (8) Specific professional area development industry.
   (9) Industrial plant development for lease and sale.
   (10) Clothing industry.
   (11) All business items that are not prohibited or restricted by law, except those that are subject to special approval.
2. Percentage of sales revenue

Main Products	2020 Operating Ratio
Staple Fiber Fabric	12.00%
Long-fiber fabrics	82.67%
Other	5.33%
Total	100.00%

3. Our current products
   (1)Short fiber fabric: short fiber first dyed yarn fabric, short fiber first dyed yarn elastic fabric, Poly/Nylon Y/D fabric, Poly/Nylon elastic Y/D fabric, long and short fiber interwoven fabric, special tissue fabric and short fiber/long and short fiber interwoven fabric after dyeing and finishing processing (sanding, brushing, shearing, printing, embossing, hole punching...) etc.
   (2) Long-fiber fabrics: advanced polyester, nylon long-fiber cloth, new combined fiber (including microfiber, combing wool tone, imitation hemp tone, fleece tone) cloth, suede cloth, peach skin fabric, shaped cross-sectional functional cloth, environmental protection recycling (polyester, nylon) cloth, furniture decoration cloth, curtain cloth, type memory cloth, coated cloth / laminated composite processing cloth, finishing process (sanding, brushing, shearing, printing, calendering, embossing, flocking, hole punching...) etc.
4. New products planned to be developed
   (1) Staple Fiber Fabric:
      A. Natural wool and synthetic fiber BLEND, emphasizing technology and comfort.
      B. Imitation dance dragon twist effect FLANNEL.
      C. Long and short fiber interwoven oil wax processing.
      D. Multi-layer composite functional fabrics (antibacterial and deodorization, anti-UV, chlorine resistance, moisture absorption and perspiration,

waterproof and permeability, heat storage and temperature preservation, coating, lamination, anti-wrinkle processing).

E. High-sensitivity nylon TACTEL, SUPPLEX and polyester spandex shirts.

F. Two-way pseudo-elastic stretch shirt fabric.

G. Gradient effect multi-color fabric.

(2) Long-fiber fabrics:

A. Light weight stretch bubble cloth.

B. Faux wool sense furniture fabric.

C. Slub effect fabric.

D. Imitation cotton feeling ATY elastic fabric.

E. Multi-layer composite functional fabrics (super water repellent, antibacterial and deodorization, anti-UV, moisture absorption and perspiration, rain forest, down, coating, lamination, printing, embossing, 3D embossing, flocking, hole punching).

F. Light weight A DRY.

G. Environmentally friendly recycled polyester, nylon fiber development.

H. Develop high moisture permeability and high water pressure resistant 2Layer and 3Layer compound processing fabric.

(2) Industry overview

(1) Current status and development of the industry

Developed countries around the world have been developing their textile industries for decades. Under the influence of the increasing textile trade, all aspects of the industry are in a highly competitive market environment. At this stage, China is the world's largest textile exporter, and developing countries are constantly competing with each other. In addition, the textile industry in China has grown by leaps and bounds to become a global manufacturing plant, and it has also become an important region for advanced countries to develop because of its huge domestic demand market. Taiwan’s textile industry is facing the constraints of the internal business environment and the drastic changes in international competition, and needs to change from the OEM (contract manufacturing) production model to the ODM (design processing) / OBM (private label) technology R&D and design model. Therefore, at this stage, we are focusing on innovation, research and development, and design to strengthen our ability to design and operate our own brands, and to move toward higher economic efficiency. At this stage, in addition to developing existing products with advantages in response to the economic situation, it is more important to create markets by enhancing high value-added products and deep differentiation. Taiwan’s textile industry has gradually shifted its production strategy towards non-price competition, and the consumer market has also shifted towards functional, functional and environmentally friendly fabrics. With a complete upstream, midstream and downstream production and marketing system, Taiwan has combined the advantages of natural and chemical fibers, and developed new products with high functionality and high value-added to create new demand, thus it has excelled in the global performance of functional textiles and become a major supplier of functional fabrics worldwide. The fabric development technology and manufacturing quality have been recognized by international manufacturers, and Taiwan’s textile industry has a strong trade base and solid management experience. Moreover, Taiwan has established good strategic alliances with major international brands. Looking at the global textile industry, Taiwan has long been an important member of the global textile supply chain.

In recent years, due to the rapid changes in the global economic and trade environment and the prevalence of regional economic integration in the international arena, especially the implementation of free trade agreements between Korea and the European Union, the United States and mainland China, Taiwan's market share in these markets has been gradually replaced by China and Korea, resulting in negative growth in domestic textile exports in recent years. In the second half of 2019, the overall economy will become conservative due to the trade war between the U.S. and China, and China's textile and apparel industry will show signs of recession. In order to prevent the impact of the trade war between the U.S. and China, apparel brand manufacturers will shift their orders from China to Taiwan or Southeast Asian countries. Taiwan textile manufacturers in ASEAN countries

will be able to benefit from the effects of the trade war between the U.S. and China and are expected to achieve further success.

The textile industry in the 21st century has matured and traditional textile products are facing low price competition from developing countries, and the main production areas of downstream related industries have shifted to countries with lower labor costs. However, under the influence of global warming and climate anomalies, the issue of environmental protection has received much attention, and individuals' awareness of environmental protection has gradually risen, coupled with the increase in average personal income and quality of life, the general public is more willing to spend on higher quality sports and leisure goods, which has led to a new direction of development for the textile industry under the pressure of price competition. At present, the mainstream trend is towards eco-friendly fabrics and functional fabrics.

There are two main demands for eco-friendly fabrics, one is to reduce the energy used in the manufacturing process and the pollution produced by the product, and the other is to minimize the damage to the environment or to recycle the resources when the product is disposed of.

As for functional fabrics, the main functions can be classified into three categories: "comfort, safety, and special purpose". The comfort category includes heat storage, cooling, moisture wicking, etc., while the safety category includes anti-UV, anti-bacterial, anti-radiation, flame retardant, etc., and the special purpose category includes high tensile strength, ballistic protection, etc. Functional fabrics are fabrics with different functions made by special processing. In the early days, special processing led to expensive production costs, and most of the products had to be used to know their effects, so they were not favored in the market, but in recent years, through continuous research and development and improvement, and with major apparel brands focusing on promotion, functional fabric apparel has now taken a place in the market.

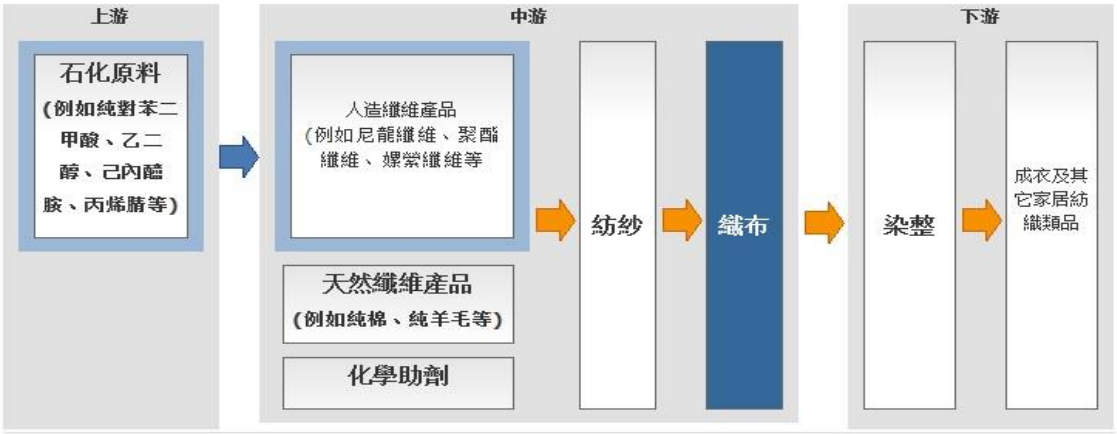
In addition, in recent years, the number of participants in soccer, jogging, golf, and yoga has increased due to the global trend of sports. In the past, the development of textile products focused on comfort and durability, which can no longer meet the needs of consumers nowadays. The demand for functional fashion is rising, not only for basic functionality, but also for comfort, beauty and fashion. This part of the market is categorized as Lifestyle, and the demand for functional fashion has penetrated into home wear, rather than being limited to outdoor or hiking use. Therefore, sports and leisure apparel has become the mainstream of today's wear, the world's leading apparel and sporting goods brands have launched sports and leisure-related apparel, and the global sports and leisure apparel market is also showing a trend of continuous growth.

According to Euromonitor International (2019/1), the global sportswear market reached US$200.97 billion in 2018, of which US$90.4 billion (45% of the total sportswear market) was for functional apparel, US$32.2 billion (16% of the total sportswear market) for outdoor apparel, and US$78.4 billion (39% of the total sportswear market) for lifestyle apparel. The global sportswear market is expected to grow at a rate of over 5% in 2018-2019, reaching a size of US$215.9 billion (NT$647 billion), with the growth of functional and outdoor apparel outperforming the average growth rate. The average annual compound growth rate of sportswear is estimated to be 6.21% from 2019 to 2023, indicating that there is still room for further development of the industry.

(2)Upstream, midstream, and downstream industry linkages

The textile industry chain can be divided into six major items，petrochemical raw materials, fibers, spinning, weaving, dyeing and finishing, and garments. The upstream is petrochemical raw materials, which are made into nylon fiber, polyester fiber, rayon fiber, carbon fiber and other artificial fiber products, and then spun into yarn, and then woven

into fabric, then bleached, dyed, printed, coated, finished and other dyeing and finishing procedures, and cut and sewn into garment products or other



資料來源：產業價值鏈平台。

related textile products. The products are then cut and sewn into garments or other related textile products. The Company and its subsidiaries' main products are long- and staple-fiber fabrics, which are mainly in the midstream of the overall textile industry.

(3)Various trends of product development

Although the sales volume was affected by the global financial crisis in the past few years, the recovery of the economy in the past two years has boosted the demand for textile products, and the textile industry is a basic industry for people's livelihood. The textile industry is a basic industry for people's livelihood. With the rising demand from Mainland China and emerging countries, the demand for textile products will remain stable as fabrics are increasingly developed into functional fabrics that meet health needs and functional leisure sports fabrics.

(4)Competition status

Our company has a good research and development team, constantly research and develop high value-added products, and actively participate in government-assisted industrial project cooperation programs and government-organized textile training courses, and send our research and development staff to participate in international fabric exhibitions to learn the market trend information, and further enhance our research and development staff's fashion acumen and innovative technology capabilities. In addition, we also strengthen the integration of enterprise resources management, focusing on the integration of research and development, production, marketing, and financial management, and review and plan again, with the goal of rationalization, high efficiency, high quality, and low cost, in order to strengthen the operation quality and improve the operation performance.

(3) Technology and R&D Overview

(1)The principal elements of the Consolidated Company's business operations are as follows:

Since our company was established, we have been actively participating in government-assisted industrial projects, technical seminars of academic institutions and textile training courses held by the government. The Company has sent our R&D staff to participate in international fabric exhibitions and visit our brand customers from time to time to understand customers' brand needs and learn the market trend information, so as to enhance our R&D staff's fashion acumen and innovative technology ability. The Company accumulates our core technology through deep research and patent application.

(2)Research and development expenses for the most recent year and for each year ended on the date of the annual report.

Items	2020	As of Apr. 30, 2021
Expenses	NT$208,495 thousand	NT$64,802 thousand
Percentage of turnover %	2.43%	1.97%

(3) Successful technology or product development in the most recent year：

Item / Year	Description of R&D results
2017	(1) WEAVE FLEECE LONG PILE (2) RECYCLE NYLON (3) COTTON/T400 HARD CORE STRETCH (4) WEAVE STRUCTURE STRETCH (5) POLYESTER/WOOL BLEND STRECTCH (6) GRADIENT EFFECT SHADOW YARN (7) NYLON TACTEL MELANGE SHIRTS (8) BI-STRETCH A-DRY CLEAR COATING (9)PUIMITATION LEATHER 3LAYER LAMINATION (10)SOFT HAND-FEEL AND SILENCE 2LAYER LAMINATION
2018	(1) RECYCLE PI-TECH (2) RECYCLE DL- DL (3) N50D FDY WITH STRETCH (4) FLEECE &LONG PILE TECH (5) YARN DYE AERO TECH STRETCH (6) NYLON ATY WITH STRETCH SHIRTS (7) anti pilling melange flannel (8)DIFFERENT SHRINKAGE EFFECT SEERSUKER (9) WATER BASED PU COATING (water-based PU sizing products) (10)SMOOTH HANDFEEL AND 4 WAY-STRETCH 2LAYER&3LAYER LAMINATION
2019	(1) NYLON POWER STRETCH WITH 70D SPANDEX. (2) RECYCLE NYLON(PRE&POST)STRETCH. (3) DLFIT SLUB (4) DLCORE 400 (5) YARN DYE AERO TECH WITH HIGH STRENGTH YARN. (6) NYLON COOL WITH STRETCH SHIRTS (7) 30D LIGHT WEIGHT STRETCH 3 LAYER LAMINATION (8) AERO-TECH 3 LAYER LAMINATION (9) WEFT STRETCH DOWN PROOF COATING (10) SOFT HANDFEEL WAX COATING
2020	(1) DOUBLE FACE FLEECE (2)NYLON ATY WITH STRETCH PANTS (3)FLEECE WITH AERO TECH FUNCTION (4)EVOLUTION FLEECE 2.0 (5)YARN DYED PI TECH SHIRTS (6)NYLON ANTI-BACTERIAL FUNCTIONAL FIBER WITH (7)RECYCLE ANTI PILLING FLANNEL (8)2-LAYER LAMINATION RE-TPU FILM (9)3- LAYER LAMINATION RE-TPU CLEAR FILM

Item / Year	Description of R&D results
	(10)NATURAL FIBER BLENDED FABRIC WITH OIL-WAX COATING AND PRINTING VINTAGE OUTLOOKS
2021 Up to now	(1)SPECIAL TEXTURED YARN WITH COTTONY HANDFEEL (2)RECYCLE NYLON ATY WITH STRETCH PANTS (3)NYLON COOLING FUNCTIONAL FIBER WITH AERO TECH FUNCTION(Cool feeling nylon hole design fabric)

(4) Long- and short-term business development plans

A. Long-term business development plan

(1) Continuously expanding vertical integration of production capacity to pursue market share.

(2) Actively participate in international exhibitions and visit foreign customers to expand the export market.

B. Short-term business development plans

(1) Continuously innovate products to shorten development lead time and provide customers with diverse product choices.

(2) Improve customer service quality and provide comprehensive solutions to meet consumer needs.

(3) Increase the added value of our products and maintain a high level of competitiveness.

(4) Integrate the supply system and enhance product distribution.

2. Market and Sales Overview

(1) Market analysis

1.Major product sales regions

Unit: NT$1,000

Year / Area		2019		2020	
		Sales amount	Percentage	Sales amount	Percentage
Foreign Sales	Asia	3,292,350	30.15%	2,026,678	23.58%
	Europe	1,131,391	10.36%	1,293,680	15.05%
	Americas	330,050	3.02%	424,459	4.94%
	Other	1,298,351	11.89%	1,084,606	12.62%
Domestic Sales		4,867,582	44.58%	3,765,236	43.81%
Total		10,919,724	100.00%	8,594,659	100%

Our main target markets include North America, Europe, Japan and other international outdoor functional products, sports and leisure brands and popular brands of men's and women's apparel. Our products cover functional outdoor apparel, sports and casual apparel, popular men's and women's apparel, Uniform, and the North American and European home furnishing markets.

(1) Staple Fiber Fabric

Our main products are cotton/polyester/nylon pre-dyed elastic plaid, bubble fabric, brush-cut flannel, golf ball, and long and short fiber interwoven fabric...etc. Through our professional pattern design capability,

new functional fiber development and differentiated finishing, our products are well received by brand customers and sold all over the world.

A. Domestic Market

We combine with major domestic traders such as Shi Chun, An Feng, Yaojin, Jiutian, etc. to develop products for domestic and foreign brand customers. We are able to develop products for domestic and foreign brand customers' needs, and to gain customers' trust with our fast product development capability and accurate production delivery time to create a win-win situation.

B. Export market

Includes European sports outdoor leisure brands and North American sports, popular men's and women's brands, Japanese sports brands mainly include Eddie Bauer, Express, POLO, 5.11, UA, ADIDAS. In recent years, we have been investing in new looms, spinning machines, part of the warping machines and other equipment to improve the quality of our products.

We have been actively adjusting our product structure and developing advanced new products by applying the characteristics of domestic functional man-made fibers, and our products have been gradually accepted by the market, creating higher export sales.

(2) Long-fiber fabrics

With the professionalism of functional fabrics and the ability to combine design with fashion trends, we provide outdoor functional and sports brands with more diversified and rich choices. We have established a complete international marketing channel and cooperated with regional traders, agents and international famous brands through strategic alliances.

A. Domestic Market

Combined with the main domestic traders such as fiber, Ning Mei, Shi Chun, pray source... For domestic and foreign brand customers such as FJ, WOOLRICH, VAUDE, JWS, MILLER, VF Group's international brands... We develop products for the needs of domestic and foreign brand customers such as FJ, WOOLRICH, VAUDE, JWS, MILLER, VF Group's international brands... etc. Through strategic alliances with regional traders, agents and internationally renowned brands, we are able to fully share resources and improve our production capacity and efficiency.

B. Export market

a.Asia

(a) Japanese Market

Japanese sports brand market will be mainly overseas processing garments back to Japan, ASEAN Japanese garments tariff-free incentives, Taiwan's R & D capabilities + Vietnam bulk production, the current cooperation brands are UNIQLO ASICS MIZUNO. Due to the Japanese side's quality promotion, this market transaction will help to improve the quality of the factory and the production capacity of the production equipment to continue to grow.

(b) Southeast Asia Market

Southeast Asian countries are currently the main production sites of international sportswear brands in Europe, the United States and Japan. We are cooperating with garment factories such as HOJEN (Indonesia), YONGONE (Bangladesh), Cambodia,

JENSMART (Vietnam), HAEWAE APPAREL and the Philippines, and we hope to strengthen our cooperation with garment factories to increase the amount of fabric purchased by them.

b.European Region

The European market focuses on environmental protection issues and requires organic, recycled and non-toxic products, mainly for sports brands and furniture fabrics. Through intensive customer visits and long-term cooperation with our agents, the market has grown steadily. Currently, we are accelerating the application of environmentally friendly materials such as recycled polyester and fluorine free water repellent to cooperate with brands such as DECATHLON, SYMTHONY, SALOMON, JACK WOLFSKIN ....., and we are fully grasping the market opportunities and product advantages, and we should make good progress this year.

c.North America

The North American apparel market is the largest in the world and the company’s most important fabric supplier, covering functional outdoor apparel, sports and casual apparel, popular men’s and women’s apparel, Uniform and home decor markets. Our brands include UA, COLUMBIA, LEVIS, 5.11, ADIDAS, and EXPRESS. In addition to deepening the application of our existing customers' products, we also focus on the needs of individual brands in niche markets, introducing new processing technologies, developing advanced new products, and strengthening our marketing channels and marketing services to create higher export sales.

2.Market share

Due to our complete production facilities, from upstream processing yarn, warping, sizing, embroidery, dyeing and finishing, post-processing coating, laminating to final physical quality control, we have a complete set of machines and equipment, which are vertically integrated to give full effect to our product structure, processing methods and product quality. As a result, the company’s high quality fabrics are well recognized by international sports brands and home decoration markets in the U.S., Canada, Europe and Japan, and its market share and sales have been increasing year by year. We continue to innovate in the research and development, production and marketing of staple fabrics to maintain steady growth in the market. In terms of long-fiber fabrics, we not only continue to develop in the original furniture market, but also shift to the high unit price sports market, and produce complex functional fabrics, and our strategy has become competitive than the industry.

For the years 2019 and 2020, the Company's main sales regions were 44.58% and 43.81% for domestic sales, 3.02% and 4.94% for the U.S. and Canada, 10.36% and 15.05% for Europe, 30.15% and 23.58% for Asia, and 11.89% and 12.62% for others, respectively.

In addition, we have established stable partnerships with our brand customers over a long period of time, and our products are designed and developed at the development stage to meet the needs of our customers. The pattern design, material mix, and functional processing of our products are diversified to meet the needs of international brands and the needs of consumers for personalized taste and fashionable novelty, and we will continue to maintain our professional advantage and take a place in the textile industry in the future.

3.Future market supply and demand and growth

Taiwan textile industry is facing the fierce challenges of the rapidly changing world economic and trade situation, and under the premise of technology upgrade, innovation and research and development, it has successfully played a part in the global functional textile supply chain by virtue of its diversified and differentiated product development capabilities. The Company has continuously introduced products that meet the four requirements of "fashion", "functionality", "environmental protection" and "intelligence" in line with international trends, and provide "Total Solution" quality services for fabrics and garments to international customers. With the rapid sampling and small quantity production model, Taiwan manufacturers have been favored by international customers and have grown steadily. As Taiwan manufacturers are recognized by international brands for their ability to develop and design new products for fabrics, they regard Taiwan as a sourcing hub, establishing the importance of Taiwan's textile industry in the global market.

With the gradual rise of national income and population growth in the world, textiles have been a necessity for people's livelihood and the demand for them has been growing steadily. In recent years, the increasing consumer demand for textile quality, the rise of sports and extreme weather have created a vast market opportunity for the development of functional textiles. In recent years, consumers prefer a lifestyle that "combines sports, work and life", so there is a strong demand for high-functioning fashion textiles. Faced with low price competition, Taiwan is unable to compete with Vietnam/Continental China, so it turns to develop medium and high priced products, and has become the first choice for global brands to purchase functional fabrics. With major international brands launching functional fashion apparel one after another, the market demand is still growing.

4. Competition niche

A. With a complete production line, strong competitiveness of products

Our company has staple fiber mills, long fiber mills, yarn dyeing and finishing mills, and post-processing and laminating mills, which constitute a complete production line, and not only meet the benefits of economic scale, but also eliminate the waste of moving between different factories, vertically integrate various departments to bring out the integrated effect of the industry, and develop more diversified products. In addition, the company has planned to automate the management of machines and computerized information systems in recent years, so that the production capacity can be greatly improved, which can help alleviate the shortage of labor force and the phenomenon of rising wages in recent years, and effectively control the cost, so its products are highly competitive.

B. Strong research and development capabilities, product innovation

Our company is committed to the research and development of new products, and has received unanimous praise from domestic and foreign customers. The new products developed by our company can effectively meet the market demand, and can steadily develop a source of orders. In order to avoid the impact of labor cost advantage in emerging countries, we are developing into the advantageous raw materials in Taiwan, continuously developing and introducing functional fabrics to increase the added value of our products, and to be able to grasp the market opportunities and differentiate from the large number of standardized products at any time, so as to maintain the high competitiveness of the company and help to increase the value of production and profitability.

C. Experienced management, production technology and quality

The main management of our company has many years of practical experience in the textile industry and is specialized in research and development of production technology and quality control, and attaches great importance to technology inheritance and development, actively cultivating outstanding talents and introducing new equipment to improve production efficiency.

In summary, the Company attaches importance to quality and research and development, provides high quality, small quantity and variety of products with special functions, and has a complete product line to meet customer needs, and its products should be competitive.

5.Favorable and unfavorable factors of development prospect and countermeasures

(1) Favorable Factors:

A. With a complete production line, strong competitiveness of products

Our company has staple fiber mills, long fiber mills, yarn dyeing and finishing mills, and post-processing and laminating mills occupied more than 19,000 pings of land, which constitute a complete production line, and not only meet the benefits of economic scale, but also eliminate the waste of moving between different factories, vertically integrate various departments to bring out the integrated effect of the industry, and develop more diversified products. In addition, the company has planned to automate the management of machines and computerized information systems in recent years, so that the production capacity can be greatly improved, which can help alleviate the shortage of labor force and the phenomenon of rising wages in recent years, and effectively control the cost, so its products are highly competitive.

B. Strong research and development capabilities, product innovation

Our company is committed to the research and development of new products, and has received unanimous praise from domestic and foreign customers. The new products developed by our company can effectively meet the market demand, and can steadily develop a source of orders. In order to avoid the blow of the labor cost advantage of the emerging development countries, we are developing the advantageous artificial fiber raw materials in Taiwan, and continuously developing and launching Polyester/Nylon Y/D, DLFIT Y/D, ANTI PILLING FLANNEL, long and short fiber interwoven elastic fabric, anti-UV, super water repellent, anti-bacterial and anti-odor, moisture absorption and perspiration, cool feeling and heat storage...etc. In terms of long fibers, we have launched the island open fiber microfiber fabric, long fiber elastic stretch fabric, DLFIT, AERO TECH, AERO TECH 180, AERO TECH 360, PI-TECH, fine monofilament high density fabric, suede series, new functional trouser fabric, and the development of multi-functional composite series products. As the Company continues to develop new products and increase the added value of its products, it is able to grasp the market opportunities at any time, supplemented by its own research and development of its own yarn types, thus differentiating itself from the large number of standardized products of other weaving mills, enabling the Company to maintain a high level of competitiveness and helping to increase its production value and profitability.

C. Emphasized production technology and quality

Our company specializes in research and development of production technology and quality control, and attaches great importance to technology inheritance and development, actively cultivating outstanding talents and introducing new equipment to improve production efficiency, and successively obtained the European “Oeko-Tex” certification in 1999, and was awarded the best partner program member of Du Pont (INVISTA 2002) in ‘89. In 2006, we established a physical property inspection center and a special processing plant, and in 2012, we passed the bluesign certification, and in 2014, we launched the Delinno fabric brand concept and obtained the DLFIT trademark, and in 2015, we obtained the Delinno trademark, and our continuous efforts prove that we have always attached importance to the policy of product quality, and our products are sold in Japan and other regions with strict quality requirements. The production technology and quality of our products have been recognized by the market.

Taiwan's textile technology has been recognized by the market and is an important supply area for functional textile products worldwide, which is conducive to market expansion.

(2) Unfavorable factors and countermeasures:

Favorable Factors	Countermeasures:
Labor shortage and rising labor costs In recent years, due to the popularization of education and the improvement of income, the employment choice of workers is no longer keen on “labor-oriented” jobs, and the phenomenon	We strengthen the introduction of high-speed, automated equipment in order to reduce the dependence on labor. Also, we will review the rationalization of wages, improve labor conditions, and enhance non-salary welfare measures to reduce turnover and improve the quality of operations.

of labor shortage is common. The textile industry has a poorer working environment compared to other industries, resulting in a high labor turnover rate and higher labor costs, resulting in higher production costs.	
Competitive issues in developing countries As the domestic textile industry has shifted to invest in Southeast Asia and China, the outflow of textile technology has been caused. In contrast, the cheap wages in Southeast Asia and China are lower in price to enter the international market, thus affecting the international competition of our textile industry.	1.We focus on multi-layered processing and high value-added high quality fabric, and continue to increase the proportion of sales of small quantities, multiple samples, special functions, and high-priced products. 2.To improve management performance to reduce costs and accelerate new product development and research, and to establish our own marketing channels to achieve a different market segmentation between our products and the lower level products in Mainland China and Southeast Asian countries. 3.Enhance product service, develop new products in response to market trends, strengthen sampling organization and analysis capabilities, and supplement with computerized design systems to quickly respond to market demands.
Downstream industry moving out Due to the rapid changes in the industrial environment, the downstream garment and accessory industries have moved out of the country, making the export market for cooperation between the textile and garment industries increasingly narrow.	1. Strengthen the interaction with brand customers and cooperate directly with final buyers to improve the sales volume and the stability of single source, and actively grasp the main and potential customer base. 2. Promote our core products and strengthen the access to garment factories.

(2) Important applications and production processes of major products

1.Important applications of the main products

(1) Staple Fiber Fabric

Product items	Features	Usage
Stretch fabric (SPANDEX) A.Nylon66 Tactel Elastomeric Stretch Fabric B.Polyester ATY/Nylon ATY medium and thick elastic stretch fabric C. Bubble fabric elastic stretch fabric D. Warp/weft, two-way stretch fabric	Comfortable and easy to wear without binding the free elasticity, hand feel draped smooth and not easy to wrinkle characteristics.	Shirts, Skirts and pants, GOLF, Casual wear, SPORTS
Long and short fiber interwoven blended fabric A. Interwoven with polyester, micro fiber and dummy yarn series B. Interwoven with Nylon, Nylon 6.6 series C. Blending or interweaving series with linen yarn	It has the comfort of natural fibers, superior functionality, softness, luster and drape of human fiber.	Shirt, suit, SPORTS, COAT, UNIFORM
FLANNEL A.T SPUN LOW PILLING B.T/W, C/W, CVC C.Polyester ATY/Nylon ATY N/T ATY	Soft and comfortable, thick and warm, not easy to pilling.	Outdoor, casual wear, suits, shirts

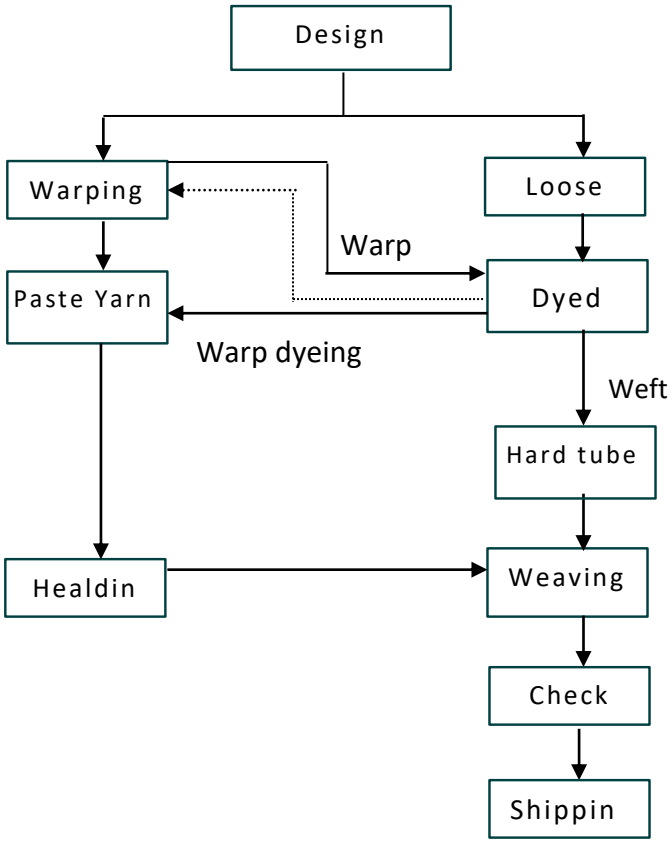
AERO TECH / AERO TECH PLUS A. Coarse and fine fiber transparent effect B. Coarse and fine fiber hole effect	Feel comfortable instead of stuffy when wearing and you will have breathable and cool feeling. The fabric has a three-dimensional effect.	Sports, casual jackets and shirts
Special effect cloth A. Dyeing willow and bubble cloth first B.First dyeing compound yarn series C. Fancy twisted yarn, velvet yarn, golden onion yarn Colorful cotton yarn, rhyming yarn	A. Cool B. Bright fabric, super soft texture, ultra-thin C. With a wealth of external changes	Shirts, blouses, suits, dresses
Functional series (coating, lamination processing, anti-wrinkle processing, waterproof and breathable, anti-UV, anti-bacterial and anti-odor, moisture absorption and perspiration, heat storage and temperature preservation, cool processing)		Sportswear, casual wear, shirts, jackets, pajamas, bedding fabrics

(2) Long-fiber fabrics

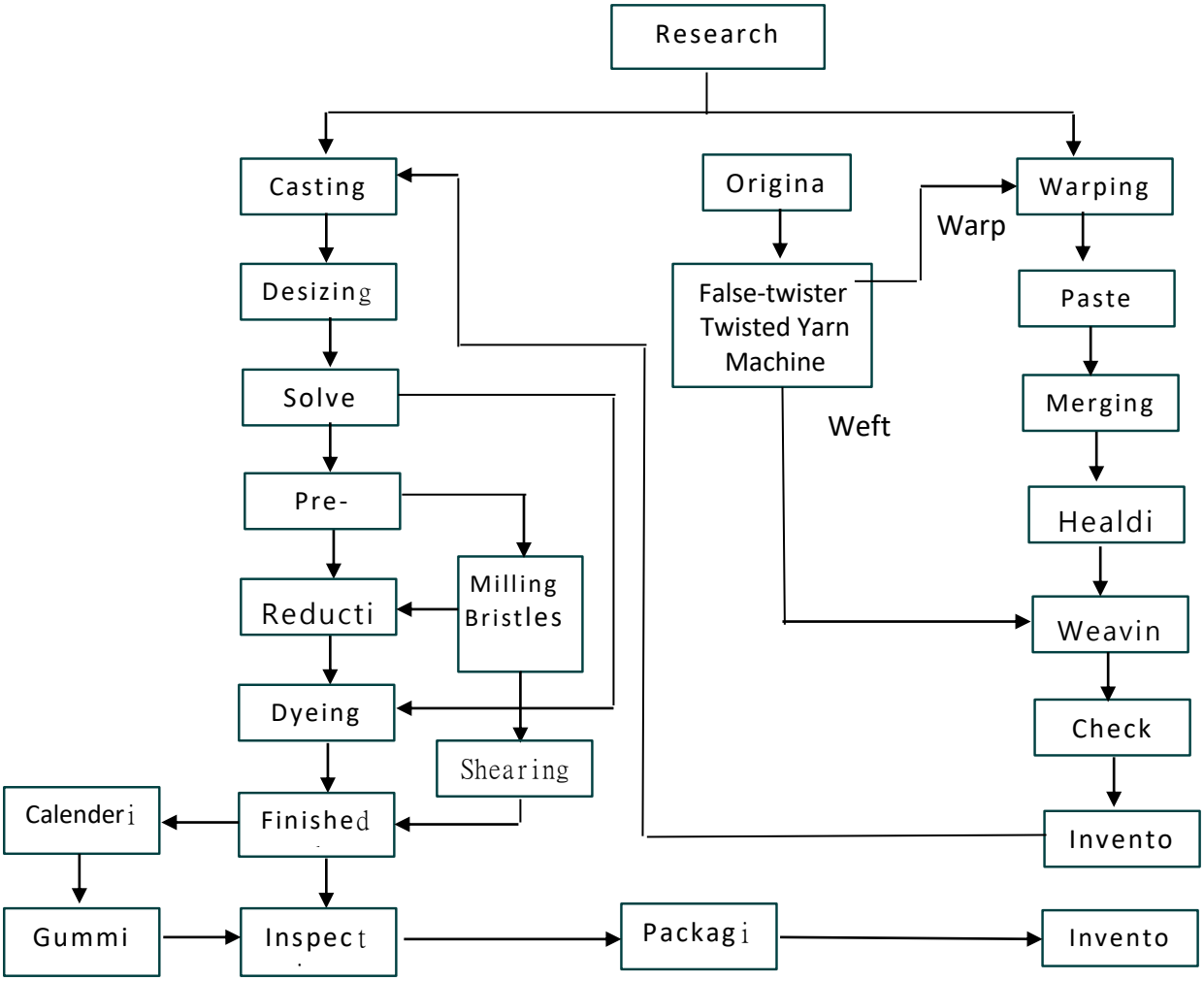
Product items	Features	Usage
Super Fine Denier Lightweight Series	Compact and light weight for easy storage	Packable Windbreaker Jacket
Silk-like series	Silk luster hand feel delicate draping like silk	Blouse, suit, pants skirt
Faux plush series T/CD compound yarn	The fabric surface twist mixed color velvet effect and good sense of rich thickness	Furniture & Accessories
Cotton-like feeling series Polyester ATY/Nylon ATY	Comfortable, soft and natural touch, UV resistant	SPORTS, GOLF TOP/BOTTOM
Pseudo Elasticity Series DL400	Stretchable and comfortable to wear	SPORTS、GOLF、OUTDOOR、RUNNING TOP/BOTTOM
AERO TECH	Feel comfortable instead of stuffy when wearing and you will have breathable and cool feeling.	Sports, casual jackets and shirts
PI-TECH	Soft and flexible in hand, free to stretch and contract and comfortable to wear	SPORTS、GOLF、OUTDOOR、RUNNING TOP
Elasticity of stretch (LYCRA) in longitudinal, latitudinal or bi-directional direction	Close to the body, light and soft feeling, stretch and elastic effect	Fashion, suits, sports and leisure apparel
Suede Series	Soft, elegant, faux-fur tones	Dresses, coats, coats, shoes, leather bags, home furnishing fabrics, sand releases, casual wear
Functional Series A.Breathable Fabric Waterproof and Breathable Fabric (High Functional Composite Fabric) B.UV-cut Fabric C.Anti-bacterial Fabric D.Easy dry Fabric absorbent and fast drying fabric E. Environmental protection over-allocation of water F. Rainproof, featherproof		Sportswear, casual wear, medical uniforms, shirts, jackets, outdoor leisure apparel

2.Production Process

(1) Staple Fiber Fabric



(2) Long-fiber fabrics



(3) The supply of major raw materials

Raw Materials	Source of Supply
Polyester yarn: Raw silk, processed silk, new synthetic fiber	NAN YA, SINO-FABRIC, FAR EAST, HYOSUNG, XIN XIN, HONG YI FIBER, Zhan Song, TUNG DILONG, LILI, JI SHENG, YIXIN, etc.
Staple Fiber Fabric: RAYON, T/R, T/C, CVC, COTTON, SPANDEX	Far East, Dong Hoa, Nam Fong, Vietnam, and Taihua, Vietnam.
Dyeing aids: Disperse dyes, reactive dyes, sulfide dyes, dyeing auxiliaries, general chemicals	Qianwang, Yuanqiao, Jinhuang Dye, Viming, Xingui, Huntsman, Gaolian, Huali, Maitong, Taiwan Plastics, Taiwan Sanwang, Rihua, Yufa, Zansheng, Xiejing, etc.

(4) The names of customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years and the amount and percentage of purchase (sales)

(1) Information on major suppliers in the last two years: There were no customers with more than 10% of the total purchase amount in the last two years.

(2) Major customers in the last two years: There were no customers whose sales amount exceeded 10% in the last two years.

(5) Production value in the last two years

Unit: Thousands yards, thousands pieces, NT$1000

Production year / Quantity Value / Main Products	2019			2020		
	Productivity	Production	Product Value	Productivity	Production	Product Value
Staple Fiber Fabric	33,847	16,956	1,142,652	34,903	12,771	1,055,878
Long-fiber fabrics	172,064	126,147	5,904,289	190,889	128,210	5,412,549
Other	-	-	1,818,366	-	789	882,525
Total	205,911	143,103	8,865,307	225,792	141,770	7,350,952

Note 1: Production capacity refers to the amount of production that the company can produce under normal operation using existing production equipment after taking into account necessary shutdowns and holidays.

Note 2: If the production of each product is substitutable, the production capacity may be combined and explained in the notes.

(6) Sales volume during the recent two years:

Unit: Thousands yards, thousands pieces, NT$1000

Sales Year / Sale Quantity Value / Main Products	2019				2020			
	Domestic sales		Foreign Sales		Domestic sales		Foreign Sales	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Staple Fiber Fabric	3,751	297,894	13,510	1,339,764	5,440	376,780	6,999	654,823
Long-fiber fabrics	99,592	4,231,729	48,719	4,629,581	75,608	3,051,430	44,427	4,053,562
Other	-	333,059	-	87,697	709	337,026	38	121,038
Total	103,343	4,862,682	62,229	6,057,042	81,757	3,765,236	51,464	4,829,423

3. Employee Information

Employee Information for the Past Two Years and as of the Publication of the Annual Report

Apr. 30, 2021

Year		2019	2020	As of Apr. 30, 2021
Number of employees	Production Department	2,400	1,967	1,975
	Work Affairs Division	199	160	162
	Others	517	434	433
	Total	3,116	2,561	2,570
Average age		41.75 years old	39.22Years old	39.08Years old
Average Length of Service		5.79 years	5.04years	5.14years
Percentage of employees at each level	PhD	-	-	-
	Master	2.19%	3.97%	3.70%
	College	33.59%	38.47%	38.20%
	Senior High School	27.05%	20.85%	21.26%
	Below Senior High School	37.17%	36.71%	36.84%

4. Information on Environmental Expenditure Information

1. the provisions of the law, should apply for a pollution facility installation permit or pollution discharge permit or should pay pollution prevention and control fees or should set up special environmental protection unit personnel, the application, payment or establishment of the following description of the situation.

In order to implement environmental protection measures and improve the environmental quality of the plant, the Company has strengthened control over the production and related units, purchased anti-pollution wastewater treatment equipment, and conducted regular inspections of the operation of the equipment in order to meet the environmental requirements for wastewater discharge. The following is a description of the environmental protection established by law.

(1) Obtain a stationary source operating permit.

Date	Fixed pollution source operation permit number	Expiration Date	Remark
2015.12.13	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0446-00	2020.12.14~2025.12.13	Boiler steam generation program (M01)
2017.10.16	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0631-02	2017.12.30~2022.12.16	Boiler steam generation program (M03)
2018.04.17	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0497-02	2021.04.18~2026.04.17	Boiler steam generation program (M06)
2018.09.27	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0999-01	2021.04.18~2026.04.17	Thermal media heating program (M07)
2019.09.04	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0749-02	2019.09.05~2024.09.04	Printing and dyeing finishing program (M05)
2019.11.15	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. D0748-02	2019.11.16~2024.11.15	Printing and dyeing finishing program (M04)

(2) Obtain a stationary source operating permit.

Date	Water Pollution Control Permit No.	Expiration Date	Remark
2018.07.17	Nan-Shih-Fu-Huan-Tsao-Cheng-Tzu No. 00958-04	Jul. 16, 2023	Waste (sewage) water discharge surface water permit

(3) Specialized environmental protection unit personnel to obtain a license.

Certificate type	Certificate Number	The number of specialized environmental protection units should be set up	Number of people in our company
Class A Air Pollution Prevention Certificate	(85) Huan-Shu-Hsun-Cheng-Tzu No. FA010164	1	1
Class A waste (sewage) water treatment certificate	(83) Huan-Shu-Hsun-Cheng-Tzu No. GA110204 (89) Huan-Shu-Hsun-Cheng-Tzu No. GA110496	2	2
Class B waste (sewage) water treatment certificate	(99) Huan-Shu-Hsun-Cheng-Tzu No. GB330319	1	1
Level B Certificate of waste	(85) Huan-Shu-Hsun-Cheng-Tzu No. HA070479	1	1

In addition, in accordance with the standards for storage and removal of business waste, the Company assigns the removal of general business waste to qualified removal organizations approved by the Environmental Protection Administration, such as Shinpei Transportation Corporation, Seishun Corporation, Shinyu Environmental Engineering Co.

2.List the Company's investments in major equipment for the prevention and control of environmental pollution, their uses and potential benefits.

Unit: NT$1,000

Equipment Name	Items	Date	Investment Costs	Undiscounted balance	Uses and expected benefits
Wastewater Treatment Civil Engineering (Phase II)	Type 1	1993.04	37,733	1,685	Used for wastewater treatment to meet discharge standards
Wastewater Treatment Civil Engineering (Phase III)	Type 1	1998.05	19,031	0	Used for wastewater treatment to meet discharge standards
Wastewater Treatment Civil Engineering (Phase IV)	Type 1	2003.12	3,310	0	Used for wastewater treatment to meet discharge standards
Long fiber water treatment pool	Type 1	1994.01	3,759	145	Used for wastewater treatment to meet discharge standards
Staple fiber water treatment pool	Type 1	1994.01	3,360	129	Used for wastewater treatment to meet discharge standards
Phase I chemical flotation wastewater system improvement and reduction	Type 1	2015.07	4,601	3,960	Used for wastewater treatment to meet discharge standards
Sludge Drying Machine Project	Type 1	2016.06	20,540	12,960	For sludge reduction, it can reduce sludge volume by 1/2

(3) Total amount of damages and penalties for environmental pollution for the most recent year and up to the date of printing of the annual report: None.

(4) Future measures and possible expenses

1.Part of the proposed improvement (enhancement) measures

(1) Improvement (Enhancement) Plan

A. Expansion of pollution prevention and control equipment

The Company’s existing two sets of wastewater treatment facilities cost approximately $2.2 million per month (including equipment depreciation and maintenance costs, electricity costs, pharmaceutical costs, sludge transportation costs, and salaries of specialized environmental protection personnel, etc.), which means that each pound of yarn dyed requires an additional $1 of wastewater treatment costs, and each yard of dyed fabric bears $0.8 of wastewater treatment costs. In order to cope with the increase in the standard of effluent treatment by the EPA in 1998 and the need for expansion of our production and sales, an additional wastewater treatment facility (combined with the old one) was built in September 1997 with an investment of 35 million RMB. At present, the first old wastewater treatment facility can treat 3,000 tons/day and the second new wastewater treatment facility can treat 3,000 tons/day. At the beginning of 1999, we obtained ISO14001 DNV environmental protection certification, and we are continuing to improve our environmental management program.

We are constantly investing in the prevention and control of public hazards. In addition to adding pollution control and wastewater treatment equipment with new facilities, we are also adding better control equipment to meet the

requirements of the EPA. In the coming years, we will make every effort to cooperate with the government in environmental protection and fulfill our responsibilities to society as a modern enterprise.

B. Strengthen the waste reduction measures of yarn dyeing and finishing

For example, the recycling of waste heat and acid, the improvement of machine washing water and the recycling of cooling water.

C. Enhance end-of-pipe handling capacity

The wastewater is diverted and the aeration and biological treatment capacity is increased to reduce chemical usage and sludge generation.

(2) Estimated environmental expenditures for the next three years

The environmental expenditures in the next three years are as follows

	2021	2022	2023
Prepare to purchase to prevent pollution Equipment or expense content	Waste Gas Treatment	Waste Gas Treatment	Waste Gas Treatment
Expected improvement (enhancement) situation	〃	〃	〃
Amount	NT$3,500,000	NT$3,500,000	NT$3,500,000
Purpose	Improve boiler exhaust and air quality	Improve boiler exhaust and air quality	Improve boiler exhaust and air quality

(3) Impact after improvement

Impact on net income: The annual operating expenses as a percentage of net income are insignificant and the impact is minimal.

Impact on competitive position: Cooperate with the government in waste reduction, fulfill the responsibility of environmental protection, and enhance the good corporate image.

2.No countermeasures: Not applicable.

5. Labor Relations

(1) The Company's various employee welfare measures, training, training and retirement systems and their implementation, as well as the agreements between employers and employees and measures to protect the rights and interests of employees:

The Company's employee welfare measures are based on the relevant government welfare laws and regulations, and the Company's policies and employee needs are coordinated and planned by the Employee Welfare Committee.

The Welfare Committee coordinates the planning and implementation of employee welfare matters.

A majority of the members of the Welfare Committee will approve the implementation of the welfare policy.

The Employee Benefit Committee enforces and tracks the effectiveness of each benefit provision.

1. The main benefits offered by the Company and FSC are as follows:

(1) To set up an employee cafeteria to facilitate meals in the company and subsidize meal expenses.

(2) Establishment of male and female dormitories.

(3) Gifts or gratuities will be given on the Labor Day, Dragon Boat Festival, Mid-Autumn Festival and Spring Festival each year.

(4) Monthly birthday gift to the birthday girl.

(5) The midnight shift allowance is increased for midnight shift personnel.

(6) Arrangement of leisure activities.

(7) Labor insurance, universal health insurance, regular health checkups, employee group insurance (including life insurance, accident insurance, major injuries and illnesses (cancer, etc.)).

(8) Travel safety insurance: foreign business travel colleagues, the whole enjoy accident insurance and accidental medical insurance.

(9) Employee's wedding/children's wedding/new home completion/children's full moon gift and funeral ceremony.

(10) Employee Stock Ownership Trust Incentive Payment (must have served for 3 months or more).

(11) Benefits for supervisors above the classroom level: ①Annual transportation subsidy. ②Wedding and funeral gifts/benefits for immediate subordinates Subsidizing visitation gifts. Reducing burden on supervisors

(12) 3 months of summer allowance will be added to the on-site high temperature zone.

(13) Employees with two years of seniority are entitled to foreign travel subsidies.

(14) Professional license allowance: air pollution certificate, wastewater treatment license, waste treatment license, electrical technician, and boilers, etc.

(15) One professional license examination fee will be provided at full cost.

(16) To improve employee health consultation and services, we arrange regular outpatient services for factory doctors in the factory.

(17) In July of each year, a mid-year bonus will be paid when the profitability of the first six months of the year reaches the target set by the Company.

(18) Employees who purchase a home for the first time will be given a congratulatory gift in accordance with the rules for the completion of a new home.

2.Training and training system and implementation: NT$342,000,000 was spent on training in 2020.

(1) New recruits must undergo pre-employment training (developmental training). In principle, pre-employment training includes safety and health education, company culture, instillation of the founding philosophy, and basic operational skills, etc., depending on job requirements.

(2) On-the-job training can be divided into two types: external training and internal training.

A. External training: The personnel unit takes the initiative to collect course information from external training institutions according to the manpower needs of each unit and sends them to the relevant departments for training.

B. Internal training:

a. The company invites outside experts to conduct training courses in a uniform manner.

b. Use audio-visual materials to improve the quality of staff.

c. The supervisor will take the time to educate the staff on the opportunities of the company.

d. Supervisors will provide individual counseling to individuals or work groups who are not performing well.

3.Retirement System and Implementation

In accordance with the Labor Standards Law, the Company has established a retirement plan for employees. Employees' pension payments are calculated based on years of service and the average monthly wages (base) for the six months prior to the approved retirement date. The Company contributes 4% of employees' monthly salaries to an employee retirement fund, which is deposited in the name of the Labor Pension Fund Supervisory Committee in a special account at the Bank of Taiwan.

In accordance with the Labor Standards Law, the Company contributes a monthly retirement reserve of 4% of salaries paid to the Bank of Taiwan in the name of the Retirement Fund Committee. As of the end of 2020, the balance of the pension reserve account was NT$190,548 thousand.

Effective July 1, 2005, employees who choose to be covered by the pension plan under the Labor Pension Act are required to contribute 6% of their monthly salaries to the individual pension accounts of the Bureau of Labor Insurance.

4.Work environment and employee safety protection measures

(1) In order to enhance the safety of employees in emergency escape and evacuation, a total of 176 people were trained in fire safety drills in FY109. The training was based on common disasters in Taiwan such as earthquakes and fires, to strengthen emergency response measures in case of disasters, to train fire extinguisher operation procedures, to implement fire-fighting training, to implement self-defense firefighting formations, and to reduce the loss of life and property in the plant.

(2) There is a first-class unit industrial safety room, planning occupational safety and health management plan, promoting, supervising and improving various safety and health projects in the factory to ensure the safety and health of employees at work.

(3) In accordance with the provisions of the "Labor Health Protection Law", we provide monthly clinical services by occupational medicine physicians and family medicine physicians, and we provide clinical services twice a month by physicians and arrange consultation for 12 employees each time. Services include: 1. education and training health guidance, 2. medical services, 3. case care, 4. health assessment and management for new employees, 5. blood pressure measurement, 6. medical consultation and health education services, 7. health education guidance for medical personnel, 8. advice related to company selection and job placement, 9. on-site visits to the workplace, 10. health promotion courses, etc.

(4) In 2020, we held a training session for forklift operators and first-aiders. 55 employees participated in 2 sessions, so that they could understand more about the operation of machinery and equipment and the steps and procedures to be taken in case of emergency.

(5) To raise employees' awareness of traffic safety during commuting to and from work and to promote traffic safety promotion, a total of 4 sessions were held with 153 employees attending, and related promotion materials were also distributed to supervisors of each unit for regular promotion to reduce the occurrence of traffic accidents during commuting to and from work.

(6) 2020 statutory dangerous machinery and equipment annual periodic inspection, including: 116 first type of pressure vessels, 6 boilers, all passed the inspection to ensure that the plant dangerous machinery and equipment are in line with the law and the safety of operation.

(7) In 2020, we continued to promote environmental improvement projects, and proposed a number of improvement projects focusing on the field of roll clips, falls, inductors, and chemicals, and applied for subsidies from the Occupational Safety and Health Administration to upgrade the safety and health facilities in the factory, so that employees can enjoy a safer workplace environment.

(2) Losses suffered from labor disputes in the most recent year and up to the date of printing of the annual report, and disclosure of the estimated amount of current and potential future losses and measures to address them: None.

6. Important Contracts:

(1) DELI INDUSTRIAL CO., LTD.:

Contract Type	Parties involved	Contract Start and Ending Dates	Content	Restrictions
Joint Credit Agreement	Wang Tao Commercial Bank, Cooperative Bank, Mega Bank, Hua Nan Bank, First Commercial Bank, Chang Hwa Bank, National Agricultural Bank, Yuanta Bank, Bank of Taiwan, Kaohsiung Bank, Wing Fung Bank, and An Tai Bank	Feb. 22, 2019 ~ Feb. 22, 2024	A joint credit agreement with a total amount of NT$2.2 billion.	None

(2) Victory Cayman Holdings Co., Ltd.:

Contract Type	Parties involved	Contract Start and Ending Dates	Content	Restrictions
Joint Credit Agreement	Wang Tao Commercial Bank, Mega Bank and Wing Fung Bank	Mar. 20, 2019 ～ Mar. 20, 2024	A joint credit agreement with a total amount of USD 28 million.	None

(3) Vietnam Deli Industrial Co., Ltd.:

Contract Type	Parties involved	Contract Start and Ending Dates	Content	Restrictions
Land Lease Agreement	Vietnam Industrial Investment & Development Corporation	Jul. 1, 2015 ～ Jun. 30, 2057	228,635 square meters of land leased in Bao Pang Industrial Zone with total land rental value: VND193,653,845,000. (USD 8,802,447.50)	None

VI. Financial Information

1.Condensed balance sheet, comprehensive income statement, name of the acciybtabts and their audit opinion for the last five years

(1) Adoption of International Financial Reporting Standards (IFRS) financial information

1-1 Consolidated Condensed Balance Sheets

Unit: NT$1,000

Item \ Year		Financial analysis for the past five years (Note 1)					As of Mar. 31, 2021 Financial information (Note 3) (Reviewed by accountant)
		2016	2017	2018	2019	2020	
Current assets		6,069,174	7,420,617	8,809,060	10,734,417	10,171,682	10,445,153
Property, Plant and Equipment(Note 2)		3,531,247	5,413,294	6,035,382	6,279,836	5,922,156	5,799,382
Investment real estate		143,125	132,816	117,864	64,716	65,071	62,922
Intangible assets		35,263	32,890	31,063	29,738	28,419	27,899
Other assets(Note 2)		1,313,434	1,002,339	1,630,612	1,674,941	1,661,102	1,656,914
Total assets		11,092,243	14,001,956	16,623,981	18,783,648	17,847,430	17,992,270
Current liabilities	Before distribution	5,148,080	6,226,799	10,038,471	8,936,691	9,108,544	8,182,205
	After distribution	5,767,943	6,962,844	10,540,319	9,513,539	-	8,182,205
Non-current liabilities		1,005,035	2,144,999	1,364,301	3,578,776	3,284,103	4,289,603
Total liabilities	Before distribution	6,153,115	8,371,798	11,402,772	12,515,467	12,392,647	12,471,808
	After distribution	6,772,978	9,107,843	11,904,620	13,092,315	-	12,471,802
Equity attributable to shareholders of the parent company		4,276,985	4,949,872	4,423,041	5,473,114	4,704,317	4,768,672
Capital stock		2,776,816	3,345,657	3,345,657	3,845,657	3,845,657	3,845,657
Capital surplus	Before distribution	862,198	1,052,939	652,962	942,169	791,558	791,558
	After distribution	381,176	651,460	335,125	769,114	-	791,558
Retained earnings	Before distribution	760,483	844,591	730,145	1,099,925	523,605	617,968
	After distribution	621,642	510,025	546,134	696,131	-	617,968
Other interests		(109,831)	(280,634)	(293,042)	(401,956)	(456,503)	(486,507)
Treasury stock		(12,681)	(12,681)	(12,681)	(12,681)	-	-
Non-controlling interests		662,143	680,286	798,168	795,067	750,466	751,781
Equities Total	Before distribution	4,939,128	5,630,158	5,221,209	6,268,181	5,454,783	5,520,462
	After distribution	4,319,265	4,894,113	4,719,361	5,691,333	-	5,520,462

*If the Company prepares individual financial statements, it should also prepare individual condensed balance sheets and consolidated statements of income for the last five years.

Note 1: Any year that has not been audited and certified by the accountant should be noted.

Note 2: For those who have revalued their assets in the current year, the date of revaluation and the amount of revaluation increment should be indicated.

Note 3: As of the date of the annual report, the financial information of companies whose shares are listed or traded on the stock exchange should also be disclosed if they have been audited or reviewed by an accountant most recently.

Note 4: The above mentioned figures after distribution are based on the resolution of the following year's shareholders' meeting.

Note 5: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented in the corrected or restated figures, with the circumstances and reasons stated.

1-2 Consolidated Condensed Comprehensive Income Sheets

Unit: NT$1,000,
Earnings (net loss) per share (NT$)

Item \ Year	Financial analysis for the past five years (Note 1)					As of Mar. 31, 2021 Financial information (Note 2) (Reviewed by accountant)
	2016	2017	2018	2019	2020	
Operating revenue	7,550,482	7,933,432	9,132,401	10,919,724	8,594,659	2,421,658
Gross profit	1,419,001	1,493,333	1,464,339	2,054,417	1,243,707	428,801
Operating profit	469,626	436,289	310,099	801,761	3,155	151.238
Non-operating income and expenses	(41,893)	14,140	7,156	(134,874)	(294,957)	(48,128)
Net income (loss) before income tax	427,733	450,429	317,255	666,887	(291,802)	103,110
Net income (loss) of continuing business units	442,234	414,561	253,759	614,463	(206,633)	96,243
Net income (loss)	442,234	414,561	253,759	614,463	(206,633)	96,243
Other comprehensive income (Income after tax)	(191,070)	(190,352)	6,583	(113,896)	(17,771)	(39,654)
Total comprehensive income	251,164	224,209	260,342	500,567	(224,404)	56,589
Net income attributable to shareholders of the parent company	383,164	370,329	202,152	558,021	(207,286)	94,363
Net income (loss) attributable to noncontrolling interests	59,070	59,070	51,607	56,442	653	1,880
Total comprehensive income attributable to stockholders of the parent	208,626	208,626	207,712	444,877	(241,385)	64,359
Total comprehensive income attributable to non-controlling interests	42,538	42,538	52,630	55,690	16,981	(7,770)
Earnings (net loss) per share	1.39	1.21	0.61	1.61	(0.54)	0.25

*If the Company prepares individual financial statements, it should also prepare individual condensed balance sheets and consolidated statements of income for the last five years.

Note 1: Any year that has not been audited and certified by the accountant should be noted.

Note 2: As of the date of the annual report, the financial information of companies whose shares are listed or traded on the stock exchange should also be disclosed if they have been audited or reviewed by an accountant most recently.

Note 3: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented In the corrected or restated figures, with the circumstances and reasons stated.

2-1 Individual Condensed Balance Sheets

Unit: NT$1,000

Year / Item		Financial analysis for the past five years (Note 1)				
		2016	2017	2018	2019	2020
Current assets		2,331,017	2,874,408	4,012,068	4,924,060	5,564,991
Equity-method investments		3,883,854	5,739,150	6,006,334	6,917,644	6,847,702
Property, Plant and Equipment(Note 2)		956,879	944,591	878,931	909,783	904,882
Intangible assets		518	275	129	93	-
Other assets(Note 2)		239,692	147,203	178,975	295,440	372,165
Total assets		7,411,960	9,705,627	11,076,437	13,047,020	13,689,740
Current liabilities	Before distribution	2,915,917	3,228,671	5,355,872	4,937,223	6,129,952
	After distribution	3,535,780	3,964,716	5,857,720	5,514,071	-
Non-current liabilities		219,058	219,058	1,297,524	2,636,683	2,855,471
Total liabilities	Before distribution	3,134,975	4,755,755	6,653,396	7,573,906	8,985,423
	After distribution	3,754,838	5,491,800	7,155,244	8,150,754	-
Capital stock		2,776,816	3,345,657	3,345,657	3,845,657	3,845,657
Capital surplus	Before distribution	862,198	1,052,939	652,962	942,169	791,558
	After distribution	381,176	651,460	335,125	769,114	-
Retained earnings	Before distribution	760,483	844,591	730,145	1,099,925	523,605
	After distribution	621,642	510,025	546,134	926,870	-
Other interests		(109,831)	(280,634)	(293,042)	(401,956)	(456,503)
Treasury stock		(12,681)	(12,681)	(12,681)	(12,681)	-
Equities Total	Before distribution	4,276,985	4,949,872	4,423,041	5,473,114	4,704,317
	After distribution	3,657,122	4,213,827	3,921,193	4,896,266	-

*If the Company prepares individual financial statements, it should also prepare individual condensed balance sheets and consolidated statements of income for the last five years.

Note 1: Any year that has not been audited and certified by the accountant should be noted.

Note 2: As of the date of the annual report, the financial information of companies whose shares are listed or traded on the stock exchange should also be disclosed if they have been audited or reviewed by an accountant most recently

Note 3: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented in the corrected or restated figures, with the circumstances and reasons stated.

2-2 Individual Condensed Comprehensive Income Sheets

Unit: NT$1,000,
Earnings (net loss) per share (NT$)

Item \ Year	Financial analysis for the past five years (Note 1)				
	2016	2017	2018	2019	2020
Operating revenue	2,886,100	3,249,551	3,591,821	4,269,376	3,005,640
Gross profit	593,452	617,361	560,916	588,147	198,354
Operating profit	176,170	153,610	122,119	138,247	(236,705)
Non-operating income and expenses	234,821	234,907	92,835	454,641	(61,479)
Net income (loss) before income tax	410,991	388,517	214,954	592,888	(298,184)
Net income (loss) of continuing business units	383,164	370,329	202,152	558,021	(207,286)
Loss of suspended business unit	--	--	--	--	--
Net income (loss)	383,164	370,329	202,152	558,021	(207,286)
Other comprehensive income (Income after tax)	(174,538)	(179,342)	5,560	(113,144)	(34,099)
Total comprehensive income	208,626	190,987	207,712	444,877	(241,385)
Earnings (net loss) per share	1.39	1.21	0.61	1.61	(0.54)

*If the Company prepares individual financial statements, it should also prepare individual condensed balance sheets and consolidated statements of income for the last five years.

Note 1: Any year that has not been audited and certified by the accountant should be noted.

Note 2: As of the date of the annual report, the financial information of companies whose shares are listed or traded on the stock exchange should also be disclosed if they have been audited or reviewed by an accountant most recently.

Note 3: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented in the corrected or restated figures, with the circumstances and reasons stated.

(3) Name of the accountants and their audit opinion for the last five years

Year	Name of the CPAs	Audit opinion
2016	Liao Hongru, Wang Yanjing	Unqualified opinion Add other matters
2017	YANG, CHAO-CHIN, Wang Yanjing	Unqualified opinion Add other matters
2018	YANG, CHAO-CHIN, LI, CHI-CHEN	Unqualified opinion Add other matters
2019	YANG, CHAO-CHIN, LI, CHI-CHEN	Unqualified opinion Add other matters
2020	YANG, CHAO-CHIN, LI, CHI-CHEN	Unqualified opinion Add other matters

2. Financial analysis for the past five years

(1) Adoption of International financial information

1-1 Consolidated Financial Analysis

Items (Note 3) \ Year (Note 1)		Financial analysis for the recent five years					As of Mar. 31, 2021 (Note 2) (Reviewedd by accountant)
		2016	2017	2018	2019	2020	
Financial structure (%)	Debt to asset ratio	55.47	59.79	68.59	66.63	69.44	69.32
	Long term capital to property, plant and equipment ratio	161.44	140.44	106.82	153.51	145.82	167.20
Solvency (%)	Current ratio	117.89	119.17	87.75	120.12	111.66	127.66
	Quick ratio	75.38	72.01	52.19	72.24	68.52	78.45
	Interest coverage ratio	10.34	7.37	3.26	4.24	(0.64)	3.75
Operating capacity	Receivables turnover (times)	5.06	4.77	4.82	5.24	4.29	5.45
	Average cash recovery day	72.14	76.52	75.71	69.65	85	67
	Inventory turnover (times)	3.02	2.94	2.93	2.84	2.24	2.43
	Accounts receivables turnover (times)	8.36	8.07	9.22	10.95	8.90	9.39
	Days sales outstanding	120.86	124.15	124.67	128.52	163	150
	Property, plant and equipment turnover (times)	2.35	1.77	1.60	1.77	1.41	1.65
	Total asset turnover (times)	0.75	0.63	0.60	0.62	0.47	0.54
Profitability	Return on assets (%)	4.74	3.77	2.41	4.43	(0.33)	2.82
	Return on equity (%)	9.59	7.84	4.68	10.70	(3.53)	7.02
	Pre-tax net profit to paid-in capital ratio (%)(Note 7)	15.40	13.46	9.27	17.34	(7.59)	3.93
	Net profit ratio (%)	5.86	5.23	2.78	5.63	(2.40)	3.97
	Earnings per share (NT$)	1.39	1.21	0.61	1.61	(0.54)	0.25
Cash flow	Cash flow ratio (%)	9.33	(2.51)	(2.92)	6.76	6.62	4.34
	Cash flow adequacy ratio	33.98	11.69	6.26	6.97	11.07	11.88
	Cash reinvestment ratio (%)	(1.49)	(7.13)	(10.22)	0.44	(0.16)	2.63
Leverage	Operating leverage	4.69	5.18	7.02	3.61	179.64	3.89
	Financial leverage	1.11	1.19	1.83	1.35	(0.02)	1.33

Please explain the reasons for the changes in each financial ratio for the last two years. (Analysis is waived if the change is less than 20%)

1.The negative interest coverage multiple was mainly due to the net loss for the year.

2.The increase in the number of days to collect receivables was mainly due to the fact that some orders had not yet been charged off due to customer complaints and the decline in orders in 2020, but the average receivables were higher due to higher order fillings at the end of 2019.

3.Inventory turnover rate decreased compared to the same period last year mainly due to the decrease in sales orders due to the impact of the epidemic and the decrease in sales of finished goods produced, which resulted in an increase in inventory.

4.The increase in the average number of days sales was mainly due to the decrease in sales orders and the decrease in sales of finished goods produced as a result of the epidemic, which led to the increase in the number of days sales.

5.The decrease in turnover of property, plant and equipment was mainly due to the decrease in orders and lower revenue.

6.Profitability declined to a negative level mainly due to the decline in orders due to the epidemic and the continued decline in the U.S. dollar exchange rate, which resulted in exchange losses as U.S. dollar assets exceeded U.S. dollar liabilities.

7.The increase in cash flow fair ratio was due to higher capital expenditures for investment in Vietnam and Anqing plants in previous years and lower inventory in the current year due to the decline in the epidemic.

8.The current negative investment ratio is due to the increase in dividends paid during the year.

＊ If the Company prepares individual financial statements, it should also prepare analysis of individual company financial ratios.

Note 1: Any year that has not been audited and certified by the accountant should be noted.

Note 2: As of the date of the annual report, the financial information of companies whose shares are listed or traded on the stock exchange should also be disclosed if they have been audited or reviewed by an accountant most recently.

1-2 Individual Financial Analysis

Items (Note 3) \ Year (Note 1)		Financial analysis for the recent five years				
		2016	2017	2018	2019	2020
Financial structure (%)	Debt to asset ratio	42.30	49.00	60.07	58.05	65.64
	Long term capital to property, plant and equipment ratio	451.68	674.59	642.67	883.40	829.92
Solvency (%)	Current ratio	79.94	89.03	74.91	99.73	90.78
	Quick ratio	50.06	58.98	53.67	72.89	68.01
	Interest coverage ratio	26.99	10.70	5.03	7.35	(1.92)
Operating capacity	Receivables turnover (times)	6.72	6.46	6.65	6.65	4.86
	Average cash recovery day	54.29	56.48	54.89	54.92	75.12
	Inventory turnover (times)	2.96	2.95	2.97	3.07	2.11
	Accounts receivables turnover (times)	10.75	8.46	8.31	10.45	9.50
	Days sales outstanding	123.14	123.72	122.90	118.95	173.32
	Property, plant and equipment turnover (times)	3.24	3.42	3.94	4.77	3.31
	Total asset turnover (times)	0.50	0.38	0.35	0.35	0.22
Profitability	Return on assets (%)	6.85	4.76	2.49	5.25	(0.94)
	Return on equity (%)	11.52	8.03	4.31	11.28	(4.07)
	Pre-tax net profit to paid-in capital ratio (%)(Note 7)	14.80	11.61	6.42	15.42	(7.75)
	Net profit ratio (%)	13.28	11.40	5.63	13.07	(6.90)
	Earnings per share (NT$)	1.39	1.21	0.61	1.61	(0.54)
Cash flow	Cash flow ratio (%)	3.44	2.67	1.13	(3.91)	(0.99)
	Cash flow adequacy ratio	31.36	24.88	17.92	7.41	(0.15)
	Cash reinvestment ratio (%)	(8.30)	(6.42)	(9.08)	(7.10)	(6.92)
Leverage	Operating leverage	4.57	5.17	6.26	5.88	(1.90)
	Financial leverage	1.10	1.41	2.39	3.08	0.70

Please explain the reasons for the changes in each financial ratio for the last two years. (Analysis is waived if the change is less than 20%)

1.The negative interest coverage multiple was mainly due to the net loss for the year.
2.The decrease in turnover rate of receivables was mainly due to the fact that some orders had not yet been charged off due to customer complaints and the decline in orders in 2020, but the average receivables were higher due to higher order fillings at the end of 2020.
3.Inventory turnover rate decreased compared to the same period last year mainly due to the decrease in sales orders due to the impact of the epidemic and the decrease in sales of finished goods produced, which resulted in an increase in inventory.
4.The decrease in turnover of property, plant and equipment was mainly due to the decrease in orders and lower revenue.
5.The decrease in total asset turnover was mainly due to the decrease in orders and lower revenue.
6.The decrease in the return on assets was due to the loss for the year.
7.The decrease in the return on equity was due to the loss for the year.
8.The decrease in the ratio of operating income to paid-in capital for the year was due to the net operating loss for the year.
9.The decrease in the ratio of Pre-tax net profit to paid-up capital was due to the loss for the year.
10.The decrease in the net profit after-tax was due to the loss for the year.
11.The decrease in earnings per share was due to the impact of the epidemic, the decrease in revenue, the loss on exchange and the increase in loss for the year.
12.The increase in the cash flow ratio was due to a higher cash outflow from the purchase of inventory due to more orders in the previous year and a lower cash outflow in the current year due to the recovery of 108 year-end payments.
13.The decrease in cash flow equivalents is due to negative cash flow from operating activities in the past five years.
14.The decrease in the operating leverage was due to the loss for the year.
15.The decrease in the financial leverage was due to the loss for the year.

* If the Company prepares individual financial statements, it should also prepare analysis of individual company financial ratios.

Note 1: Any year that has not been audited and certified by the accountant should be noted.

Note 2: As of the date of the annual report, the financial information of companies whose shares are listed or traded on the stock exchange should also be disclosed if they have been audited or reviewed by an accountant most recently.

Note 3: At the end of this table, the following calculation formula should be shown in the annual report.

1. Financial structure

(1) Debt to assets ratio = total liabilities / total assets.

(2) Ratio of long term funds to property, plant, and equipment (total equity + non-current liabilities) / net worth of property, plant and equipment.

2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets – inventory – contract property – prepaid items) / current liabilities.
   (3) Times interest earned ratio=net income before tax and interest expense/interest expense.
3. Operating capacity
   (1) Account receivable turnover (including accounts receivable and notes receivable resulted from business operation) = net sales / average balance of account receivable (including accounts receivable and notes receivable resulted from business operation).
   (2) Days sales in account receivable = 365 / account receivable turnover.
   (3) Inventory turnover = cost of goods sold / average inventory.
   (4) Account payable turnover (including accounts payable and notes payable resulted from business operation) = operating costs / average balance of account payable (including accounts payable and notes payable resulted from business operation).
   (5) Average days in sales = 365 / inventory turnover.
   (6) Property, plant and equipment turnover = net sales / average net worth of property, plant and equipment.
   (7) Total assets turnover = net sales / average total assets.
4. Profitability
   (1) Ratio or return on total assets = [net income + interest expense × (1 tax rate)] / average total assets.
   (2) Return on equity = net income / average net equity.
   (3) Profit ratio = net income / net sales.
   (4) Earnings per share = (net income preferred stock dividend) / weighted average stock shares issued (Note 4)
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activity / current liabilities
   (2) Cash flow adequacy ratio = (net cash flow from operating activities within five year / (capital expenditure + inventory increase + cash dividend) within five year
   (3) Cash reinvestment ratio = (net cash flow from operating activity cash dividend) / (total fixed assets + long term investment + other non-current assets + working capital). (Note 5)
6. Leverage
   (1) Operation balance = (net operating income operating variable cost and expense) / operating income.
   (2) Financial balance = operating income / (operating income interest expense).

Note 4: The above formula for calculating earnings per share should be measured with special attention to the following items.
1.Based on the weighted-average number of common shares, rather than the number of shares outstanding at the end of the year.
2.The weighted-average number of shares should be calculated by considering the period of liquidity of the shares.
3.For any capital increase from earnings or capital surplus, the percentage of capital increase should be adjusted retroactively in the calculation of earnings per share for prior years and semiannual periods, without regard to the issuance period of such capital increase.
4.If the preferred shares are non-convertible cumulative preferred shares, the dividends for the year, whether paid or unpaid, should be deducted from net income after tax or increased by net loss after tax. If the preferred stock is non-cumulative, the preferred stock dividends should be deducted from net income if there is after-tax profit; if there is a loss, no adjustment is required.

Note 5: The above formula for calculating earnings per share should be measured with special attention to the following items.
1.Net cash flow from operating activities represents the net cash inflow from operating activities in the cash flow statement.
2.Capital expenditures represent the annual cash outflows from capital investments.
3.Increases in inventories are included only if the ending balance is greater than the opening balance, and are calculated as zero if inventories decrease at year-end.
4.Cash dividends include cash dividends on common stock and preferred stock.
5.Gross property, plant and equipment represents the total amount of property, plant and equipment before accumulated depreciation.

Note 6: The issuer should distinguish between fixed and variable operating costs and operating expenses according to their nature, and where estimates or subjective judgments are involved, note the reasonableness and maintain consistency.

Note 7: If the Company's stock has no par value or the par value per share is not NT$10, the calculation of the ratio of paid-in capital in the preceding paragraph is based on the ratio of equity attributable to the owners of the parent company in the balance sheet.

Note 8: The Company has applied IFRSs recognized by the Financial Supervisory Commission since January 1, 2013.

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

DE LICACY INDUSTRIAL CO., LTD.

Audit Committee Approval Report

The audit committee agreed and passed the resolutions of the board of directors of the company's 2019 business report, financial statements, and loss compensation proposals, including financial statements (balance sheet, consolidated income statement, statement of changes in equity, cash flow statement) and consolidated financial statements. The report was issued by the board of directors of Deloitte Touche Tohmatsu Limited's accountants Yang Chaoqin and Li Jizhen to audit the completion of the visa, and issued an unqualified opinion plus other paragraphs of the audit report.

The Audit Committee is responsible for supervising the company's financial reporting process.

The certified accountant visas the company's 2020 financial statements and communicates with the audit committee on the following matters:

1. There are no major findings in the inspection scope and time planned by the certified public accountant.
2. The certified public accountant provided the audit committee with the personnel of the accounting firm's affiliated firm subject to independence regulations, and has complied with the statement of independence in the professional ethics of accountants, and has not found other relationships that may be considered to affect the independence of accountants and other matters.
3. The certified public accountant communicates with the audit committee on key audit matters, and the key audit matters that must be communicated in the audit report have been included in the audit report.

The company's 2020 financial statements, business reports, and loss compensation proposals approved by the audit committee and approved by the board of directors are in compliance with relevant laws and regulations. A report is prepared in accordance with Article 219 of the Company Act.

Please verify
Sincerely

DE LICACY INDUSTRIAL CO., LTD. 2021 shareholders meeting

Independent director: Huang Junren

Su Baicheng

Cai Qijun

March 15, 2021

4. The most recent annual audited individual financial statements

Independent Auditors' Report

Dear the Board of Directors and Shareholders of De Licacy Industrial Co., Ltd.

Opinion

We have audited the accompanying financial statements of De Licacy Industrial Co., Ltd (the "De Licacy Group"), which comprise the individual balance sheets as of December 31, 2020 and 2019, and the individual statements of comprehensive income, individual statements of changes in equity and individual statements of cash flows for the years then ended, and the notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, which is based on our and other accountants' auditing results (please refer other matters section) and accompanying financial statements present fairly, in all material respects, the financial position of the De Licacy Group as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations of IFRS ("IFRIC"), and Interpretations of IAS ("SIC") endorsed by the Financial Supervisory Commission ("FSC") of Taiwan, the Republic of China ("ROC").

Basis of Opinion

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

Key Audit Matter

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

The descriptions of the key audit matter of the 2020 individual financial statements of the De Licacy Group are as follows:

As stated in Note 4-5 Inventories, Note 5 inventory obsolescence loss and Note 11 Inventories to the individual financial Statements, De Licacy inventories amounted to NT$1,371,756,000 as of December 31, 2020, which accounted for 10% of the total individual assets.

Due to the book value of inventory is significant to the overall individual financial reports, and the evaluation of dull and obsolete inventory involves significant judgment of the management, the evaluation of dull inventory is listed as a key audit item.

The accountants' reasonable assessment of obsolete inventory is as follows:

1. Understand and evaluate the effectiveness of the design and implementation of the internal inventory control system.
2. Assess the year-and the inventory age, verify the accurancy of the inventory age classification, and then recalculate if it should include loss of obsolete inventory.
3. Conduct stocktake at the end of the year and confirm and assess whether the stock is out of date or damaged.

Other Matters

The financial statements included in the individual financial statements of Deloitte Touche Tohmatsu, Inc. and its investee company. Accordingly, our opinion on the individual financial statements referred to above, which relates to the amount of the aforementioned investment and its comprehensive income and loss, was based on the audited reports of other auditors. The above investments accounted for by the equity method amounted to $46,459,000 and $96,773,000 as of December 31, 2020 and 2019 respectively, representing less than 1% and 1% of the total individual assets. The individual loss recognized under the equity method amounted to $50,314,000 and $28,489,000 for the years ended December 31, 2020 and 2019, respectively, which accounted for (21%) and (6%) of the individual total profit or loss.

Management's and Governance's Responsibility for the Individual Financial Statements

Management's responsibility is to prepare individual financial statements in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretations issued by the Financial Supervisory Commission, and to maintain such internal control relevant to the preparation of individual financial statements as is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management's responsibility also includes assessing the ability of the Group to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate the Group or cease operations, or there is no practical alternative to liquidation or discontinuation of operations.

The governance unit (Audit Committee) of the Group has the responsibility for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

6. We have obtained sufficient and appropriate auditing evidence of the financial information of the constited entities of the Company to express our opinions on the individual financial statements. We are responsible for the guidance, supervision and execution of the Company's audits and we are responsible for providing auditing opionions with the Company.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2020 financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chao-Chin Yang and Chi-Jen Lee.

Financial Supervisory Commission Authorized No. Jin-Kuan-Chen-Sheni-Tzu No. 1060023872	**Securities and Futures Commission Authorized No. Tai-Tsai-Cheng-6-Tzu No. 0920123784**

Date: 19 March 2021

De Licacy Industrial Co., Ltd.

Individual Balance Sheets

For the Years Ended December 31 of 2020 and 2019

(In Thousands of New Taiwan Dollars)

code	Assets	December 31 2020 Amount	%	December 31 2019 Amount	%
	Current Assets				
1100	Cash and Cash Equivalents(Notes 4 and 6)	$ 341,357	3	$ 470,586	4
1110	Financial assets at fair value through profit and loss- current (Notes 4 and 7)	9,387	-	11,789	-
1136	Financial assets at amortized cost-current (Notes 4, 9 and 34)	2,689,686	20	2,107,673	16
1150	Notes receivable(Notes10 and 25)	26,432	-	41,203	-
1160	Notes receivable－ related parties(Notes 25 and 33)	25,152	-	23,568	-
1170	Net accounts receivable(Notes 4,10, and 25)	347,100	3	558,588	4
1180	Accounts receivable－related parties(Notes25 and 33)	116,894	1	98,226	1
1200	Other receivables	16,850	-	19,803	-
1210	Other receivables – related parties(Note 33)	556,912	4	214,220	2
130X	Inventory(Notes 4,5, and 11)	1,371,756	10	1,294,317	10
1410	Prepayments(Notes 16 and 33)	24,549	-	30,928	-
1470	Other current assets(Notes17 and 27)	38,916	-	53,159	1
11XX	Total current assets	5,564,991	41	4,924,060	38
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive gains and losses-non-current (Notes 4 and 8)	56,222	-	51,294	-
1550	Investments using the equity method (Notes 4 and 12)	6,847,702	50	6,917,644	53
1600	Property, plant and equipment(Notes4, 13, 33, and 34)	904,882	7	909,783	7
1755	Right-of-use assets(Notes4 and 14)	23,195	-	20,667	-
1780	Intangible assets(Notes4 and 15)	-	-	93	-
1840	Deferred income tax assets(Notes4 and 27)	247,413	2	139,601	1
1920	Deposited margin(Note4)	10,488	-	13,142	-
1915	Prepayment for equipment	20,325	-	70,736	1
1975	Net confirmed welfare assets(Notes 4 and 23)	14,522	-	-	-
15XX	Total non-current assets	8,124,749	59	8,122,960	62
1XXX	Total assets	$ 13,689,740	100	$ 13,047,020	100

Code	Liabilitities and Equity				
	Current liabilities				
2100	Short-term loans (note18 and 34)	$ 4,611,976	34	$ 2,745,105	21
2110	Short-term notes payable (Note 18)	709,501	5	429,790	3
2120	Financial liabilities measured at fair value through profit and loss-current (notes 4 and 7)	18,919	-	2,462	-
2150	Notes payable (Note 19)	61,205	1	77,029	1
2160	Notes payable-related parties (Note 33)	32,206	-	26,092	-
2170	Accounts payable (Note 19)	94,909	1	112,254	1
2180	Accounts payable-related parties (Note 33)	83,871	1	103,262	1
2200	Other payables (Note 20)	152,393	1	197,381	2
2220	Other payables-related parties (Note 33)	16,521	-	26,013	-
2230	Current tax liabilities (Notes 4 and 27)	2,557	-	-	-
2280	Lease liabilities-current (Notes 4 and 14)	14,035	-	10,183	-
2313	Deferred income-current(Notes 4 and 21)	7,472	-	-	-
2322	Long-term loans due within one year(Notes 18 and 34)	273,158	2	1,168,000	9
2365	Refund liabilities-current(Notes 4 and 22)	-	-	2,789	-
2399	Other current liabilities	51,229	-	36,863	-
21XX	Total current liabilities	6,129,952	45	4,937,223	38
	Non-current liabilities				
2541	Long-term bank loans(Notes18 and 34)	2,805,521	21	2,563,886	20
2570	Deferred tax liabilities(Notes4 and 27)	36,823	-	35,949	-
2580	Lease liabilities-non-current(Notes4 and 14)	9,378	-	10,604	-
2630	Deferred income -non-cirremt (Notes4 and 21)	1,422	-	-	-
2640	Net confirmed benefit liabilities-non-current(Notes 4 and 23)	-	-	22,233	-
2645	Deposit margin	2,327	-	4,011	-
25XX	Total non-current liabilities	2,855,471	21	2,636,683	20
2XXX	Total liabilities	8,985,423	66	7,573,906	58
	Equity (Note 24)				
3110	Common Stocks	3,845,657	28	3,845,657	30
3200	Capital reserve	791,558	6	942,169	7
	Retained surplus				
3310	Legal reserve	283,732	2	228,353	2
3320	Special reserve	401,956	3	293,042	2
3350	Unappropriated earnings	(162,083)	(1)	578,530	4
3300	Total retained earnings	523,605	4	1,099,925	8
3400	Other equities	(456,503)	(4)	(401,956)	(3)
3500	Treasury stocks (Note 4)	-	-	(12,681)	-
3XXX	Total equity	4,704,317	34	5,473,114	42
	Total Liabilities and Equities	$ 13,689,740	100	$ 13,047,020	100

The accompanying notes are an integral part of the individual financial statements.
(Please refer to the auditors' report of Deloitte and Touche on March 19, 2021)

Chairman: Chia-Min Yeh, Manager:Wei-Li Yeh, Accounting Manager; Yi-nung-Yu

De Licacy Industrial Co., Ltd.

Individual Statements of comprehensive Income

For the Years Ended December 31 of 2020 and 2019

(In Thousands of New Taiwan Dollars)

(Except Earnings Per Share)

Code		2020 Amount	2020 %	2019 Amount	2019 %
	Operating income (Note 4, 25, and 33)				
4100	Net sales revenue	$ 3,002,049	100	$ 4,265,141	100
4800	Other operating income	3,591	-	4,235	-
4000	Total operating income	3,005,640	100	4,269,376	100
	Operating costs(Notes11, 23, 26, and 33)				
5110	Cost of goods sold	2,807,286	93	3,681,229	87
5900	Gross Operating Income	198,354	7	588,147	13
5910	Unrealized loss of subsidiary and associated companies (Note 4)	6,405	-	3,815	-
5920	Realized loss of subsidiary and associated companies (Note 4)	(3,815)	-	(6,909)	-
5950	Gross realized operating income	200,944	7	585,053	13
	Operating expenses(Notes10, 23, 26, and 33)				
6100	Marketing expenses	181,924	6	225,631	5
6200	General and administrative expenses	99,275	4	144,454	3
6300	Research and development expenses	123,078	4	108,789	3
6450	Expected credit loss (Gain)	33,378	1	(676)	-
6000	Total operating expenses	437,655	15	478,198	11
6500	Net other income and expenses(Notes 26 and 33)	6	-	31,392	1
6900	Operating income(net loss)	(236,705)	(8)	138,247	3
	Non-operating income and expenses (Notes 4,7,26 and 33)				
7100	Interest income	40,280	1	41,760	1
7010	Other income	121,553	4	46,925	1
7020	Other benefits and losses	(215,109)	(7)	(81,265)	(2)
7050	Financial costs	(102,090)	(3)	(93,329)	(2)
7070	Share of losses of affiliated companies using the equity method	93,887	3	540,550	13
7000	Total non-operating income and expenses	(61,479)	(2)	454,641	11
7900	Net profit before tax (net loss)	(298,184)	(10)	592,888	14

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Code		2020 Amount	2020 %	2019 Amount	2019 %
7950	Income tax expense (benefit) (Notes 4 and 27)	(90,898)	3	34,867	(1)
8200	Net profit (net loss) for the year	(207,286)	(7)	558,021	13
	Other comprehensive loss(net)				
8310	Items not reclassified to profit or loss				
8311	Determine the remeasurement of the benefit plan (note 23)	28,389	1	(6,144)	-
8316	Unrealized appraisal gains and losses of equity instrument investments measured at fair value through other comprehensive gains and losses (note 24)	8,894	-	30,547	1
8331	The equity method is used to recognize the re-measurement of defined welfare plans of subsidiaries and affiliated companies.	621	-	685	-
8336	The equity method is used to recognize the unrealized gains and losses of subsidiaries and related companies through other comprehensive gains and losses to measure equity instruments at fair value. (Note 24)	8,109	-	17,628	-
8349	Income tax related to items not reclassified (Note 27)	(5,678)	-	1,229	-
		40,335	1	43,945	1
	Items that may be reclassified to profit and loss in the future				
8361	Conversion difference in the conversion of financial statements of foreign operating institutions (Note 24)	(88,840)	(3)	(192,082)	(5)
8380	Share of other comprehensive profits and losses of subsidiaries and affiliates recognized using the equity method(Note 24)	(3,362)	-	(3,423)	-
8399	Income tax related to items that may be reclassified (Notes 24 and 27)	17,768	1	38,416	1
8360		(74,434)	(2)	(157,089)	(4)
8300	Total net comprehensive profit and loss for the year (after tax)	(34,099)	(1)	(113,144)	(3)
8500	Total comprehensive profit and loss for the year	($ 241,385)	(8)	$ 444,877	10
	Earnings per share (net loss) (Note 28)				
9710	Basic	($ 0.54)		$ 1.61	
9810	Dilution	($ 0.54)		$ 1.60	

The accompanying notes are an integral part of the individual financial statements.
(Please refer to the auditors' report of Deloitte and Touche on March 19, 2021)

Chairman: Chia-Min Yeh, Manager:Wei-Li Yeh, Accounting Manager; Yi-nung-Yu

De Licacy Industrial Co., Ltd

Individual Statements of Changes in Equity

For the Years Ended December 31, 2020 and 2019

(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

Code				Retained Earnings			Other Equities				
		Common Stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated Earnings	Exchange differences from the financial statements of foreign operating entitities	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Treasury Stocks	Grand Total
A1	Balance at 1 January 2019	$ 3,345,657	$ 652,962	$ 208,137	$ 280,634	$ 241,374	($ 294,358)	$ 1,316	($ 293,042)	($ 12,681)	$ 4,423,041
	Appropriations of 2018 earnings(Note 24)										
B1	Legal Reserve	-	-	20,216	-	(20,216)	-	-	-	-	-
B3	Special reserve	-	-	-	12,408	(12,408)	-	-	-	-	-
B5	Cash dividends to shareholders – NT$ 0.55per share	-	-	-	-	(184,011)	-	-	-	-	(184,011)
C15	Cash dividends from Capital Surplus to shareholders – NT$0.95 per share (Note 24) .	-	(317,837)	-	-	-	-	-	-	-	(317,837)
D1	Net income for the year ended December 31 2019	-	-	-	-	558,021	-	-	-	-	558,021
D3	Other comprehensive (loss) income after tax for the year ended December 31, 2019	-	-	-	-	(4,230)	(157,089)	48,175	(108,914)	-	(113,144)
D5	Total comprehensive (loss) income for the year ended Dec. 31 2019	-	-	-	-	553,791	(157,089)	48,175	(108,914)	-	444,877
E1	Issurance of ordinary shares for cash (Note 24)	500,000	597,987	-	-	-	-	-	-	-	1,097,987
M1	Dividends distributed to the subsidiary and adjust capital surplus (Note 24)	-	1,827	-	-	-	-	-	-	-	1,827
M5	Difference between actual acquisition of the subsidiary's equity price and book value	-	8,710	-	-	-	-	-	-	-	8,710
M7	Changes equity to the Subsidiary ownership	-	(1,480)	-	-	-	-	-	-	-	(1,480)
Z1	Balance at 31 December 2019	3,845,657	942,169	228,353	293,042	578,530	(451,447)	49,491	(401,956)	(12,681)	5,473,114
	Appropriations of 2019 earnings (Note 24)										
B1	Legal Reserve	-	-	55,379	-	(55,379)	-	-	-	-	-
B3	Special Reserve	-	-	-	108,914	(108,914)	-	-	-	-	-
B5	Cash dividends to shareholders - NT$1.05 per share	-	-	-	-	(403,794)	-	-	-	-	(403,794)
C15	Cash Dividends from Capital Sueplus to shareholders- NT$0.45 per share(Note 24)	-	(173,055)	-	-	-	-	-	-	-	(173,055)
D1	Net loss for the year ended December 31, 2020	-	-	-	-	(207,286)	-	-	-	-	(207,286)
D3	Other comprehensive (loss) income after tax for the year ended December 31, 2020	-	-	-	-	23,332	(74,434)	17,003	(57,431)	-	(34,099)
D5	Total comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	(183,954)	(74,434)	17,003	(57,431)	-	(241,385)
M3	The subsidiary on liquidation (Notes 24)	-	7,459	-	-	-	12,788	-	12,788	12,681	32,928
M5	Difference between actual acquisition of the subsidiary's equity price and book value (Note 12)	-	675	-	-	-	-	-	-	-	675
M7	Changes equity to the Subsidiary ownership (Note 24)	-	14,310	-	-	-	422	1,102	1,524	-	15,834
Q1	Disposal of equity instruments measured at fair value through other comprehensive income (Note 24)	-	-	-	-	11,428	-	(11,428)	(11,428)	-	-
Z1	Balance on 31 December 2020	$ 3,845,657	$ 791,558	$ 283,732	$ 401,956	($ 162,083)	($ 512,671)	$ 56,168	($ 456,503)	$ -	$ 4,704,317

The accompanying notes are an integral part of the individual financial statements.
(Please refer to the auditors' report of Deloitte and Touche on March 19, 2021)

Chairman: Chia-Min Yeh, Manager:Wei-Li Yeh, Accounting Manager; Yi-nung-Yu

De Licacy Industrial Co., Ltd.

Individual Cash Flows Statement

For the Year Ended December 31 2020 and 2019

(in thousands of New Taiwan Dollars)

Code		2020	2019
	Cash flow from operating activities		
A10000	Income (loss) before tax this year	($ 298,184)	$ 592,888
	Adjustments for:		
A20010	Income and expense:		
A20100	Depreciation expenses	135,352	118,256
A20200	Amortization expenses	93	148
A20300	Expected credit loss (Gain)	33,378	(676)
A20400	Losses from financial assets and liabilities at fair value through profit or loss	17,623	3,734
A20900	Financial cost	102,090	93,329
A21200	Interest income	(40,280)	(41,760)
A21300	Dividend income	-	(80)
A21900	Share-based payment cost	-	737
A22300	Share of profits and losses of subsidiaries and affiliates using the equity method	(93,887)	(540,550)
A22500	Gains on disposal of Property, plant and equipment	(6)	(31,392)
A23700	Inventory Valuation and Obsolescence Losses	23,625	-
A23900	Unrealized subsidiaries and associated companies losses	(6,405)	(3,815)
A24000	Realized subsidiaries and associated companies losses	3,815	6,909
A24100	Unrealized foreign exchange losses	109,982	34,662
A29900	Benefits from liquidation of subsidiary using the equity method	(9,154)	-
A24500	Gains from lease amendment	(10)	-
A29900	Provision for (reversal) liabilities	(2,789)	781
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	14,771	5,440
A31140	Notes receivable-related parties	(1,584)	(13,403)
A31150	Accounts receivable	178,110	(102,074)
A31160	Accounts receivable-related parties	(18,668)	(47,554)
A31180	Other receivables	(1,998)	(5,352)
A31190	Other receivables-related parties	(2,300)	86,337
A31200	Inventory	(101,064)	(189,283)
A31230	Prepayments	6,379	1,610
A31240	Other current assets	14,243	(30,804)
A32110	Decrease in financial liabilities held for trading	(2,462)	(58)
A32130	Notes payable	(16,629)	(50,270)
A32140	Notes payable-related parties	6,114	(19,036)
A32150	Accounts payable	(17,345)	27,691
A32160	Accounts payable-related parties	(19,391)	(20,686)
A32180	Other payables	(45,283)	29,189
A32190	Other payables-related parties	(9,492)	(51,120)
A32210	Deferred income-current and non-current	8,894	-
A32230	Other current liabilities	14,366	12,090
A32240	Net defined benefit liabilities-non-current	(8,366)	(8,911)
A33000	Cash used in operations	(26,462)	(143,023)
A33100	Interest received	32,404	41,760
A33200	Dividends received	39,147	56,635
A33300	Interest paid	(101,686)	(90,203)
A33500	Income tax paid	(4,380)	(58,267)
AAAA	Net cash used in operating activities	(60,977)	(193,098)

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code		2020	2019
	Cash flow from investing activities		
B00040	Acquisition of Amortized cost financial assets	(10,158,528)	(17,428,866)
B00060	Gains (losses) from sale of amortized cost financial assets	9,478,204	17,061,233
B00100	Acquisition for Fair value through profit and loss financial assets	(20,969)	(19,539)
B00200	Disposal for fair value through profit and loss financial assets	23,942	10,038
B00010	Acquisition for Fair value through other comprehensive income financial assets	(7,959)	-
B00020	Sales for Fair value through other comprehensive income financial assets	11,925	-
B01800	Acquisition of Investments accounted for using Equity Method	(363,825)	(598,530)
B02300	Net Cash generated from disposal of subsidiaries	466,216	-
B02400	Return of shares in liquidation of investee company in the method of equity	-	88
B02700	Acquisition of property, plant and equipment	(46,934)	(123,727)
B02800	Proceeds from disposal of property, plant and equipment	9,414	26,370
B03700	Refundable Deposits increase	(160)	(4,597)
B03800	Refundable Deposits decrease	2,814	2,160
B04300	Other receivables – related parties increase	(566,293)	(76,064)
B04400	Other receivables – related parties decrease	76,064	77,067
B04500	Acquisition of intangible assets	-	(112)
B05500	Disposal of investing real-estate	146,827	-
B07100	Prepayment for equipment increase	(20,325)	(70,736)
BBBB	Net cash used in investing activities	(969,587)	(1,145,215)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Short-term debt increase	20,296,772	14,977,805
C00200	Short-term debt decrease	(18,429,901)	(14,763,431)
C00500	Short-term bills payable increase	3,898,627	3,578,715
C00600	Short-term bills payable decrease	(3,618,916)	(3,628,748)
C01600	Payments of finance lease liabilities	1,334,900	2,983,850
C01700	Repayment of long-term debt	(1,988,000)	(2,005,325)
C03000	Deposit received increase	5,649	9,345
C03100	Deposit received decrease	(7,333)	(7,360)
C03700	Other payables- related parties increase	-	35,000
C03800	Other payables – related parties decrease	-	(158,653)
C04020	Repayment of the principal portion of lease liabilities	(13,614)	(9,513)
C04500	Cash dividends	(576,849)	(501,848)
C04600	Proceeds from issurance of ordinary shares	-	1,097,250
CCCC	Net cash generared from financing activities	901,335	1,607,087
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(129,229)	268,774
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	470,586	201,812
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 341,357	$ 470,586

The accompanying notes are an integral part of the individual financial statements.
(Please refer to the auditors' report of Deloitte and Touche on March 19, 2021)

Chairman: Chia-Min Yeh, Manager:Wei-Li Yeh, Accounting Manager; Yi-nung-Yu

De Licacy Industrial Co., Ltd.

NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In thousands of New Taiwan Dollars, unless stated otherwise)

1.Company History

De Licacy Industrial Co., Ltd. (" the Company") was incorporated in July 1982 and engaged in manufacturing plaid cloth, blended cloth, jacquard cloth, bubble cloth, telescopic cloth, chemical fiber cloth, polyester cotton cloth, satin and other textile manufacturing, dyeing and finishing processing and trading business.

The Company's stock has been listed and traded on the Taiwan Stock Exchange since January 1997.

The currency used in the individual financial statements is New Taiwan Dollars.

2.APPROVAL OF FINANCIAL STATEMENTS

The individual financial statements were approved by the Corporation's board of directors on March 15, 2021.

3.APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of (IFRIC), and Interpretation announcement (SIC), (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC), which did not have any material impact on the Company's accounting policies.

(2) The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendment to IFRS 4 "application to IFRS 9 - temporally exemption for extension"	Effective from issuing date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 "Interest Rate Benchmark Reform – the second stage"	The Corporation shall apply these amendments for annual reporting period beginning on or after January 1, 2021.
Amendment to IFRS 16 "COVID-19-related rent concessions"	The Corporation shall apply these amendments for annual reporting period beginning on or after June 1, 2020.

As of the date the financial statements were authorized for issue, the combined company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the related standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

(3) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual improvement for the 2018-2020 period”	January 1 2022 (Note 2)
Amendment to IFRS 3 ” Updating a Reference to the Conceptual Framework”	January 1 2022 (Note 3)
Amendments to IFRS 10and IAS 28 “ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be confirmed
IFRS 17 “Insurance Contract”	January 1 2023
Amendments to IFRS 17	January 1 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1 2023
Amendment to IAS 1” Disclosure of Accounting Policies”	January 1 2023(Note 6)
Amendment to IAS 8 “Accounting Estimates Definitions”	January 1 2023(Note 7)
Amendment to IAS 16 “Property, Plant and Equipment — Proceeds before Intended Use”	January 1 2022(Note 4)
Amendment to IAS 37 “Onerous Contracts — Cost of Fulfilling a Contract”	January 1 2022(Note 5)

Note1 : Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: IFRS 9 Amendments will be applied to the exchange of financial liabilities or modification of terms that occur during the annual report period after January 1, 2022; IAS 41amendments "Agriculture" will be applied to fair value measures for the annual report period after January 1, 2022. IFRS 1amendments "First adoption of IFRSs" will be applied retroactively to the annual report period after January 1, 2022.

Note 3: The Corporation shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020.

Note 4: This amendment applies to plant, property and equipment in the location and condition necessary to achieve management's intended operation mode after January 1, 2021.

Note 5: This amendment will be applied to contracts that have not fulfilled all their obligations as at 1 January 2022

Note 6: The Company shall apply these amendments postponed for annual reporting periods beginning on or after January 1, 2023.

Note 7: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in the beginning annual report period after January 1, 2023.

As of the date of the individual financial statements were authorized for issue, the combined company is still evaluated that no significant impact on its financial position and financial performance is anticipated as a result of the initial adoption of the other standards or interpretations.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The individual financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

The individual financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value and net defined benefit liabilities (assets) recognized at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1)Level 1 input is quoted prices (unadjusted) in active markets for identical assets or liabilities.
2)Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3)Level 3 inputs are unobservable inputs for an asset or liability.

In the preparation of individual financial reports, the Company applies the equity method to investment subsidiaries and related enterprises.In order to make the annual profit or loss, other comprehensive profit or loss and equity of the individual financial report the same as the annual profit or loss, other comprehensive profit or loss and equity of the Company attributable to the owners of the Company in the individual financial report of the Company, a number of accounting differences on an individual basis are adjusted for the"Investment using the equity method","Profit or loss share of the subsidiaries and related companies using the equity method"and related equity items.

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

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1)Liabilities held primarily for the purpose of trading;
2)Liabilities due to be settled within 12 months after the reporting period; and
3)Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

(4) Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss

for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gain and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not recaculated).

In the preparation of individual financial reports, the assets and liabilities of foreign operating institutions (including subsidiaries and affiliates in countries in which they operate or in currencies different from the Company) are converted to NTD at the exchange rate of each balance sheet date.Income and expense loss items are converted at the average exchange rate for the period and the resulting conversion difference is recognized as other comprehensive profit or loss.

(5) Inventories

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

(6)Investment in Subsidiaries

The Company uses the equity method to account for its investment in subsidiaries.

A subsidiary is an entity over which the Company has control.

Under the equity method, the original investment is recognized at cost, and the carrying amount of the investment after the acquisition date increases or decreases in accordance with the Company's share of earnings and other comprehensive income or loss of the subsidiary and profit distribution. In addition, changes in the Company's other equity interests in subsidiaries are recognized in proportion to the Company's ownership interest.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of loss in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are substantially part of the Company's net investment in the subsidiary), the loss continues to be recognized in proportion to the Company's ownership.

When control over a subsidiary is lost, the Company measures its remaining investment in the former subsidiary at fair value at the date of loss of control. The difference between the fair value of the remaining investment and the carrying amount of the investment at the date of loss of control, if any, is recognized in profit or loss for the current period. In addition, all amounts recognized in other comprehensive income or loss related to the subsidiary are accounted for on the same basis as if the Company had disposed of the related assets or liabilities directly.

Unrealized gains or losses on downstream transactions with subsidiaries are eliminated in the individual financial statements. Gains or losses resulting from counter-current and side-stream transactions with subsidiaries are recognized in the individual financial statements only to the extent that they are not related to the Company's interest in the

subsidiary.

(7) Investment in affiliated companies

An affiliate is an enterprise over which the Company has significant influence but which is not a subsidiary or a joint venture.

The Company uses the equity method for its investments in affiliated companies.

Under the equity method, investments in affiliated companies are initially recognized at cost, and the carrying amount of such investments is adjusted for any subsequent increases or decreases in the Company's share of income or loss of the affiliated companies and other comprehensive income or loss and profit distribution. In addition, changes in equity in affiliated companies are recognized in proportion to the Company's ownership interest.

Gains or losses resulting from transactions with affiliates are recognized in the financial statements only to the extent that they are not related to the Company's interest in the affiliates.

(8)Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Property, plant and equipment in the course of construction are measured at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If their respective lease terms are shorter than their useful lives, such assets are depreciated over their lease terms. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(9)Intangible assets

1. Separately acquired

Individually acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization. Intangible assets are amortized on a straight-line basis over their useful lives. The Company reviews the estimated useful lives, residual values and amortization method at least at each year-end and defers the effect of changes in applicable accounting estimates.

2. Derecognition

When an intangible asset is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss for the year.

(10) Impairment of property, plant and equipment, right-of-use assets and intangible assets

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset

belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonably consistent basis.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined had the impairment loss not been recognized in prior years. Reversal of impairment loss is recognized in profit or loss.

(11) Financial instruments

Financial assets and financial liabilities are recognized in the individual balance sheets when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities when the financial assets or financial liabilities are recognized initially. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Regular transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Types of measurement

The types of financial assets held by the Company are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost and investments in equity instruments measured at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets measured at fair value through profit or loss on a mandatory basis. Financial assets at fair value through profit or loss include investments in equity instruments that are not designated as at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value with dividends and interest recognized in other income and interest income, respectively, and gains or losses arising from remeasurement recognized in other gains and losses. For the determination of fair value, please refer to Note 32.

B.Financial assets carried at amortized cost

Financial assets are classified as financial assets carried at amortized cost if both of the following conditions are met

a. they are held within an operating model whose objective is to hold the financial assets to collect the contractual cash flows; and

b. the contractual terms give rise to cash flows at a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets carried at amortized cost (including cash and cash equivalents, receivables and refundable deposits carried at amortized cost) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial asset, except for the following two cases.

a. For credit-impaired financial assets acquired or created, interest income is computed by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.

b. For financial assets that are not impaired but subsequently become impaired, interest income is computed by multiplying the effective interest rate by the amortized cost of the financial assets from the next reporting period after the impairment is applied.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, it is probable that the debtor will declare bankruptcy or other financial reorganization, or the active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed amounts of cash and subject to an insignificant risk of changes in value within three months from the date of acquisition, and are used to meet short-term cash commitments.

C.Investments in equity instruments measured at fair value through other comprehensive income or loss

At initial recognition, the Company has an irrevocable option to designate investments in equity instruments that are not held-for-trading and not acquired in a business combination with contingent consideration to be measured at fair value through other comprehensive income.

Investments in equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. Upon disposal of an investment, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends from investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive them is established, unless the dividends represent a partial recovery of the cost of the investment.

(2) Impairment of financial assets

The Company assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost at each balance sheet date based on expected credit losses.

An allowance for impairment is recognized on accounts receivable based on the expected credit loss over the period of the receivable. If there is no significant increase in credit risk, an allowance for loss is recognized on the basis of expected credit losses over 12 months, and if there is a significant increase, an allowance for

loss is recognized on the basis of expected credit losses over the remaining period.

Expected credit losses are weighted average credit losses based on the risk of default, 12-month expected credit losses represent expected credit losses arising from possible defaults within 12 months after the reporting date and expected credit losses over the life of the financial instrument represent expected credit losses arising from all possible defaults during the expected life of the financial instrument.

For internal credit risk management purposes, the Company determines that a default on a financial asset has occurred when internal or external information indicates that the debtor is unlikely to settle the obligation, without regard to the collateral held.

An impairment loss on a financial asset is recognized by reducing the carrying amount of the financial asset through an allowance account.

(3) Derecognition of financial assets

Financial assets are derecognized only when the Company's contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When a financial asset is derecognized in its entirety at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When equity instruments measured at fair value through other comprehensive income are derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2.Equity Instruments

(1) Subsequent measurement

All of the Company's financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

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

3. Derivative instruments

Derivatives are exchange rate swaps entered into by the Company to manage the Company's exposure to exchange rate risk.

Derivatives are initially recognized at fair value at the time the derivative contracts are entered into and subsequently remeasured at fair value at the balance sheet date, with gains or losses arising from subsequent measurements recognized directly in profit or loss. When the fair value of a derivative is positive, it is recorded as a financial asset; when the fair value is negative, it is recorded as a financial liability.

(12)Treasury stocks

The carrying value of the parent company's stock held by a subsidiary is based on the carrying value of the investment in the parent company when the subsidiary becomes a subsidiary.

(13)Provision for Liabilities

The amount recognized as a provision for liabilities is the best estimate of the amount required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties of the obligation. The provision for liabilities is measured as the discounted

value of the estimated cash flows from the settlement of the obligation.

(14)Revenue Recognition

After recognizing performance obligations under customer contracts, the Company allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

Merchandise Sales Revenue

Revenue from merchandise sales is derived from sales of long- and short-staple fibers. The Company recognizes revenue and accounts receivable at the point when the customer has the right to set the price and use of the products and has the primary responsibility to re-sell the products, as well as the risk of obsolescence.

Therefore, the Company does not recognize revenue at the time of material removal.

(15)Leases

The Company assesses whether the contract is a lease at the contract inception date.

1. The Company is the lessor

A lease is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the asset to the lessee. All other leases are classified as operating leases.

Lease payments under operating leases are recognized as income on a straight-line basis over the term of the relevant lease. The original direct costs incurred in acquiring an operating lease are added to the carrying amount of the underlying asset and recognized as an expense over the lease term on a straight-line basis.

2.The Company is the lessee

Right-of-use assets and lease liabilities are recognized at the lease commencement date for all leases, except for leases of low-value subject assets to which recognition exemptions apply and short-term leases where lease payments are recognized as expenses on a straight-line basis over the lease term.

Right-of-use assets are measured initially at cost (including the original measurement of the lease liability, lease payments made prior to the lease commencement date less lease incentives received, original direct cost and estimated cost of restoration of the subject asset) and subsequently measured at cost less accumulated depreciation, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately in the individual balance sheets.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term.

Lease liabilities are measured initially at the present value of the lease payments (which are fixed payments). If the interest rate implied by the lease is readily determinable, the lease payments are discounted using that rate. If the interest rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If a change in the lease term results in a change in future lease payments, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the individual balance sheets

(16)Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an eligible asset are included as part of the cost of the asset until substantially all activities necessary to bring the asset to its intended use or sale condition have been completed.

Investment income earned on specific borrowings that are temporarily invested prior to the incurrence of qualifying capital expenditures is deducted from the cost of borrowings eligible for capitalization.

Except as described above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(17) Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to the government grant and that the grant will be received.

Government grants related to revenue are recognized in other income on a systematic basis over the period in which they are intended to compensate the Company for the related costs recognized as expenses. Government grants that are contingent upon the Company's acquisition, construction or other acquisition of non-current assets are recognized as deferred revenue and are transferred to profit or loss on a reasonable and systematic basis over the useful lives of the related assets.

Government grants are recognized in profit or loss in the period in which they become receivable if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Company and have no future related costs.

(18) Employee benefits

1.Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2.Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(19)Taxation

Income tax expense is the sum of current income tax and deferred income tax.

1) Current tax

Current income (loss) is determined by the regulations of each jurisdiction in which the Company files income tax returns and is used to calculate the amount of tax payable (recoverable).

Income tax on undistributed earnings is recognized in the year when the shareholders' meeting is held.

Adjustments to prior years' income tax payable are included in the current period's income tax.

2) Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the temporary differences and loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and affiliates, except where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that reversal is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. Deferred tax assets are reviewed at each balance sheet date and the carrying amount is increased to the extent that it is more likely than not that sufficient tax assets will be available to allow recovery of all or part of the assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the manner in which the Company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of The combined companys' accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are

considered relevant. Actual results may differ from these estimates.

The Company considers the economic impact of the COVID-19 outbreak as a significant accounting estimate, and management reviews the estimates and underlying assumptions on an ongoing basis. If a revision of an estimate affects only the current period, it is recognized in the period in which the estimate is revised; if a revision of an accounting estimate affects both the current and future periods, it is recognized in the period in which the estimate is revised and in future periods.

Key sources of estimation and assumed uncertainty – slow-moving inventory losses

Inventory is based on the age of the stock to assess its sluggish situation, and based on historical experience to estimate the proportion of its proposed impairment amount, as the basis for assessing the loss of inventory sluggish. If future actual inventory impairment is higher than expected, significant losses may be incurred. ◦

6.CASH AND CASH EQUIVALENTS

	31 December 2020	31 December 2019
Cash on hand, turnover	$ 410	$ 476
Bank cheques and demand deposits	340,947	110,350
Cash Equivalents (Investments with an original Expiry Date of less than 3 months)		
Time Deposit	-	359,760
	$341,357	$470,586

The annual interest rate on cash equivalents of December 31, 2019 was 2.25%.

7. Financial Instruments at fair value through profit and loss.

	December 31 2020	December 31 2019
Financial assets - current		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
Domestic listed (over-the-counter) stocks	$ -	$ 3,200
Fund beneficiary certificates	9,387	8,589
	$ 9,387	$ 11,789
Financial liabilities - current		
Held for trading		
Derivative instruments (not designated as hedges)		
Exchange rate swap contracts (Note)	$ 18,919	$ 2,462

(Note) Exchange rate swap contracts not subject to hedge accounting and outstanding at the balance sheet date were as follows:

December 31, 2020

Category	Currencies	Expiration Period	Contract Amount (in 1,000 dollars)
Foreign exchange swap contract	NTD to USD	2021.01.28～2021.06.21	NTD 588,807/USD 20,000

December 31, 2019

Category	Currencies	Expiration Period	Contract Amount (in 1,000 dollars)
Foreign exchange swap contract	NTD to USD	2020.02.07～2020.03.17	NTD 278,730/USD 9,200

The Company engages in exchange rate swaps mainly to hedge the risk of foreign currency assets and liabilities arising from exchange rate fluctuations.

The financial assets and liabilities at fair value through profit or loss incurred valuation losses of $23,795,000 and $3,179,000 for the years ended December 31, 2020 and 2019, respectively, are included in other gains and losses in the individual individual statements of income.

8.Financial assets – Equity instrument investment at fair value through other comprehensive profit or loss

	December 31, 2020	December 31, 2019
Investments in equity instruments - non-current		
Domestic Investment		
Private shares of listed companies		
Private common shares of Chia Her Industrial Co., Ltd.	$ 56,222	$ 51,294

In July 2013, the Company subscribed 13,980,000 shares (2,266,000 shares after capital reduction, 2.764% shareholding) of the private placement common stock of Chia Her Industrial Co. at NT$1.43 per share, totaling NT$19,991,000. Although the aforementioned shareholding has passed the three-year lock-up period, the past profit situation of Chia Her ndustrial Co. However, the Company is still unable to complete the public offering because its past profits do not meet the requirements for listing.

The Company has invested in the private placement of common stock of Chia Her Industrial Co. for medium and long-term strategic purposes and expects to make profits from the long-term investment. The Company's management believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss, and has therefore elected to designate these investments as measured at fair value through other comprehensive income.

9.Financial assets at amortized cost

	December 31, 2020	December 31, 2019
Current		
Domestic Investment		
Pledged Demand Deposit	$302,193	$ 7
Pledged Time Deposit (1)	2,387,493	2,107,666
	$ 2,689,686	$ 2,107,673
(1)Time Deposit interest rate range	0.07%～0.6%	0.13%～2.5%

(2)For information on pledges of financial assets measured at amortized cost. (see Note 34)。

(3)The Company invests only in liability instruments with low credit risk as assessed by the impairment. The Company considers the historical default loss rate and the outlook of the industry in which it operates to measure the expected credit loss over 12 months or the

expected credit loss over the life of the investment in liability instruments. As the debtor has low credit risk and sufficient ability to settle the contractual cash flows, no expected credit loss has been recorded against financial assets at amortized cost as of December 31, 2020 and 2019.

10. Notes Receivable, Net Accounts Receivable, and other Accounts Receivable

(1)Notes Receivable

Notes receivable of The combined company are all business-related.

No overdue notes receivable of The combined company on 31 December 2020 and 2019 , thus no allowance was made for losses.

(2)Accounts Receivable

	December 31, 2020	December 31, 2019
At amortized cost		
Total book value	$ 397,203	$575,395
Less: allowance for the losses	50,103	16,807
	$ 347,100	$558,588

The average credit period for merchandise sales is 60 days and accounts receivable are non-interest bearing. To mitigate credit risk, the Company's management assigns a dedicated team to determine credit limits, approve credit facilities and other monitoring procedures to ensure that appropriate actions are taken to collect overdue accounts receivable. In addition, the Company reviews the recoverable amounts of accounts receivable on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes an allowance for losses on accounts receivable based on expected credit losses over the period of time. The expected credit loss for the duration of the period is calculated using an allowance matrix, which takes into account the customer's past default history and current financial condition. Since the Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days that accounts receivable are open to determine the expected credit loss rate.

If there is evidence that the counter-party is in serious financial difficulty and the Company cannot reasonably expect to recover the amount, for example, if the counter-party is in liquidation, the Company directly eliminates the related accounts receivable, but continues to pursue recovery activities, as the amount recovered is recognized in profit or loss.

The Company measured the allowance for losses on accounts receivable based on the provision matrix as follows:

December 31, 2020

	Less than 90 days	90-180 days	180-365 days	365 days above	Total
Expected credit loss rate	0%	5%	100%	100%	-
Total carrying amount	$ 322,912	$ 25,461	$ 17,988	$ 30,842	$ 397,203
Allowance for losses (expected credit losses during the continuance period)	-	(1,273)	(17,988)	(30,842)	(50,103)
Amortized cost	$ 322,912	$ 24,188	$ -	$ -	$ 347,100

December 31, 2019

	Less than 90 days	90-180 days	180-365 days	365 days above	Total
Expected credit loss rate	0%	2%	47%	48%	-
Total Carrying amount	$ 505,220	$ 36,102	$ 8,111	$ 25,962	$ 575,395
Allowance for losses (expected credit losses during the continuance period)	-	(553)	(3,785)	(12,469)	(16,807)
Amortized cost	$ 505,220	$ 35,549	$ 4,326	$ 13,493	$ 558,588

Information on the changes in the allowance for losses on accounts receivable is as follows

	2020	2019
Beginning Balance	$ 16,807	$ 17,483
(Reversal) of impairment loss for the year	33,378	(676)
Actual write-off for the year	(82)	-
Ending Balance	$ 50,103	$ 16,807

11. Inventory

	December 31, 2020	December 31, 2019
Finished Goods	$ 922,188	$ 857,714
Work-in-progress	268,596	278,862
Raw materials	180,972	157,741
	$ 1,371,756	$ 1,294,317

The nature of cost of goods sold is as follows

	2020	2019
Cost of goods sold	$ 2,734,293	$ 3,674,396
for loss and market price decline and obsolete and slow-moving inventories	23,625	-
Unallocated Manufacturing Costs (Note)	49,874	4,563
Others	(506)	2,270
	$ 2,807,286	$ 3,681,229

Note: Unallocated manufacturing costs include expenses related to the shutdown period due to the impact of the COVID-19 outbreak.

12. Investments by using the equity method

	December 31, 2020	December 31, 2019
Investment in subsidairy	$ 6,736,290	$ 6,917,644
Investment in affiliated companies	111,412	-
	$ 6,847,702	$ 6,917,644

(1)Investment in subsidairy

	December 31, 2020	December 31, 2019
Unlisted public and OTC companies		
De Licacy (Samoa) Holding Company	$ 3,393,211	$ 2,996,495
De-Fa International Industrial Co., Ltd.	49,709	65,462
View Best Global Limited	41,053	41,637
Chadex Industrial Co., Ltd.	239,702	234,874
British Virgin Islands De Licacy BVI Holdings Limited	3,012,615	3,063,449
Tung Ming Textile Co., Ltd.	-	209,427
Lucky Unique Enterprise Co., Ltd.	-	296,499
De Kao Trading Co., Ltd.	-	9,801
	$ 6,736,290	$ 6,917,644

	Percentage of ownership and voting rights	
	December 31, 2020	December 31, 2019
De Licacy (Samoa) Holding Company	100%	100%
De-Fa International Industrial Co., Ltd.	100%	100%
View Best Global Limited	100%	100%
Chadex Industrial Co., Ltd.	55.06%	50.41%
British Virgin Islands De Licacy BVI Holdings Limited	100%	100%
Tung Ming Textile Co., Ltd.	-	91.28%
Lucky Unique Enterprise Co., Ltd.	-	5%
De Kao Trading Co., Ltd.	-	60%

1. The Company increased its investment in De Licacy (Samoa) Holiday company by $320,241,000 (US$11,059,000) and $137,228,000 (US$4,440,000) in 2020 and 2019, respectively.
2. The Company increased its investment in View Best Global Limited (100% owned) by $15,622,000 (US$540,000) in February 2020, mainly for the purpose of lending funds to ATAGO Vietnam (30% owned) for its operations.
3. In 2020, the Company acquired 4.65% of the shares of Chgdex from an unrelated party for $21,329,000, resulting in an increase in shareholding from 50.41% to 55.06%. The Company increased capital surplus by $675,000 for the difference between the actual acquisition price and the carrying value.
4. Our company increased its investment in Delicacy Holding Company by NTD 427,638 thousand (US$13,600,000) in 2010 to indirectly invest in De Shen (Cayman) Holdings Co., Ltd and Vietnam De Licacy Industrial Co.,. As of December 31, 109, its indirect investment in Vietnam De Licacy Industrial Co., in Company was funded. Among them, 106,060 thousand U.S. dollars has been checked by the Investment Review Committee of the Ministry of Economic Affairs.
5. On January 14, 2020, the Board of Directors approved the purchase of 1.22% of the shares of Lucky Unique Enterprise co., Ltd from its subsidiary Tung Ming Company for $6,633,000, which increased its shareholding from 59.7% to 60.92%; on March 12, 2020, the Board of Directors approved the sale of 60% of the shares of De Kac Trading Co., Ltd. for $12,000,000; and on March 20, 2020, the Board of Directors approved the sale of 60% of the shares of Teco to Phuoc Phat Company for $12,000,000. On April 20, 2020, the board of directors approved the sale of 91.28% of the equity interest in Tung Ming to Lucky Unique Enterprise co., Ltd for $258,989,000; and on June 19, 2020, the board of directors approved the sale of 35.94% of the equity interest in Lucky Unique Enterprise co., Ltd to a non-affiliate for $195,227,000, resulting in a reduction of the shareholding to 24.98%. The transaction price was determined with reference to the valuation report of Chang Xin Asset Consulting Co., Ltd., an independent consultant of the unrelated party, on March 31, 2020. The remaining investment was recognized as investment in affiliated companies at fair value on the date of loss of control, see Note 13 and Note 32 to the Consolidated Financial Statements for 2020.
6. For the changes in the percentage of ownership and items of stockholders' equity resulting from various equity transactions, see Notes 12 and 33 to the Company's 2020 consolidated financial statements. For the details of the Company's indirectly held investment subsidiaries, see Note 38.

The shares of income and other comprehensive income of the subsidiaries using the equity method in 2020 and 2019 are recognized based on the audited financial statements of each subsidiary for the same periods.

(2)Investment in affiliated companies- significant afflicated companies-December 31, 2020

	Amount
Lucky Unique Enterprise Co., Ltd.	$ 111,412

As of December 31, 2020, the Company's percentage of hareholding and voting rights in Lucky Unique Enterprise Co. is 24.98%.

For the business nature, principal place of business and country information of the company registration of the above-mentioned related enterprises, please refer to the Schedule 7" Information of the invested company, location...and other related information".

13.Property, plant and equipment

The schedule of changes in property, plant and equipment for the years ended December 31, 2020 and 2019 is shown in Schedule 11.

Owned land includes a portion of the Company's plant (with a carrying value of $23,507,000), which is agricultural land and is temporarily registered in the name of others, but the agricultural land has been pledged to the Company.

The Company' property, plant and equipment were assessed in 2020 and 2019, there is no indication of impairment.

Depreciation expense is provided on a straight-line basis over the following useful lives.：

Land improvements	3 to 40 years
Buildings	
Plant main buildings	20 to 55 years
Mechanical and power equipment	5 to 40 years
Engineering System	3 to 55 years
Others	2 to 25 years
Machinery	2 to 25 years
Transportation equipment	3 to 6 years
Other equipment	2 to 25 years

For the amount of property, plant and equipment pledged as security for loans by The combined company, see Note 34.

14.Lease Agreement

(1)Right-of-use asset

	Buildings	Transportation Equipment	Total
Costs			
January 1 2019balance	$ 3,084	$ 2,106	$ 5,190
Additions	24,818	-	24,818
December 31, 2019 balance	$ 27,902	$ 2,106	$ 30,008
Accumulated depreciation			
January 1 2019 balance	$ -	$ -	$ -
Depreciation	7,685	1,656	9,341
December 31, 2019balance	$ 7,685	$ 1,656	$ 9,341
December 31, 2019 net	$ 20,217	$ 450	$ 20,667
Costs			
January 1, 2020 balance	$ 27,902	$ 2,106	$ 30,008
Additions	16,662	416	17,078
Decrease	(3,084)	(2,106)	(5,190)

	Buildings	Transportation Equipment	Total
December 31, 2020 balance	$ 41,480	$ 416	$ 41,896
Accumulated depreciation			
January 1, 2020 balance	$ 7,685	$ 1,656	$ 9,341
Depreciation	12,808	508	13,316
Decrease	(1,850)	(2,106)	(3,956)
December 31, 2020 balance	$ 18,643	$ 58	$ 18,701
December 31, 2020 net	$ 22,837	$ 358	$ 23,195

(2)Lease liabilities

	December 31, 2020	December 31, 2019
Lease liabilities carrying amount		
Current	$ 14,035	$ 10,183
Non-current	$ 9,378	$ 10,604
Buildings	$ 23,054	$ 20,334
Transportation Equipment	359	453
	$ 23,413	$ 20,787

The discount rate range of the Lease liabilities is as follows:

	December 31, 2020	December 31, 2019
Buildings	1.53%～1.68%	1.34%～1.53%
Transportation Equipment	1.45%	1.34%

(3)Other leasing information

	2020	2019
Short-term leasing expense	$ 1,680	$ 4,211
Total cash used in leasing	($ 15,294)	($ 13,724)

The Company has elected to apply the exemption from recognition to leases of office premises and plant that qualify as short-term leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

All commitments under leases with lease periods beginning after the balance sheet date are as follows.

	December 31, 2020	December 31, 2019
Lease Commitment	$ 490	$ 610

15.Other Intangible Assets

For computer software licenses, the changes are as follows:

	2020	2019
Costs		
Beginning balance	$ 945	$ 1,974
Single acquisition	-	112
Expiry Derecognition	(945)	(1,141)
Ending balance	$ -	$ 945
Accumulated amortization		
Beginning balance	$ 852	$ 1,845
Amortization fee	93	148
Expiry Derecognition	(945)	(1,141)
Ending balance	$ -	$ 852
Ending net	$ -	$ 93

Amortization fee is accrued on a straight-line basis over one year of useful life for the above assets.

16.Prepayments

	December 31, 2020	December 31, 2019
Prepayment for purchases	$ 11,419	$ 10,251
Prepayment for plating fee	4,090	5,837
Others	9,040	14,840
	$ 24,549	$ 30,928

17.Other current assets

	December 31, 2020	December 31, 2019
Income tax refund receivable.	$ 35,966	$ 46,952
Input Tax	1,097	3,696
Office supplies	1,853	2,511
	$ 38,916	$ 53,159

18. Loan

(1)Short-term loan

	December 31, 2020	December 31, 2019
Securred loan (see Note 34)		
Bank loan	$ 2,677,000	$ 843,700
Unsecured loan		
Bank loan by line of credit	1,934,976	1,901,405
	$ 4,611,976	$ 2,745,105

The annual interest rates of bank loans ranged from 0.79% to 1.41% and 0.97% to 1.50% on December 31, 2020 and 2019, respectively.

(2)Short-term notes payable

	December 31, 2020	December 31, 2019
Commercial Paper Payable	$ 710,000	$ 430,000
Less: Discount on short-term notes and bills payable	499	210
	$ 709,501	$ 429,790

Outstanding short-term notes and bills payable are as follows:

December 31, 2020

Guarantor/Acceptance Agency	Face amount	Discount amount	Carrying amount	Interest rate collars(%)	Name of collateral	Collateral Carrying amount
Commercial Paper Payable						
Grand Bills Finance Corp.	$ 50,000	$ 20	$ 49,980	0.500	none	$ -
Taiwan Cooperative Bills Finance Corp.	100,000	133	99,867	0.902	none	-
China Bills Finance Corp.	50,000	3	49,997	0.400	none	-
Mega Bills Finance Co. Ltd.	50,000	5	49,995	0.852	none	-
Dah Chung Bills Finance Corp.	50,000	41	49,959	0.850	none	-
Da Ching Bills Finance Corp.	50,000	81	49,919	1.040	none	-
Taiwan Finance Corp.	50,000	28	49,972	1.140	none	-
International Bills Finance Corp.	50,000	5	49,995	0.650	none	-
O-Bank	260,000	183	259,817	0.330	none	-
	$ 710,000	$ 499	$ 709,501			

December 31, 2019

Guarantor/Acceptance Agency	Face amount	Discount amount	Carrying amount	Interest rate collars(%)	Name of collateral	Collateral Carrying amount
Commercial Paper Payable						
Grand Bills Finance Corp.	$ 50,000	$ 16	$ 49,984	0.750	none	$ -
Taiwan Cooperative Bills Finance Corp.	100,000	25	99,975	0.902	none	-
China Bills Finance Corp.	50,000	17	49,983	0.600	none	-
Mega Bills Finance Co. Ltd.	50,000	16	49,984	0.852	none	-
Dah Chung Bills Finance Corp.	50,000	57	49,943	0.852	none	-
Da Ching Bills Finance Corp.	30,000	5	29,995	1.052	none	-
Taiwan Finance Corp.	50,000	57	49,943	0.850	none	-
International Bills Finance Corp.	50,000	17	49,983	0.750	none	
	$ 430,000	$ 210	$ 429,790			

(3)Long-term bank loans

	December 31, 2020	December 31, 2019
Secured Loan		
Bank loan 1.	$ 12,000	$ 1,128,000
Syndicated Loans 2.	2,199,932	2,200,000
Less: Syndicated Loans Arrangement Fee	4,653	4,614
	2,207,279	3,323,386
Unsecured loan		
Bank line of credit loans1.	871,400	408,500
	3,078,679	3,731,886
Less: classified as the part due within one year	273,158	1,168,000
	$ 2,805,521	$ 2,563,886

1.Bank Guarantees and Credit Loan

	Expiry Date	Significant Terms	December 31 2020	December 31 2019
Guaranteed Loans				
Bank loan	2020.03.30～2020.08.12	The principal is repaid at a time when it is due.	$ -	$1,128,000
	2024.08.15	From September 2021, average amortization of principal in 36 installments.	12,000	-
Unsecured loan				
Bank line of credit loans	2022.01.19～2025.03.20	Since July 2017, the principal has been amortized on an average half-year basis. This loan is intended to remit the capital required to set up the Vietnam plant in the investment share capital.	240,000	100,000
Bank line of credit loans	2026.05.15～2029.07.09	From April 2022, the principal will be repaid in average monthly installments. ◦	250,000	235,000
Bank line of credit loans	2015.08.21～2029.11.12	The principal will be repaid in equal monthly installments beginning in September 2021.	293,400	73,500
Bank line of credit loans	2025.10.08	The average monthly principal repayment has been made since November 2021.	88,000	-
			883,400	1,536,500
Less: classified as the part due within one year			97,158	1,168,000
			$ 786,242	$ 368,500

The interest rates on December 31, 2020 ans 2019 were 0.21% to 1.5% and 0.21% to 1.74%,. respectively

2.Bank Syndications signed on February 13 2019

On February 13, 2019, the Company entered into a syndicated credit agreement with a syndicate of banks for a total amount of NT$2,200,000,000, the purpose of which is to repay loans from financial institutions and to replenish medium-term operating revolver.

As the financial ratios in the consolidated financial statements for the second quarter of 2020 and FY of 2020 did not meet the requirements of the loan agreement, the Company applied to the

syndicated credit syndicate for a waiver of the financial ratios in the 2020 semi-annual and annual reports and for a new guarantee line of NT$800,000,000 (Item B) for the issuance of commercial paper (the total amount of Item A and Item B to be utilized shall not exceed the total credit line of NT$2,200,000,000), and the first supplementary contract was signed on November 30, 2020.

Terms and Conditions

		Used Amount				
	Line of Credit	December 31 2020	December 31 2019	Credit Period	Annual interest rate	Credit granting method
Iteam A	$ 2,200,000	$ 1,400,000	$ 2,200,000	From the date of first use to the date of expiration of 5 years	1.797%	Should not be revolving use
Iteam B (Commercial Paper Guarantee)	800,000	799,932	-	From the date of first use to the date of expiration of 5 years.	0.85%	Revolving use is allowed.
	$ 3,000,000	2,199,932	2,200,000			
Less: As part of a one-year maturity		176,000	-			
		$ 2,023,932	$ 2,200,000			

Settlement method

Item A:The 30-month maturity date from the first drawdown date (21 February 2019) will be the first installment. Thereafter, the outstanding principal balance of Item A will be amortized in six installments at a rate of six installments. Of these, 8 per cent were amortized for the first to fifth installments and 60 per cent for the sixth installment. However, if the date of amortization of the balance of principal for any period as set out in the foregoing manner will be later than the final maturity date, the final maturity date shall be the amortization date of the principal for that period.

Item B:The full payment obligation shall be fulfilled on the maturity date of the commercial promissory note at the face amount as scheduled, and the first installment shall expire 30 months from the date of the first use, and thereafter the amount shall be reduced in six installments at a rate of one every six months. Among them, the first to the fifth phase of the amortization and decrement of 8%, the sixth phase of the amortization and decrement of 60%.

Financial Ratios

During the term of this contract, the Company's individual financial statements shall maintain the ratios shown below:

A.Current Ratio (Current Assets/(Current Liabilities - Dividends payable)) : shall not be less than one hundred percent (100%) (Inclusive).

B.Liabilities Ratio:(Total Liabilities - Dividends Payable - Bank loans secured by full certificates of deposit)/Net of tangibles: shall not be higher than two hundred percent (200%) (inclusive) .

C.Interest covers multiplier ((Net income before tax + Finance costs + Depreciation + Amortization)/ Amortization)/Finance costs): 6 times (inclusive) above.

D.Net of Tangibles (Equity(include minor shareholdings) - Intangible Assets + Dividends payable): No less than NT$4.5 billion (inclusive)

The combined company's pledges to secure long-term loans are described in Note 34.

19.Notes Payable and Accounts Payable

(1) Notes Payable

	December 31, 2020	December 31, 2019
Notes Payable		
Occurrence due to business	$ 59,983	$ 76,612
Occurrence due to nonbusiness – purchase of Property, Plant and Equipment	1,222	417
	$ 61,205	$ 77,029

(2)All accounts Payable for business.

(3)The combined company has a financial risk management policy to ensure that all payables are repaid within the prearranged credit terms.

20.Other accounts payable

	December 31, 2020	December 31, 2019
Payroll payable, bonus, Remuneration for Employees and Directors	$ 36,379	$ 49,348
Payroll payable, bonus, Remuneration for Employees and Directors	25,096	40,032
Utilities Payable	13,868	21,166
Commission Payable	8,662	14,871
Transportation fee payable	7,768	10,337
Leave Payable	3,696	6,018
Equipment Payable	924	734
Others	56,000	54,875
	$ 152,393	$ 197,381

21.Deferred income

This represents government subsidies from environmental improvement projects, energy conservation projects and production line technology renovation, which has been recorded as deferred income and transferred to profit or loss over the useful lives of the related assets of 7 to 14 years.

	December 31, 2020
Current	$ 7,472
Noncurrent	$ 1,422

22.Refund Liability

	2020	2019
Beginning balance	$ 2,789	$ 2,008
Current year provision (reversal) of refund liability	(2,789)	781
Ending balance	$ -	$ 2,789

23.Post-employment benefit plan

(1) Defined contribution plan

The Labor Pension Act, which is a defined post-employment contribution plan administered by the government, is applicable to The Company and its domestic subsidiaries, and contributes 6% of employees' monthly salaries to the individual accounts of the Labor Insurance Bureau.

(2) Defined benefit plan

The pension plan of The combined company and its domestic subsidiaries under the Labor Standards Act in Taiwan is a government-administered defined benefit pension plan. The employees' pension payments are based on the average salary for the six months prior to the date of approved retirement. The Company contributes 2% to 4% of the employees' monthly salaries to the pension fund, which is deposited in the name of the Labor Pension Fund Supervisory Committee in a special account in the Bank of Taiwan. If the balance of the special account is not sufficient to pay the employees who are expected to meet the

retirement requirements in the following year before the end of the year, the difference will be withdrawn in one lump sum by the end of March of the following year. The management of the special account is entrusted to the Bureau of Labor Funds, Ministry of Labor, and The combined company has no right to influence the investment management strategy.

The amounts of defined benefit plan included in the individual balance sheets are shown below:

	December 31, 2020	December 31, 2019
Defined benefit obligation current value	$ 176,026	$ 235,314
Plan assets at fair value	(190,548)	(213,081)
	($ 14,522)	$ 22,233

Net defined benefit liabilities changes:

	Defined benefit obligation current value	Plan assets at fair value	Net defined benefit liabilities (Assets)
January 1, 2019	$ 249,312	($ 224,312)	$ 25,000
Current Service Costs	2,476	-	2,476
Interest expense(income)	2,493	(2,300)	193
Recognized in profit or loss	4,969	(2,300)	2,669
Re-measurement			
Plan Assets remuneration (In addition to the amount included in net interest)	-	(7,777)	(7,777)
Actuarial losses			
Changes in demographic assumptions	412	-	412
Changes in financial assumptions	$ 5,510	$ -	$ 5,510
Experience Adjustment	7,999	-	7,999
Recognized in other comprehensive loss or income	13,921	(7,777)	6,144
Employer's contribution	-	(11,580)	(11,580)
Benefit expenditures	(32,888)	32,888	-
December 31, 2019	235,314	(213,081)	22,233
Current Service Costs	2,028	-	2,028
Interest expense(income)	1,765	(1,642)	123
Recognized in profit or loss	3,793	(1,642)	2,151
Re-measurement			
Plan Assets remuneration (In addition to the amount included in net interest)	-	(7,198)	(7,198)
Actuarial losses(income)			
Changes in demographic assumptions	16	-	16
Changes in financial assumptions	4,051	-	4,051
Experience Adjustment	(25,258)	-	(25,258)
Recognized in other comprehensive loss or income	(21,191)	(7,198)	(28,389)
Employer's contribution	-	(10,517)	(10,517)
Benefit expenditures	(41,890)	41,890	-
December 31, 2020	$ 176,026	($ 190,548)	($ 14,522)

The amounts recognized in profit or loss for defined benefit plans are summarized by function as follows.

	2020	2019
Operation cost	$ 1,176	$ 1,494
Marketing Expense	319	375
Management Expense	274	377
R&D Expense	382	423
	$ 2,151	$ 2,669

The Company is exposed to the following risks as a result of the Labor Standards Act pension system：

1.Investment Risk: Bureau of Labor Funds, Ministry of Labor invests its labor pension s in domestic and foreign equity securities, debt securities and bank deposits through its se and entrusted operations, but the amount of Plan Assets allocated to the Company is based on the income at an interest rate not lower than the local bank's two-year tim e deposit rate.

2.Interest Risk: The decrease in interest rates on government bonds will increase the current value of the defined benefit obligation, but the return on investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.

3.Payroll Risk: The defined benefit obligation current value is calculated by reference to the future salary of the plan member. Therefore, an increase in plan members' salaries will increase the defined benefit obligation current value.

The present value of the Company's defined benefit obligation was actuarially determined by a qualified actuary and the significant assumptions at the measurement date were as follows.

	December 31, 2020	December 31, 2019
Discount rate	0.5%	0.75%
Expected rate of salary increase	1.5%	1.5%

The amounts that would increase (decrease) the present value of the defined benefit obligation if there were reasonably possible changes in significant actuarial assumptions, respectively, with all other assumptions held constant, are as follows:

	December 31, 2020	December 31, 2019
Discount Rate		
Add: 0.1%	($ 1,637)	($ 2,227)
Less: 0.1%	$ 1,659	$ 2,258
Expected rate of salary increase		
Add: 0.1%	$ 1,616	$ 2,204
Less: 0.1%	($ 1,598)	($ 2,178)

The sensitivity analysis above may not reflect actual changes in the current value of the defined benefit obligation because actuarial assumptions may be correlated with each other and changes in only one assumption are unlikely.

	December 31, 2020	December 31, 2019
Amount expected to be withdrawn within 1 year	$ 9,888	$ 11,758
Average Period of Defined Benefit Obligation Expiration	9.3 years	9.4 years

24.Equity

(1)Common Stocks

	December 31, 2020	December 31, 2019
Authorized Shares (1000 shares)	480,000	480,000
authorized capital stock	$ 4,800,000	$ 4,800,000
Number of shares issued and fully paid (1000 shares)	384,566	384,566
Issued capital stocks	$ 3,845,657	$ 3,845,657

The issued common shares have a par value of $10 per share and each share is entitled to one vote and the right to receive dividends.

On June 21, 2019, the Board of Directors resolved to issue 50,000,000 new shares with a par value of $10 per share at a premium of $22 per share. The above cash capital increase was approved and reported by the Securities and Futures Bureau of the Financial Supervisory Commission on July 18, 2019, and the Board of Directors resolved to set September 20, 2019 as the base date for the capital increase, and the legal registration procedures have been completed.

(2)Capital surplus

	December 31, 2020	December 31, 2019
May be used to make up losses, pay cash or capitalize (Note)		
Stock Issuance Premium	$ 617,063	$ 790,118
Corporate bond conversion premium	32,325	32,325
Treasury Stocks Transactions	77,146	69,687
Actual acquired or the difference between the actual acquisition or disposal price of a subsidiary and its carrying value.	65,024	50,039
	$ 791,558	$ 942,169

Note:Such capital surplus may be used to cover losses or, when the Company has no losses, to distribute cash or to capitalize capital, provided that such capitalization is limited to a certain percentage of the paid-in capital each year.

On June 21, 2019, the Board of Directors resolved to issue 50,000,000 new shares in cash, of which the share issuance premium was NT$597,250,000 (net of securities underwriting expenses of NT$2,750,000), and the portion reserved for employee subscription was recognized as salary expense of NT$737,000 based on the fair value of the stock options, and capital surplus-employee stock options were also recorded, which was transferred to capital surplus-share issuance premium after the completion of the cash capital increase.

(3)Retained Earnings and Dividends Policy

In accordance with the Company's Articles of Company, if there is any surplus in the annual accounts, the Company shall first pay taxes to cover the deficits of previous years and then set aside 10% as legal reserve, but if the legal reserve has reached the Company's paid-in capital, it may not be set aside, and the rest shall be set aside or reversed to special reserve in accordance with the law, and the remaining amount shall be added up. The accumulated undistributed earnings of prior years shall be retained by the board of directors at its discretion, depending on the operational needs, to prepare a proposal for thedistribution of earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. The Company's policy on the distribution of employees' and directors' remuneration is described in Note 26-(8) "Employee Compensation and Directors' Remuneration".

Under the objective of maintaining schedule dividends, the Board of Directors shall, in principle, distribute not less than 50% of the distribu schedule earnings, of which the cash portion of dividends and bonuses to shareholders shall not be less than 10% of the shareholders' distribution, subject to adjustment based on the Company's performance and capital requirements. The cash portion of dividends and bonuses to shareholders shall not be less than 10% of the total amount distributed to shareholders, subject to adjustments based on the Company's performance and capital requirements.

The legal reserve shall be set aside until the remaining balance reaches the Company's total paid-in capital and may be used to cover losses. If the Company has no deficit, the

excess of the legal reserve over 25% of the total paid-in capital may be distributed in cash.

The Company follows the letters: No. Financial-Supervisory-Securities-Issuing-1010012865, No. Financial-Supervisory-Securities-Issuing-1010047490, and No. Financial-Supervisory-Securities-Issuing-1030006415 and the "Q&A on the Application of IFRSs to the Presentation of Special Reserve", etc. The Company has presented and reversed the presentation of special reserve.

The Company at the shareholders' meetings held on June 11, 2020 and June 21, 2019, the Company resolved to distribute earnings for the years 2019 and 2018 respectively as follows：

	2019	2018
Legal reserve	$ 55,379	$ 20,216
Special reserve	108,914	12,408
Cash dividends	403,794	184,011
Cash dividends per share(NT$)	1.05	0.55

The Company also resolved at the regular shareholders' meeting on June 11, 2020 to distribute cash dividends (NT$0.45 per share) at a capital surplus - share issue premium of NT$173,055,000 and on June 21, 2019 to distribute cash dividends (NT$0.95 per share) at a capital surplus - share issue premium of NT$317,837,000. At the regular shareholders' meeting held on June 21, 2019, the Company resolved to allot cash dividends (NT$0.95 per share) at a premium of NT$317,837,000 for the capital surplus share issue.

The Company has proposed to cover the loss by legal reserve of NT$162,083,000 at the board of directors' meeting on March 15, 2021.

(4)Special reserve

	2020	2019
Beginning Balance	$ 293,042	$ 280,634
Made special reserve		
Deductions from other equity	108,914	12,408
Ending Balance	$ 401,956	$ 293,042

Upon the distribution of earnings, a special reserve is provided for the difference between the net decrease in other stockholders' equity recorded at the end of the reporting period and the special reserve provided for the first time using IFRSs. If the balance of the decrease in other stockholders' equity subsequently reverses, the earnings may be distributed as part of the reversal.

(5)Other Equalities

1.Exchange differences on translation of financial statements of foreign operating institutions

	2020	2019
Beginning Balance	($ 451,447)	($ 294,358)
Current Year Occurred		
Conversion differences of foreign operating institutions	(88,840)	(192,082)
Related taxes of foreign operating institutions	17,768	38,416
Related company for using equity method/Shares of afflicated companies	(3,362)	(3,423)
Other comprehensive loss/income of the year	(74,434)	(157,089)
Disposal of shares of subsidiaries accounted for using the equity method	12,788	-
Changes in ownership interest in subsidiaries	422	-
Ending Balance	($ 512,671)	($ 451,447)

2.Unrealized valuation gains or losses on financial assets measured at fair value through other comprehensive income.

	2020	2019
Beginning Balance	$ 49,491	$ 1,316
Current year Occurred		
Unrealized gain or loss/equity instruments	8,894	30,547
Share of subsidiaries and affiliates accounted for under the equity method	8,109	17,628
Other comprehensive income for the year	17,003	48,175
Change in ownership interest in subsidiaries	1,102	-
Transfer of accumulated gain or loss on disposal of equity instruments to retained earnings	(11,428)	-
Ending Balance	$ 56,168	$ 49,491

(6)Treasury Stocks

Shares of parent company held by subsidiaries.(1000 shares)	2020	2019
Shares in starting period	1,218	1,137
increase (Note 1)	25	81
decrease (Note 2)	(1,243)	-
Shares in ending period	-	1,218

Note 1:The Company's shareholding in Lucky Unique Enterprise Company increased by 1.22% and 3.96% in 2020 and 2019 respectively, representing a individual shareholding of 25,000 shares and 81,000 shares in the Company.

Note 2:The Company disposed of Lucky Unique Enterprise Company's shares in 2020 and lost control of Lucky Unique Enterprise Company. Therefore, Lucky Unique Enterprise Company's shares are no longer treated as treasury stock, and the market price of the Company's shares and the carrying amount of treasury stock are increased by the capital surplus - treasury stock of NT$7,459,000.

Lucky Unique Enterprise Company, a subsidiary of the Company, holds shares of the Company (Lucky Unique Enterprise Company is classified as Financial liabilities at fair value through other (Lucky Unique Enterprise Company is classified as financial liabilities at fair value through other comprehensive profit and loss-noncurrent), and the Company is included in Treasury Stocks based on the percentage of individual holdings.

Lucky Unique Enterprise Company holds the Company's shares for investment purposes, and the related information is as follows:

Name of Subsidiary	Number of shares (1000 shares)	Carrying amount	Market value
December 31, 2019			
Lucky Unique Enterprise Company	2,040	$ 53,143	$ 53,143
Belong to the Company	1,218	12,681	31,726

Lucky Unique Enterprise Company received cash dividends of NT$3,060,000 from the Company in 2019, and the Company increased its capital surplus - treasury stock by NT$1,827.000 in proportion to its individual shareholding.

The shares held by subsidiaries are treated as treasury stocks, except that they are not allowed to participate in the Company's capital increase and have no voting rights, and have the same rights as ordinary shareholders.

25.Revenue

	2020	2019
Sales Revenue	$ 3,005,640	$ 4,269,376

(1)Description of Customer Agreement

Revenue from sales of long- and short-staple fibers

The combined company recognizes revenue and accounts receivable from the sale of short- and long-haul fabrics when the terms of trade are fulfilled. The average credit period of The combined company's merchandise sales is 60 days. Most of the contracts are recognized as accounts receivable when the merchandise is transferred and The combined company has the unconditional right to receive the consideration. However, for some of these contracts, The combined company is obligated to transfer the merchandise to the customer.

(2)Balance of Contract

	December 31 2020	December 31 2019	January 1 2019
Notes receivable (including related party (Notes 10 and 33)	$ 51,584	$ 64,771	$ 56,808
Accounts Receivable (including related party)(Notes 10 and 33)	$ 463,994	$ 656,814	$ 506,510

(3)Revenue breakdown from customer contracts

Please refer to Schedule 15 for revenue breakdowns.

26.Net income (loss) before tax

(1)Other income and loss, net

	2020	2019
Net income on disposal of property, plant and equipment	$ 6	$ 31,392

(2)Interest income

	2020	2019
Bank deposits	$ 32,169	$ 41,725
Capital loans and related party interest	8,078	-
Deposit Settlement Interest	33	35
	$ 40,280	$ 41,760

(3)Other income

	2020	2019
Government Subsidy Income	$ 72,982	$ 940
Rental Income	7,171	3,344
Counseling fee income	5,548	5,451
Handling fee income	3,505	5,674
Income from sale of sample fabric	3,395	5,877
Income from sale of waste materials	2,062	3,439
Claims income	26	1,163
Sale of managed assets	-	7,375
Others	26,864	13,662
	$ 121,553	$ 46,925

(4)Other gains and losses

	2020	2019
Net income (loss) on foreign currency exchange	($ 195,764)	($ 74,408)
Net loss on valuation of financial instruments at fair value through profit or loss	(23,795)	(3,179)
Income (loss) on disposal of subsidiaries	9,154	-
Other	(4,704)	(3,678)
	($ 215,109)	($ 81,265)

(5)Financial costs

	2020	2019
Interest on bank loans	$ 101,023	$ 90,604
Amortization of handling fees on syndicated loans	1,130	3,043
Interest on lease liabilities	406	292
Interest on loans from related parties	-	189
Less: Amounts included in the cost of qualifying assets (included in property, plant and equipment and prepayments for equipment)	469	799
	$ 102,090	$ 93,329

Capitalization of interest relevant information as below:

	2020	2019
Capitalization of interest amount	$ 469	$ 799
Capitalization of interest rate	1.32% ~ 1.68%	1.33% ~ 1.85%

(6) Deprecation and Amortization

	2020	2019
Property, Plant and Equipment	$ 122,036	$ 108,915
Intangible Assets	93	148
Right-of-use asset	13,316	9,341
	$ 135,445	$ 118,404
Depreciation expense summary by function		
Operation cost	$ 112,717	$ 101,690
Operation expense	22,635	16,566
	$ 135,352	$ 118,256
Amortization fee summary by function		
Operation expense	$ 93	$ 148

(7) Employee benefit expense

	2020	2019
Short-term employee benefits		
Payroll	$ 385,527	$ 459,148
Labor and Health insurance fees	43,155	44,075
Bonus to Directors	4,151	13,500
Others	16,245	17,009
	449,078	533,732
Post-employment benefits		
Defined contribution plan	15,316	15,047
Defined benefit plan (Note 23)	2,151	2,669
	17,467	17,716
	$ 466,545	$ 551,448
Summary by function		
Operation cost	$ 304,365	$ 345,052
Operation expense	162,180	206,396
	$ 466,545	$ 551,448

(8)Remuneration to employee and directors

In accordance with the Company's Articles of Incorporation, the Company provides for employee remuneration and director remuneration at a rate of not less than 4% and not more than 3%, respectively, of the pre-tax benefit for the year before the distribution of employee and director remuneration.

The Company does not intend to contribute employee remuneration and director remuneration for the year 2020 as the Company's net loss before tax. 2019 employee compensation and director compensation were resolved by the Board of Directors on

Estimation ratio

	2019
Bonus to employees	4%
Bonus to directors	1.5%

Amount

	2019
	現 金
Bonus to employees	$ 25,096
Bonus to directors	9,411

If there is any change in the amount after the adoption of the annual individual

financial statements, the change in accounting estimate will be adjusted and recorded in the following year.

There is no difference between the actual amount of employee compensation and remuneration of directors and supervisors for fiscal years of 2019 and 2018 and the amount recognized in the individual financial statements for fiscal 2019 and 2018.

Please refer to the Market Observation Post System of the Taiwan Stock Exchange Corporation for information on the remuneration of employees and directors resolved by the Board of Directors of the Company.

(9)Foreign Exchange (loss) income

	2020	2019
Total foreign exchange income	$ 62,327	$ 29,007
Total Foreign exchange loss	(258,091)	(103,415)
Net loss	($ 195,764)	($ 74,408)

27. Income Tax

(1)Income tax recognized in profit or loss

Income tax expense (income) main items as below:

	2020	2019
Current year income tax		
Current year occurred	$ -	$ 24,806
Undistributed earnings plus	-	174
Adjustments to prior years	3,950	470
Deferred income tax		
Current year occurred	(94,848)	9,417
	($ 90,898)	$ 34,867

A reconciliation of accounting income to income tax expense (benefit) is as follows:

	2020	2019
Net income (loss) before income taxes	($ 298,184)	$ 592,888
Income tax expense (benefit) before income taxes (net loss) at statutory tax rate	($ 59,637)	$ 118,578
Non-deductible expenses and losses for tax purposes	141	106
Non-additive income for tax purposes	(16,402)	(15,119)
Unrecognized temporary differences	(18,950)	(69,342)
Additions to undistributed earnings	-	174
Adjustments to current income tax expense in prior years	3,950	470
	($ 90,898)	$ 34,867

(2)Income tax recognized in other comprehensive income

	2020	2019
Deferred tax		
In respect of the current year conversion of foreign operating institutions	$ 17,768	$ 38,416
Re-measurement of defined benefit plan	(5,678)	1,229
	$ 12,090	$ 39,645

(3)Deferred tax assets and liabilities

	December 31, 2020	December 31, 2019
Tax refund receivable (included in other current assets)	$ 4,573	$ 1,586
Income taxes payable	$ 2,557	$ -

(4) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities as below:

2020

Deferred tax assets	Beginning Balance	Recognized in profit or loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary differences				
Gross profit on unrealized sales	$ 32,625	($ 2,162)	$ -	$ 30,463
Allowance for decline in value of inventories and doubtful losses	12,168	9,940	-	22,108
Leave payables	1,204	(465)	-	739
Net defined benefit liabilities	4,446	1,232	(5,678)	-
Unrealized exchange losses	9,054	25,119	-	34,173
Exchange differences from foreign operations	77,569	-	17,768	95,337
Allowance for doubtful accounts	1,885	7,004	-	8,889
Unallocated fixed manufacturing costs	227	2,913	-	3,140
Other	423	2,446	-	2,869
	139,601	46,027	12,090	197,718
Loss Credit	-	49,695	-	49,695
	$ 139,601	$ 95,722	$ 12,090	$ 247,413
Deferred tax liabilities				
Temporary differences				
Property, Plant and Equipment	$ 35,949	($ 2,030)	$ -	$ 33,919
Net defined benefit assets	-	2,904	-	2,904
	$ 35,949	$ 874	$ -	$ 36,823

2019

Deferred tax assets	Beginning Balance	Recognized in profit or loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary differences				
Gross profit on unrealized sales	$ 33,651	($ 1,026)	$ -	$ 32,625
Allowance for decline in value of inventories and doubtful losses	12,521	(353)	-	12,168
Leave payables	1,746	(542)	-	1,204
Net defined benefit liabilities	5,000	(1,783)	1,229	4,446
Unrealized exchange losses	-	9,054	-	9,054
Exchange differences on foreign operations	39,153	-	38,416	77,569
Losses on foreign investments	22,979	(22,979)	-	-
Other	3,280	(745)	-	2,535
	$ 118,330	($ 18,374)	$ 39,645	$ 139,601
Deferred income tax liabilities				
Temporary differences				
Property, Plant and Equipment	$ 38,036	($ 2,087)	$ -	$ 35,949
unrealized exchange gain	6,870	(6,870)	-	-
	$ 44,906	($ 8,957)	$ -	$ 35,949

(5)The amount of deductible temporary differences and unused loss credit for deferred income tax assets were not recognized in the consolidated balance sheet.

	December 31, 2020	December 31, 2019
Loss creidt		
Expire in 2030	$ 248,473	$ -
Deduct temporary differences		
Allowance for loss of market price decline and slow-moving inventories	$ -	$ 26,074
Refund liabilities	-	1,673
	$ -	$ 27,747

(6)Summary of temporary differences associated with investments and not recognized as deferred income tax liabilities amount.

For the years ended December 31, 2020 and 2019, the taxable temporary differences related to investment in subsidiaries not recognized as deferred income tax liabilities amounted to $1,898,201,000 and $1,806,173,000, respectively.

(7)Income tax assessments

The income tax returns of the Company and its subsidiaries, De Fa Company and Chadtex Company, through 2018 have been assessed by the tax authorities.

28.Earnings per share (net loss)

The net income and weighted average number of common stock outstanding that were used in the computation the net income (net loss) of earnings per share (net loss) were as follows:

Net income (net loss)

	2020	2019
Net income (net loss)	($ 207,286)	$ 558,021

Shares

Unit: 1,000 shares

	2020	2019
Weighted average number of shares outstanding	384,566	348,538
Weighted-average number of shares in treasury stock - Parent company shares held by subsidiaries	(642)	(1,178)
Weighted-average number of shares of common stock used in the basic earnings per share calculation	383,924	347,360
Effect of dilutive potential common stock.		
Employee remuneration	-	1,052
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share	383,924	348,412

If the Company has the option to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of common shares outstanding for the purpose of calculating diluted earnings per share when the potential common shares have a dilutive effect. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share prior to the issuance of employee compensation shares in the following year.

The Company's net loss for 2020 is based on the fact that the effect of the potential dilutive

effect of employee compensation on common stock is not included in the calculation of diluted net loss per share.

29.Disposal of Investment Subsidiary - Loss of Control

On June 19, 2020, the Company's board of directors approved the sale of Lucky Unique Enterprise Co., Ltd. to an unrelated party for $195,227,000 ($13.7 per share, net of securities transaction tax of $587,000), and the closing of the equity transfer was completed on July 8, 2020; therefore, the Company lost control over Lucky Unique Enterprise Co., Ltd.. Please refer to Note 32 of the Company's 2020 Consolidated Financial Statements for a description of the disposal of Lucky Unique Enterprise Co., Ltd..

30.Non-cash transactions

The combied company has the following non-cash transaction investment in 2020 and 2019.

(1)Acquisition of property, plant and equipment

	2020	2019
Investing activities affecting both cash and non-cash items		
Increase in property, plant and equipment	$ 47,929	$ 111,330
Decrease (increase) in payables for equipment and notes payable	(995)	12,397
Cash paid for property, plant and equipment	$ 46,934	$ 123,727

(2)Disposal of Property, Plant and Equipment

	2020	2019
Investing activities affecting both cash and non-cash itemsf		
Proceeds from disposal of property, plant and equipment	$ 1,536	$ 32,148
Decrease (increase) in other receivables (including related parties)	7,878	(5,778)
Cash received from property, plant and equipment	$ 9,414	$ 26,370

31.Capital Risk Management

Due to the need to maintain adequate capital to support the upgrading of plant and equipment, The combined company will be required to maintain adequate capital. Therefore, the capital management of The combined company is to ensure that the necessary financial resources and operating plans are in place to meet the future needs of working capital, capital expenditure, research and development expenses, debt repayment and dividend payment.

32.Financial Instruments

(一)Fair value information - financial instruments measured at fair value on a recurring basis

1.Levels of Faire Value

December 31, 2020

	The 1st level	The 2nd level	The 3rd level	Total
Financial assets at fair value through profit or loss				
Fund beneficiary certificates	$ 9,387	$ -	$ -	$ 9,387
Financial assets at fair value through other comprehensive income or loss - non-current				
Investment in equity instruments -Private placement of stocks in domestic listed companies	$ -	$ 56,222	$ -	$ 56,222
Financial liabilities at fair value through profit or loss				
Derivatives - Exchange Rate Swap Contracts	$ -	$ 18,919	$ -	$ 18,919

December 31, 2019

	The 1st level	The 2nd level	The 3rd level	Total
Financial assets at fair value through profit or loss				
Domestic Listed Stocks	$ 3,200	$ -	$ -	$ 3,200
Fund Beneficiary Certificates	8,589	-	-	8,589
	$ 11,789	$ -	$ -	$ 11,789
Financial assets at fair value through other comprehensive income or loss - non-current				
Investment in equity instruments -Private placement of stocks in domestic listed companies	$ -	$ 51,294	$ -	$ 51,294
Financial liabilities at fair value through profit or loss				
Derivatives - Exchange Rate Swap Contracts	$ -	$ 2,462	$ -	$ 2,462

There were no transfers between Level 1 and Level 2 fair value measurements in 2020 and 2019.

2.Level 2 fair value valuation techniques and inputs

Type of financial Instruments	Valuation techniques and inputs
Derivatives - Foreign Exchange Rate Swap Contracts	The discounted cash flow method: The future cash flows are estimated based on the observable forward exchange rate and the contracted foreign exchange rate at the end of the period and are discounted at a rate that reflects the credit risk of each counter party.
Domestic Listed companies private placement of shares	Evaluated by the B-S option pricing model, based on the underlying price, option performance price, risk-free interest rate, historical volatility of the underlying and the maturity period.

(二)Type of financial Instruments

	December 31, 2020	December 31, 2019
Financial assets		
Mandatory measurement of financial assets at fair value through profit or loss	$ 9,387	$ 11,789
Financial assets measured at amortized cost (Note 1)	4,130,871	3,547,009
Financial assets at fair value through other comprehensive income or loss	56,222	51,294
Financial liabilities		
Financial liabilities at fair value through profit or loss / held for trading	18,919	2,462
At amortized cost (Note 2)	8,843,588	7,452,823

Note 1: Balances include cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), financial assets carried at amortized cost (both current and non-current) and refundable deposits, and other financial assets carried at amortized cost.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, short-term bills payable, notes and accounts payable (including related parties), other payables (including related parties), long-term bank loans (including those due within one year) and guarantee deposits.

(三)Financial Risk Management Objectives and Policies

The Company's major financial instruments include investments in equity and debt instruments, receivables, payables, lease liabilities and borrowings. The Company's financial management department provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks associated with The Company's operations through internal risk reporting that analyzes risk exposures based on the level and breadth of risk. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

The Company mitigates the effects of these risks by hedging the risk through derivative financial instruments. The use of derivative financial instruments is governed by the policies adopted by The Company's board of directors, which are the written principles for exchange rate risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of surplus liquidity. Internal auditors review compliance with the policy and the amount of risk exposure on an ongoing basis. The Company does not trade in financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risk

The main financial risks to which The Company is exposed as a result of its operating activities are foreign currency exchange rate risk (see (1) below), interest rate risk (see (2) below), and other price risk (see (3) below).

The Company engages in various derivative financial instruments to manage its exposure to foreign currency exchange rate risk, including exchange rate swap contracts to hedge the exchange rate risk arising from foreign sales of goods.

There is no change in The Company's exposure to market risk of financial instruments and its management and measurement of such exposure.

(1) Exchange rate risk

The Company engages in foreign currency-denominated sales and import

transactions and foreign currency borrowings, which expose The Company to exchange rate risk. The carrying amounts of The Company's monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date (including monetary items denominated in non-functional currencies that have been eliminated in the

Sensitivity Analysis

The Company is primarily affected by fluctuations in the U.S. dollar exchange rate.

The following Schedule details the sensitivity analysis of The Company when the functional currency strengthens or weakens by 1% against the U.S. dollar. The sensitivity analysis includes only foreign currency items in circulation. A positive number in the Schedule below represents the amount by which pre-tax income would increase if the functional currency weakened by 1% relative to the U.S. dollar; a negative number in the same amount would affect pre-tax income if the functional currency strengthened by 1% relative to the U.S. dollar.

	2020	2019
Loss/income	$ 36,535	$ 30,890

This was mainly due to the Company's cash and cash equivalents denominated in U.S. dollars, financial assets measured at amortized cost, receivables, other receivables, payables, other payables and borrowings that were outstanding and not cash flow hedged at the balance sheet date.

The increase in the Company's sensitivity to foreign exchange rates during the year was mainly due to the increase in the Company's net assets denominated in U.S. dollars.

(2)Interest rate risk

Interest rate risk arises because individuals in the Company borrow funds at both fixed and floating interest rates. The Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

The carrying amounts of the Company's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2020	December 31, 2019
Fair value interest rate risk		
Financial assets	$ 3,233,654	$ 2,467,433
Financial liabilities	2,932,914	2,650,577
Cash flow interest rate risk		
Financial assets	224,067	64,439
Financial liabilities	5,490,655	4,276,991

Sensitivity Analysis

As 1% increase in interest rates would decrease the Company's income before income taxes by $52,666,000 and $42,126,000 for 2020 and 2019, respectively, with all other variables held constant.

The Company's sensitivity to interest rates increased during the year mainly due to the increase in variable rate debt instruments.

(3) Other price risk

The Company's equity price risk arising from its investment in domestic listed stocks is not material.

2.Credit Risk

Credit risk refers to the risk of financial loss resulting from the default of the counter-parties to the contracts. As of the balance sheet date, the Company's maximum exposure to credit risk, which may result from the count**er-parties' default on their obligations and the Company's provision of** financial guarantees, is mainly due to:

(1) The carrying amount of financial assets recognized in the individual balance sheets.

(2) The maximum amount that the Company may be required to pay as a result of providing financial guarantees, regardless of the likelihood of occurrence.

The Company's counter-parties are all creditworthy organizations and are not expected to have significant credit risk. The Company also evaluates the financial position of its accounts receivable customers on an ongoing basis.

Total accounts receivable with significant concentrations of credit risk are as follows:

	December 31, 2020		December 31, 2019	
	Amount	ratio	Amount	ratio
SINTEX INTERNATIONAL LTD.	$ 141,518	35.63%	$ 120,300	20.91%
PT. PRIMA LTD.	29,464	7.42%	21,132	3.67%
SHANTA INDUSTRIES LTD.	5,205	1.31%	77,829	13.53%
	$ 176,187	44.36%	$ 219,261	38.11%

3.Liquidity Risk

The Company manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of banking facilities and ensures compliance with the terms of borrowing contracts.

The Company's working capital and banking facilities obtained are sufficient to meet future operating requirements and therefore there is no liquidity risk that the Company will not be able to raise funds to meet its contractual obligations.

(1) Liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of the financial liabilities based on the earliest possible date on which the Company could be required to make repayment. Accordingly, the Company's bank loans that are repayable on demand are listed in the table below at the earliest possible date, regardless of the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

he undiscounted interest amount of interest cash flows paid at floating

interest rates is derived from the curve of the yield rate at the balance sheet date

December 31, 2020

	Less than 6 months	6 months to 1 year	1 to 9 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 440,845	$ -	$ 2,587
Lease liabilities	7,145	7,145	9,453
Floating rate instruments	4,671,722	71,777	843,004
Fixed rate instruments	728,140	194,140	2,091,584
Financial guarantee liabilities	1,209,350	-	376,648
	$ 7,057,202	$ 273,062	$ 3,323,276

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1 ~ 3 years
Lease liabilities	$ 14,290	$ 9,453

December 31, 2019

	Less than 6 months	6 months to 1 year	1 to 9 years
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 547,410	$ -	$ 1,421
Lease liabilities	5,433	4,979	10,698
Floating rate instruments	3,478,166	474,460	408,201
Fixed rate instruments	449,726	19,726	2,267,713
Financial guarantee liabilities	1,488,714	73,116	810,210
	$ 5,969,449	$ 572,281	$ 3,498,243

Further information on the maturity analysis of lease liabilities is as follows.

	Less than 1 year	1 ~ 3 years
Lease liabilities	$ 10,412	$ 10,698

The floating rate instrumentamount of the above non-derivative financial assets and liabilities will be different from the interest rate estimated at the balance sheet date due to the floating rate.

(2)Liquidity and Interest Rate Risk of Derivative Financial Liabilities

The liquidity analysis of derivative financial instruments is based on total undiscounted cash inflows and outflows for derivative instruments with gross settlement. When the amounts payable or receivable are not fixed, the disclosed Amounts are determined based on the projected interest rates derived from the yield rate curve at the balance sheet date.

December 31, 2020

	1to 3 months	4 to 6 months	Total
Total Settlement			
Exchange rate swap contracts			
Flow-in	$ 116,872	$ 453,016	$ 569,888
Flow-out	(120,805)	(468,002)	(588,807)
Total Settlement	($ 3,933)	($ 14,986)	($ 18,919)

December 31, 2019

	1 to 3 months
Total Settlement	
Exchange rate swap contracts	
Flow-in	$ 276,268
Flow-out	(278,730)
	($ 2,462)

33.Related Parties' Transactions

Except as disclosed in other notes, the transactions between the Company and its related parties are as follows.

(1)Names of related parties and their relationships

Name of Related Party	Relationship with the Company
BEST ALLIANCE INTERNATIONAL LIMITED	Subsidiary
DE LICACY (SAMOA) HOLDINGS CO., LTD.	Subsidiary
View Best Global Limited	Subsidiary
Total Express Ltd.	Subsidiary
CHADTEX INDUSTRIAL CO., LTD	Subsidiary
Hangzhou De Licacy Company	Subsidiary
DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	Subsidiary
EDEN ROAD INTERNATIONAL LTD.	Subsidiary
DE SHEN (CAYMAN) HOLDINGS CO., LTD.	Subsidiary
New Lake Ltd.	Subsidiary
Vietnam De Licacy Industrial Company	Subsidiary
Futures co., Ltd	Subsidiary
Bright Wisdom Ltd.	Subsidiary
De Licacy Holdings Co.	Subsidiary
De Hong Company	Subsidiary
De Hong(Vietnam)Company	Subsidiary
BEAUTY PLUS VENTURES LIMITED	Subsidiary
Lucky Unique Enterprise Company	Affliated company (Note 1)
Tung Ming TEXTILE CO., LTD	Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)
E TEXTILE CO., LTD.	Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)
De Kao Trading Co., Ltd.	Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)
Jei Jom Enterprise Co. Ltd	Subsidiary of Joint Venture Era Nouveau International Co., Ltd
Future Tycoon Holdings Co. Ltd.	The Special Assistant to the Chairman of the Company is a director of the Company. (Note 2)
Fuson International Co., Ltd.	The Chairman is a director of the Company
Jei Jom Enterprise Co. Ltd	The Chairman is a director of the Company
Sheng-Bo Technology Corp.	The Chairman is a director of the Company
DNG Energy Inc.	The Chairman is the same person.

Note1 : Subsidairy of the Company until July 8, 2020.

Note2 : The president of the Company is a director of the Company until July 26, 2020 balance sheet date.

(2)Operation Income

Item	Type of related party	2020	2019
Sales income	Subsidiary	$ 205,487	$ 330,681
	Afflicated comapny(Note 1)	293,918	64,007
	Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)	30,505	31,145
	Subsidiary of Joint venture New Premium Enterprise Co.,Ltd	2,454	278
		$ 532,364	$ 426,111

The prices of sales to related parties are comparable to those of sales to non-related parties, and the terms of collection are 60 days after the end of the month, which are not materially different from those of non-related parties.

(3)Purchase

Type of Related Party/Name	2020	2019
Subsidiary		
New Lake Ltd.	$ 451,073	$ 512,880
CHADTEX INDUSTRIAL CO., LTD	108,303	274,183
Other	-	33
Afflicated company (Note 1)	138,775	177,777
Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)	16,431	36,909
Subsidiary of joint venture New Premium Enterprise Co.,Ltd	20,034	20,027
	$ 734,616	$ 1,021,809

The Company does not have comparable purchase prices for similar products from related parties, and the payment period is approximately one month for related parties and one to three months for non-related parties.

(4)Amounts due from related parties (excluding loans to related parties)

Item	Type of Related Party/Name	2020 December 31	2019 December 31
Notes receivable	Afflicated company (Note 1)/Lucky Unique Enterprise Company	$ 21,394	$ 17,670
	Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)	3,357	5,583
	Subsidiary	401	315
		25,152	23,568
Accounts Receivable	Afflicated company (Note 1)/Lucky Unique Enterprise Company	85,961	1,490
	Subsidiary/New Lake Ltd.	13,947	69,932
	Subsidiary/Other	9,063	20,797
	Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)	7,923	5,883
	Subsidiary of joint venture New Premium Enterprise Co.,Ltd	-	124
		116,894	98,226
Other receivable	Subsidiary/Hangzhou De Licacy Company	-	136,562
	Subsidiary/Other	10,476	2,172
	Afflicated company (Note 1)	1,568	-
	Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)	34	34
	Subsidiary of joint ventureEra New Premium Enterprise Co.,Ltd	-	317
	The Special Assistant to the Chairman of the Company is a director of the Company. (Note 2)	866	185
		12,944	139,270
		$ 154,990	$ 261,064

No guarantees have been received for amounts due from related parties in circulation, and no allowance for losses has been provided for amounts due from related parties in 2020 and 2019.

(5)Amounts due to related parties (excluding loans from related parties)

Item	Type of Related Party/Name	2020 December 31	2019 December 31
Notes Payable	Afflicated company (Note 1)/Lucky Unique Enterprise Company	$ 22,197	$ -
	Subsidiary of a related company Lucky Unique Enterprise Company (Note 1)/Tung Ming Company	10,009	26,092
		32,206	26,092
Accounts Payable	Subsidiary/New Lake Ltd.	43,685	-
	Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)/ Tung Ming Company	29,156	28,819
	Afflicated company (Note 1)	8,134	12,117
	Subsidiary/ Chadtex Indutrial Co.,Ltd	2,896	52,573
	Subsidiary of joint venture New Premium Enterprise Co.,Ltd	-	9,753
		83,871	103,262
Other Payables	Chadtex Indutrial Co.,Ltd	16,098	25,616
	Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)	118	49
	The Chairman of the Company is a director of the Company	-	43
	The Special Assistant to the Chairman of the Company is a director of the Company.	305	305
		16,521	26,013
		$ 132,598	$ 155,367

The outstanding balance due to related parties is unsecured and will be settled in cash.

(6)Prepayments

Type of Related Party/Name	December 31, 2020
Subsidiary/ Chadtex Indutrial Co.,Ltd	$ 1,478

(7)Acquisition of property, plant and equipment

The Company purchased property, plant and equipment from Eden Road Company in 2019 for $64,088,000.

(8)Disposal of Property, Plant and Equipment

The Company sold property, plant and equipment to Subsidiary in 2020 for $1,476,000 and generated a gain on disposal of property, plant and equipment of $12,000.

The Company sold property, plant and equipment to Ju Heng Holdings Co., Ltd.for $60,000 and $648,000 in 2020 and 2019, respectively, and generated a gain on disposal of property, plant and equipment of $3,000 and $42,000, respectively.

(9)Operating Lease- for rent

Type of Related Party/Name	Rent Objective	Leasing Period
Afflicated company (Note 1)/Lucky Unique Enterprise Company	Office	July 2020 to March 2023
Subsidiary/DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	Office	April 2016 to March 2019; April 2019 to March 2022
ubsidiary/ Futures co., Ltd	Office	May 2020 to March 2022
Subsidiary of afflicated comapnyLucky Unique Enterprise Company	Office	May 2020 to June 2021
The Chairman is the same person.	Office	April 2020 to February 2021
The Chairman is the same person.	Plant Roof (Note 3)	October 2017 to October 2037
The Chairman of the Company is a director of the Company	Plant Roof (Note 3)	October 2017 to October 2037

Note3:The Company leased the roof of the plant to related party for solar power generation at a rent of 7% of the sales revenue of the solar power system.

The total lease payments to be received in the future are summarized as follows:

Type of Related Party/Name	2020	2019
Afflicated company (Note 1)/Lucky Unique Enterprise Company	$ 10,257	$ -
Subsidiary/DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	3,661	6,590
ubsidiary/ Futures co., Ltd	1,033	-
Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)	165	-
The Chairman is the same person.	52	-
	$ 15,168	$ 6,590

Summary of leasing revenue as below:

Type of Related Party/Name	2020	2019
Subsidiary/DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	$ 2,929	$ 2,929
Subsidiary/ Futures co., Ltd	551	-
Afflicated company (Note 1)	2,429	-
Subsidiary of afflicated company Lucky Unique Enterprise Company (Note 1)	480	-
The Chairman is the same person.	359	86
The Chairman of the Company is a director of the Company	366	329
	$ 7,114	$ 3,344

(10)Loans to related party

Type of Related Party/Name	December 31, 2020	December 31, 2019
Other Receivables		
Subsidiary		
VIETNAM DE LICACY INDUSTRIAL CO., LTD	$ 341,760	$ -
Total Express Ltd.	128,160	-
Best Allance International Limited	74,048	-
De Shen Cayman Company	-	74,950
	$ 543,968	$ 74,950
Interest Income		
Subsidiary		
VIETNAM DE LICACY INDUSTRIAL CO., LTD (1)	$ 6,589	$ -
Total Express Ltd (2) .	944	-
Best Allance International Limited (2)	545	-
	$ 8,078	$ -
Interest rate (1)	2.8%	-
Interest rate (2)	1.8%	-

(11)Endorsement and Guarantee for Others

For the amount of guarantee provided by the Company for related parties, see Schedule 2.

(12)Other related party transactions

1. Processing fees

The Company pays processing fees to related parties, which are recorded as operating costs depending on the nature of the payment.

Type of related party	2020	2019
Subsidiary of affiliated company		
Lucky Unique Enterprise (Note 1)	$ 200,882	$ 238,536
Subsidiary	13,050	23,793
Afflicated company (Note 1)	2,678	-
	$ 216,610	$ 262,329

2. Manufacturing and operating expenses

The Company's expenses for purchasing samples from related parties, renting sample display rooms, dyeing and finishing factory lines and plants, paying commissions, and purchasing gifts were as follows:

Type of Related Party/Name	2020	2019
Subsidiary/ Chadtex company	$ 89,579	$ 135,113
Subsidiary/Other	-	7,905
Afflicated company (Note 1)	35	104
Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)	1,353	1,213
The Chairman of the Company is a director of the Company	348	1,127
	$ 91,315	$ 145,462

3. Other income

The income from the sale of the Company's managed assets to related parties, income from counseling services and commissions were as follows:

Type of Related Party/Name	2020	2019
Subsidiary	$ 7,100	$ 7,689
Afflicated company (Note 1)	1,364	-
Subsidiary of affiliated company Lucky Unique Enterprise (Note 1)	-	66
Subsidiary of joint venture New Premium Enterprise Co.,Ltd	2,348	4,151
The Special Assistant to the Chairman of the Company is a director of the Company. (Note 2)	699	5,983
	$ 11,511	$ 17,889

(13)Remuneration to Key Management Personnel

	2020	2019
Short-term employee benefits	$ 16,483	$ 26,238
Retirement beneifts	259	216
	$ 16,742	$ 26,454

The remuneration of directors and other key management personnel is determined by the Remuneration Committee based on the current year's operating results and the base of year-end bonuses paid in previous years.

34.Pledged assets

The following assets of The combined company have been provided as collateral for bank loans:

	December 31, 2020	December 31, 2019
Land	$ 266,446	$ 266,446
Buildings	138,997	149,665
Machinery	16,766	-
Pledged bank deposits (recorded as financial assets carried at amortized cost - current)	2,689,686	2,107,673
	$ 3,111,895	$ 2,523,784

35.Significant Contingent Liabilities and Unrecognized Contractual Commitments

The Company's significant commitments and contingencies as of the balance sheet date are as follows.

(1) As of December 31, 2020 and December 31, 2019, the Company had unused letters of credit balance of $61,717,000 and $10,899,000, respectively, for the purchase of raw materials.

(2) The Company's unrecognized contractual commitments are as follows.

	December 31, 2020	December 31, 2019
Purchase of property, plant and equipment	$ 12,802	$ 14,514

(3)For the years ended December 31, 2020 and 2019, the Company provided $310,500,000 and $359,015,000, respectively, in guaranteed notes for the purchase of raw materials and to provide guarantees for borrowing lines from financial institutions.

36.Other matters

The Company was affected by the global pandemic of COVID-19, resulting in a significant decrease in operating revenue in 2020. In response to the impact of the epidemic, the Company has applied for salary and working capital subsidies from the government and received $69,554,000 in subsidies (see Note 26).

37.Information on foreign currency assets and liabilities with significant impacts

The following information is presented in the aggregate in foreign currencies other than the functional currency of each of the consolidated companies. Assets and liabilities denominated in foreign currencies that have a significant effect are as follows.

Unit:Foreign currency and NT$1,000

December 31, 2020

Foreign Currency Assets	Foreign Currency	Foreign Exchange Rate	Carrying Amount
Currency			
USD	$ 130,325	28.48 (USD: NTD)	$ 3,711,644
Foreign Currency Liabilities s			
Currency			
USD	2,043	28.48 (USD: NTD)	58,187

December 31, 2019

Foreign Currency Assets	Foreign Currency	Foreign Exchange Rate	Carrying Amount
Currency			
USD	$ 104,835	29.98 (USD: NTD)	$ 3,142,968
Foreign Currency Liabilities			
Currency			
USD	1,799	29.98 (USD: NTD)	53,947

Foreign currency exchange gains and losses (realized and unrealized) with significant effect are as follows:

	2020		2019	
Currency	Fx rate	Net FX loss	Fx rate	Net FX loss
USD	29.549(USD: NTD)	$ 195,764	30.912(USD: NTD)	$ 74,408

38.Note Disclosure

1. Information on significant transactions.

(1) Loan of funds to others: Schedule 1 (attached)

(2) Endorsement and guarantee for others: Schedule 2 (attached)

(3) Year-end Marketable Securities Breakdown Statement : Schedule 3 (attached)

(4) Cumulative purchase or sale of markeSchedule securities amounting to at least NT$300 million or 20% of the paid-in capital: Schedule 4 (attached).

(5) Acquisition of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.

(6) Disposal of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.

(7) Purchase from or sale to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule 5 (attached).

(8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule 6 (attached).

(9) Derivative transactions: Please refer to Note 7.

2. Information about the investment business: Schedule 7 (attached)

3. Information on investment in China.

(1) Name of the investee company in, main business items, paid-in capital, investment method, capital remittance, shareholding, investment gain or loss, closing balance of investment, repatriated investment gain or loss, and investment limit in China: Schedule 8 (attached).

(2) Significant transactions with the investee company in China, directly or indirectly through a third country, and the prices, terms of payment, and unrealized gains or losses.

1) The balance and percentages of import amounts and related payables at the end of the period: Schedule 9 (attached).

2) Amounts and percentages of sales and related Receivables: Schedule 9 (attached).

3) Amount of property transactions and the amount of resulting gain or loss: None.

4) End-of-period balance and purpose of guarantees or collaterals provided: Schedule 2 (attached).

5) Maximum balance, ending balance, interest rate range, and total current interest on financial instruments: Schedule 1 (attached).

6) Other transactions that have a significant effect on current income or financial position, such as the provision or receipt of labor services: None.

4. Information on major shareholders: Name, amount and percentage of shares held by shareholders with at least 5% ownership: Schedule 10 (attached)

De Licacy Industrial Co., Ltd. and Subdidiary

Loan of funds to others.

For the year end 31 December of 2020

Schedule 1

(In thousands of New Taiwan Dollars)

No.	Loan Funded Companies	Loan recipients	Current Accounts	Is a related party	Highest balance for the period	Closing balance	Actual expenditures	Interest rate collars(%)	Natures of funding and loan	Business transactions(Note 4)	Reasons of short-term financing funds	Allowance for bad debts	Collateral		The limit for individual funds lending(Note 1)	Capital Loan and Total Limit(Note 2)
													Name	Value		
0	The Company	Best Alliance International Limited	Other Receivables	Y	$ 166,842	$ 74,048	$ 74,048	1.8	Short-term financing	$ -	Operating revolving fund	$ -	none	$ -	$ 1,411,295	$ 1,881,727
	The Company	De Shen (Cayman) Holdings Co., Ltd.	Other Receivables	Y	78,570	76,896	-	-	Short-term financing	-	Operating revolving fund	-	none	-	1,411,295	1,881,727
	The Company	Total Express Ltd.	Other Receivables	Y	133,335	128,160	128,160	1.8	Short-term financing	-	Operating revolving fund	-	none	-	1,411,295	1,881,727
	The Company	Vietnam De LicacyCompany	Other Receivables	Y	355,560	341,760	341,760	2.8	Short-term financing	-	Operating revolving fund	-	none	-	1,411,295	1,881,727
1	De LicacySamoa Company	Vietnam De LicacyCompany	Other Receivables	Y	120,900	113,920	113,920	2.8	Short-term financing	-	Operating revolving fund	-	none	-	1,049,182	1,398,909
	De LicacySamoa Company	Apex Textile Co., Ltd	Other Receivables	Y	76,896	76,896	76,896	1.8	Short-term financing	-	Operating revolving fund	-	none	-	1,049,182	1,398,909
2	De Fa Company	Hangzhou De Licacy Company	Other Receivables	Y	17,076	-	-	-	Short-term financing	-	Operating revolving fund	-	none	-	14,900	19,866
	De Fa Company	Hangzhou De Licacy Company	Other Receivables	Y	86,100	-	-	-	Business transactions	68,317		-	none	-	83,217	88,183
3	Eden Road Compan	De Yi Company	Temporary payments	Y	111,833	-	-	-	Short-term financing	-	Operating revolving fund	-	none	-	8,391 (Note3)	8,391 (Note3)
4	Total Express Ltd.	Apex Textile Co., Ltd	Accounts Receivable	Y	180,141	-	-	1.8～2.34	Business transactions	857,530		-	none	-	876,315	882,576
5	Der Sheng Cayman Company	Vietnam De LicacyCompany	Other Receivables	Y	509,660	-	-	2.5	Short-term financing	-	Operating revolving fund	-	none	-	906,236	1,208,315
6	New Lake Ltd.	Vietnam De LicacyCompany	Other Receivables	Y	60,450	-	-	2.5	Short-term financing	-	Operating revolving fund	-	none	-	296,860 (Note3)	296,860 (Note3)
7	De HongCompany	De Hong (Vietnam) Company	Other Receivables	Y	22,669	13,955	6,550	2.5	Short-term financing	-	Operating revolving fund	-	none	-	20,276	27,034
8	Hangzhou De Licacy Company	Apex Textile Co., Ltd	Temporary payments	Y	234,795	109,425	109,120 (Note5)	5.1	Short-term financing	-	Operating revolving fund	-	none	-	534,738	712,985
	Hangzhou e Licacy Company	Apex Textile Co., Ltd	Temporary payments	Y	153,195	153,195	109,120 (Note5)	4.15	Short-term financing	-	Operating revolving fund	-	none	-	534,738	712,985
9	Apex Textile Co., Ltd	Apex (Anqing) Textile Co., Ltd	Accounts Receivable	Y	87,540	87,540	61,544 (Note 5)	5.1	Short-term financing	-	Operating revolving fund	-	none	-	109,109	145,478
10	Lucky Apex Ventures Limited	Apex (Anqing) Textile Co., Ltd	Other Receivables	Y	123,821	121,182	121,154	1.0	Short-term financing	-	Operating revolving fund	-	none	-	128,811	171,748
11	View Best Global Company	Vietnam ATAGO Company	Other Receivables	Y	8,148	7,974	7,974	2.5	Short-term financing	-	Operating revolving fund	-	none	-	12,316	16,421
12	Best Alliance International Limited	Hangzhou De Licacy Company	Temporary payments	Y	68,352	68,352	68,352	-	Short-term financing	-	Operating revolving fund	-	none	-	702,472	936,629
	Best Alliance International Limited	Hong Kong Eden Road Compan	Temporary payments	Y	69,840	68,352	68,352	-	Short-term financing	-	Operating revolving fund	-	none	-	702,472	936,629

Note 1: Based on 30% of the net shareholders' equity of each lending company and the amount of business transactions in the previous year.

Note 2: Based on 40% of the net shareholders' equity of each lending company and the amount of business transactions in the previous year.

Note 3: Based on 100% of each lending company's net shareholders' equity and the amount of business transactions in the previous year.

Note 4: Based on the amount of business transactions in the previous year.

Note 5: The difference between the announcement and the announcement is the adjustment of foreign currency exchange gain or loss at the end of the period。

De Licacy Industrial Co., Ltd. and Subdidiary

Endorsement and guarantee for others

FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2

(In thousands of New Taiwan Dollars)

No.	Endorsement/Guarantor Name of Company	Endorsed/Guarantees: Name of Company	Endorsed/Guarantees: Limit of endorsement guarantee for a single enterprise (Note 1)	Limit of endorsement guarantee for a single enterprise (Note 1)	Highest Endorsement Balance	Ending endorsement guarantee balance	Actual expenditure	Amount of endorsement guarantee by assets guarantee	Ratio of cumulative endorsement guarantee to net of the most recent financial statements (%)	Highest endorsement guarantee (Note 2)	Parent company's endorsement to Subsidiary guarantee	Subsidiary's endorsement of the parent company	Endorsement guarantee to China
0	The Company	New Lake Ltd.	Subsidiary (Indirect shareholdings100%)	$ 2,352,159	$ 1,033,050	$ 1,011,040	$ 387,328	$ -	21.49	$ 7,056,476	Y	N	N
	The Company	De Fa Company	Subsidiary (Direct shareholdings100%)	2,352,159	230,636	229,396	132,800	-	4.88	7,056,476	Y	N	N
	The Company	Chadtex Company	Subsidiary (Direct shareholdings55.06%)	2,352,159	105,000	80,000	-	-	1.70	7,056,476	Y	N	N
	The Company	Eden Road Compan	Subsidiary (Indirect shareholdings100%)	2,352,159	498,712	412,960	110,218	-	8.78	7,056,476	Y	N	N
	The Company	Vietnam De LicacyCompany	Subsidiary (Indirect shareholdings 100%)	2,352,159	938,345	902,120	392,329	-	19.18	7,056,476	Y	N	N
	The Company	De Shen (Cayman) Holdings Co., Ltd.	Subsidiary (Indirect shareholdings100%)	2,352,159	1,118,325	911,360	361,696	-	19.37	7,056,476	Y	N	N
	The Company	Apex Textile Co., Ltd	Subsidiary (Indirect shareholdings 53.22%)	2,352,159	207,383	207,383	137,508	-	4.41	7,056,476	Y	N	Y
	The Company	Hangzhou De Licacy Company	Subsidiary (Indirect shareholdings 100%)	2,352,159	575,510	320,750	33,480	-	6.82	7,056,476	Y	N	Y
	The Company	De Kao Company	Subsidiary of the affliate company Lucky Unique Enterprise Company (Subsidiary of the Company by July 8, 2020) (Indirect shareholdings 14.99%)	2,352,159	10,000	-	-	-	-	7,056,476	N	N	N
	The Company	An ChinDe Fa Company	Subsidiary (Indirect shareholdings53.22%)	2,352,159	43,050	43,770	30,639	-	0.93	7,056,476	Y	N	Y
	The Company	Total Express Ltd.	Subsidiary (Indirect shareholdings53.22%)	2,352,159	216,565	-	-	-	-	7,056,476	Y	N	N
	The Company	Hong Kong Eden Road Company	Subsidiary (Indirect shareholdings100%)	2,352,159	174,600	170,880	-	-	2.42	7,056,476	Y	N	N
1	Apex Textile Co., Ltd	Hangzhou De Licacy Company	Affiliate Company (Parent company Indirect shareholdings100%)	181,848	129,150	-	-	-	-	363,695 (Note3)	N	N	Y

Note 1: Based on 50% of the total equity of the owners of each endorsing company.

Note 2: Based on 150% of the total interests of the owners of each endorsing company.

Note 3: Based on 100% of the total interests of the owners of each endorsing and guaranteeing company.

De Licacy Industrial Co., Ltd. and Subsidairies

Year-end Marketable Securities Breakdown Statement

December 31, 2020

Schedule 3

(In thousands of New Taiwan Dollars)

Holding company	Types and Name of MarkeSchedule Scurities	Relationship with the Holding Company	Line Item	December 31, 2020				Note
				Unit/Share	Carrying amount	Percentage (%)	Fair Value	
	Stocks							
The Company	CHIA HER INDUSTRIAL CO., LTD.－public company	none	Financial liabilities at fair value through other comprehensive profit and loss－non-current	2,266,091	56,222	2.764	56,222	
De Fa Company	Hua Nan Financial Holdings Co., Ltd.－public company	none	Financial assets at fair value through profit or loss－current	156,488	2,856	0.001	2,856	
Chadtex Company	Far Eastern International Bank－public company	none	Financial liabilities at fair value through other comprehensive profit and loss－current	3,592,500	38,979	0.104	38,979	
Chadtex Company	CHIA HER INDUSTRIAL CO., LTD.－public company	none	Financial liabilities at fair value through other comprehensive profit and loss－non-current	2,572,937	63,834	3.138	63,834	
	Funds beneficiary certificates							
The Company	Hua Nan－Saudi Arabian National Oil Fund	none	Financial assets at fair value through profit or loss－current	285,000	9,387	-	9,387	
	corporate bond							
Chadtex Company	CHIA HER INDUSTRIAL CO., LTD.－public company	none	Financial assets at amortised cost－non-current	300	27,725	10.000	30,576	

Note 1: The markeSchedule securities mentioned in this Schedule refer to stocks, bonds, beneficiary certificates and markeSchedule securities derived from the above items within the scope of IFRS 9 "Financial Instruments".
Note 2: For information on investment in Subsidairy, please refer to Schedule 7 and Schedule 8.

Cumulative purchase or sale of markeSchedule securities amounting to at least NT$300 million or 20% of the paid-in capital

FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 4

(In thousands of New Taiwan Dollars)

Seller/Buyer	Type and name of markeSchedule securities	Line Item	Trading Partners	Relationship	Beginning		Buy		Sell				Ending	
					share/unit	Amount	share/unit	Amount	share/unit	Amount	Book cost	Disposal(loss)income	share/unit	Amount
The Company	De LicacySamoa Company	Investments accounted for using equity method	—	100% transfer of investment to subsidiaries	41,545,109	$ 2,996,495	11,059,273	$ 396,716 (Note)	-	$ -	$ -	$ -	52,604,382	$ 3,393,211

Note: Including NT$320,241,000 of new investment, (NT$188,000) of interest in subsidiaries using the equity method, NT$70,416,000 of translation differences on financial statements of foreign operating institutions, NT$837,000 of remeasurement of defined benefit plans of subsidiaries using the equity method and NT$5,410,000 of capital surplus - long-term investment

De Licacy Industrial Co., Ltd. and Subsidairies

Purchase from or sale to related parties amounting to at least NT$100 million or 20% of the paid-in capital
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 5

(In thousands of New Taiwan Dollars)

Buying/selling company	Trading Partners	Relationship	Transactions				Circumstances and reasons of transaction conditions are different from general transactions		Notes and accounts receivable (payable)		Note
			Purchase /Sell	Amount	Percentage of total purchase (sales) (%)	Credit Period	Unit Price (Note 1)	Credit Period	Balance	Percentage of total receivable (payable)(%)	
The Company	Chadtex Company	Subsidairy	Purchase	$ 121,353	7	Open Account 30 days	unapplicable	General open account 30-90 days	($ 2,895)	1	
The Company	Tung Ming Company	Note 2	Purchase	127,247	7	Open Account 30-90 days	〃	General open account 30-90 days	-	-	
The Company	New Lake Ltd.	Subsidairy	(Sales)	(123,106)	4	Open Account 30-60 days	〃	General open account 30-60 days	13,947	3	
The Company	New Lake Ltd.	Subsidairy	Purchase	451,073	25	Open Account 30-90 days	〃	General open account 30-90 days	(43,685)	16	
Eden Road Company	Thousand Well International Limted	Affiliate Company	Purchase	178,950	86	Open Account 90 days	〃	No general suppliers available for comparison	-	-	
Hong Kong Eden Road Company	Thousand Well International Limted	Affiliate Company	Purchase	153,651	52	Open Account 90 days	〃	No general suppliers available for comparison	-	-	
Hong Kong Eden Road Company	Thousand Well (Samoa) International Limted	Affiliate Company	Purchase	105,665	35	Open Account 90 days	〃	No general suppliers available for comparison	(67,647)	73	
Hangzhou De Licacy Company	Thousand Well International Limted	Affiliate Company	(Sales)	(332,601)	19	Open Account 90 days	〃	General open account 30-90 days	-	-	
Hangzhou De Licacy Company	Thousand Well (Samoa) International Limted	Affiliate Company	(Sales)	(105,665)	6	Open Account 90 days	〃	General open account 30-90 days	5,935	1	
Apex Textile Co., Ltd	Total Express Ltd.	Affiliate Company	(Sales)	(915,988)	65	Open Account 90 days	〃	General open account 30-90 days	45,499	16	
Apex Textile Co., Ltd	Apex (Anqing) Textile Co., Ltd	Affiliate Company	(Sales)	(100,262)	7	Open Account 90 days	〃	General open account 30-90 days	86,811	31	
Apex Textile Co., Ltd	Apex (Anqing) Textile Co., Ltd	Affiliate Company	Purchase	192,039	18	Open Account 90 days	〃	General open account 30-120 days	(33,223)	14	
New Lake Ltd.	Vietnam De Licacy Company	Affiliate Company	(Sales)	(627,275)	30	Open Account 90 days	〃	General open account 30-60 days	520,823	67	
New Lake Ltd.	Vietnam De Licacy Company	Affiliate Company	Purchase	905,378	47	Open Account 120 days	〃	General open account 30 days	(285,483)	78	

Note 1: The purchase price is not comparable to the general purchase price of similar products; the sales price is comparable to the general customer.
Note 2: Prior to July 8, 2020, the company was a subsidiary of the Company.

De Licacy Industrial Co., Ltd. and Subsidairies

Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital
December 31, 2020

Schedule 6

(In thousands of New Taiwan Dollars)

Accounts receivable companies	Name of trading Partners	Relationship with the dealer	Balance of receivables from related parties	Turnover(%)	Overdue amounts due from related parties		Amounts due from related parties recovered in the period	Allowance for losses
					Amount	Methodology		
The Company	Vietnam De LicacyCompany	Subsidairy	$ 348,276	(Note1)	$ -	—	$ 2,156	$ -
The Company	Total Express Ltd.	Subsidairy	129,089	(Note2)	-	—	-	-
Lucky Apex Ventures Limited	Apex (Anqing) Textile Co., Ltd	Subsidairy	121,154	(Note2)	-	—	-	-
De Shen (Cayman) Holdings Co., Ltd.	Vietnam De LicacyCompany	Subsidairy	226,105	(Note3)	-	—	-	-
New Lake Ltd.	Vietnam De LicacyCompany	Affiliate Company	546,860	1.00 (Note4)	-	—	136,847	-
Vietnam De LicacyCompany	New Lake Ltd.	Affiliate Company	285,483	3.08	-	—	52,034	-
Hangzhou De Licacy Company	Apex Textile Co., Ltd	Affiliate Company	424,518	0.33 (Note5)	-	—	-	-
De LicacySamoa Company	Vietnam De LicacyCompany	Affiliate Company	116,440	(Note2)	-	—	58,240	-
Apex Textile Co., Ltd	Apex (Anqing) Textile Co., Ltd	Affiliate Company	163,583	2.08 (Note6)	-	—	54,542	-

Note 1: NT$348,171,000 were receivables from loans and interest on funds, and the rest were receivables from endorsement and guarantee fees, which were not included in the calculation of the turnover rate.

Note 2: All of them are receivables arising from capital loans and interest, which are not included in the calculation of the turnover rate.

Note 3: Receivables arising from the sale of fixed assets are not included in the calculation of the turnover rate.

Note 4: NT$26,037,000 was the amount from the sale of property, plant and equipment and advances, which was not included in the calculation of the turnover rate.

Note 5: NT$218,240,000 was due from the loan of funds and NT$201,921,000 was due from the sale of investment fixed assets and advances from leased plants, which were not included in the calculation of turnover rate.
Note 6: NT$61,544,000 was a receivable arising from capital loans and NT$15,228,000 was a receivable arising from the sale of property, plant and equipment, which was not included in the turnover calculation.

De Licacy Industrial Co., Ltd.and Subsidiaries

Derivative transactions

FOR THE YEAR ENDED DECEMBER 31, 2020

Stock Number：1464

Schedule 7

(In thousands of New Taiwan Dollars)

(except in USD)

Investment Company Name	Investee Company Name	Location	Major Business Scope	Original Investment		Held at period-end			Investee company (Loss) income	Recognized Investment (loss) income (Note 1)	Note
				End of current period	End of last year	Shares	Percentage(%)	Book value amount			
The Company	De LicacySamoa Company	Samoa	General Investment	$ 1,622,785	$ 1,302,544	52,604,382	100	$ 3,393,211	($ 1,033)	($ 188)	Unrecognized gain on disposal of investment property and unrealized gain on disposal of property, plant and equipment
The Company	Tung Ming Company	Taiwan	Manufacture, processing and trading of chemical fibers	-	100,193	-	-	-	20,095	7,020	
The Company	Lucky Unique EnterpriseCompany	Taiwan	Manufacture and processing of various fiber textile products	102,588	243,524	9,936,207	24.98	111,412	15,285	7,549	Affiliated companies, subsidiaries of the Company prior to July 8, 2020)/unrealized gain or loss on sales difference.
The Company	De Fa Company	Taiwan	General Import and Export Trade	59,878	59,878	5,500,000	100	49,709	(15,763)	(15,753)	Recognized difference of inter-group lease gains or losses.
The Company	Chadtex Company	Taiwan	Textile manufacturing, dyeing and finishing, and trading of various textile products	177,335	156,006	18,931,098	55.06	239,702	6,424	3,893	Recognized difference of realized and unrealized gain or loss on sales and disposal of property, plant and equipment.
The Company	De Licacy Holding Company	British Virgin Islands	General Investment	USD 108,040,000	USD 108,040,000	27,010	100	3,012,615	104,327	107,012	Recognized difference of realized gain on disposal of fixed assets.
The Company	View Best Global Company	Samoa	General Investment	USD 2,475,000	USD 1,935,000	2,475,000	100	41,053	(14,797)	(14,796)	
The Company	De Kao Company	Taiwan	General Import and Export Trade	-	12,000	-	-	-	(14,799)	(850)	
Tung Ming Company	Lucky Unique EnterpriseCompany	Taiwan	Manufacture and processing of various fiber textile products	-	4,856	-	-	-	15,285		
Tung Ming Company	Bright Wisdom Ltd.	Samoa	General Investment	-	35,400	-	-	-	9,523		
De LicacySamoa Company	Best Alliance International Limited	British Virgin Islands	General Investment	1,397,855	1,256,409	37,900,000	100	2,377,922	95,803		
De LicacySamoa Company	Vantage Gain Holdings Limited	Samoa	General Investment	USD 6,501,742	USD 6,342,469	6,501,742	73.33	154,512	(10,153)		
De LicacySamoa Company	Hao Wan Company	Samoa	General Investment	-	USD 2,500,000	-	-	-	(13,062)		
De LicacySamoa Company	De LicacyAnguilla Company	Anguilla	General Investment	USD 5,005,000	USD 5,005,000	5,005,000	100	46,474	(46,468)		
De LicacySamoa Company	De Hong Company	Samoa	General Investment	USD 1,500,000	USD 1,500,000	1,500,000	50	33,793	(9,606)		
De LicacySamoa Company	New Lake Ltd.	Anguilla	General Import and Export Trade	USD 6,100,000	USD 100,000	6,100,000	100	296,860	1,452		
De LicacySamoa Company	Beauty Plus Ventrues Limited	British Virgin Islands	General Investment	USD 11,920,238	USD 11,920,238	11,920,238	85	338,315	(14,638)		
De Hong Company	De Hong(Vietnam) Company	Vietnam	Printing and finishing of various types of garments and cloths	USD 2,500,000	USD 2,500,000	-	100	61,043	(3,026)		
Best Alliance International Limited	Eden Road Compan	British Virgin Islands	General Import and Export Trade	1,700	1,700	50,000	100	411	6,438		
Best Alliance International Limited	Bright Wisdom Ltd.	Samoa	General Investment	USD 14,902,500	USD 9,582,533	14,902,500	53.22	474,038	9,523		
Best Alliance International Limited	Hong Kong Eden Road Compan	Hong Kong	General Import and Export Trade	USD 50,000	-	50,000	100	70,029	68,457		
Eden Road Compan	Bright Wisdom Ltd.	Samoa	General Investment	-	USD 4,228,300	-	-	-	9,523		
Lucky Unique EnterpriseCompany	Gain Faith Investments Ltd	Samoa	General Investment	USD 6,190,000	USD 5,630,000	6,190,000	100	218,141	21,708		Note3
Lucky Unique EnterpriseCompany	E Textile Co .,Ltd.	Taiwan	Manufacture, processing and trading of various fiber textile products	5,000	5,000	500,000	80	5,623	(3,375)		Note3
Lucky Unique EnterpriseCompany	De Kao Company	Taiwan	General Import and Export Trade	12,000	-	1,200,000	60	417	(14,799)		Note3
Lucky Unique EnterpriseCompany	Tung Ming Company	Taiwan	Manufacture and processing of chemical fibers and international trading business	258,989	-	15,279,600	91.28	190,124	20,095		Note3
Bright Wisdom Ltd.	Total Express Ltd.	Seychelles	Manufacture and processing of chemical fibers and international trade	USD 1	USD 1	1	100	62,615	30,565		
Bright Wisdom Ltd.	Lucky Apex Ventures Ltd.	Samoa	General Investment	USD 14,655,000	USD 10,400,000	14,655,000	100	429,371	(4,360)		
Bright Wisdom Ltd.	Futures co., Ltd	Taiwan	General Import and Export Trade	10,000	-	1,000,000	100	11,369	1,369		
De LicacyBVI Holding Company	De Shen (Cayman) Holdings Co., Ltd.	Cayman Islands	General Investment	USD 108,032,701	USD 108,032,701	108,032,700,860	100	3,020,787	104,372		
Der Sheng Cayman Company	Vietnam De LicacyCompany	Vietnam	Printing, dyeing, finishing, garment manufacturing and trading of various textile and yarn materials	USD 114,660,489.5	USD 114,660,489.5	-	100	3,149,085	91,331		
Vantage Gain Holdings Limited	Perfect Step Ltd.	British Virgin Islands	General Investment	USD 8,862,037	USD 8,644,837	8,862,037	20	210,718	(50,482)		
De LicacyAnguilla Company	New Premium Enterprise Co.,Ltd	Samoa	General Investment	USD 5,000,000	USD 5,000,000	5,000,000	50	46,459	(53,282)		
View Best Global Company	Vietnam ATAGO Company	Vietnam	Garment manufacturing and trading	USD 1,915,070	USD 1,915,070	-	30	25,314	(48,437)		
Beauty Plus Ventrues Limited	Plentiful Praise Limited	British Virgin Islands	General Investment	USD 14,023,848	USD 14,023,848	38	38	399,151	(38,283)		

Note 1: Only the amount of profit or loss recognized for each subsidiary directly invested by the Company and each investee company using the equity method should be shown.
Note 2: Please refer to Schedule 8 (attached) for the information about China investee companies.
Note 3: Subsidiary of Lucky Unique Enterprise Company (a subsidiary of the Company before July 8, 2020)

De Licacy Industrial Co., Ltd.and Subsidiaries
Investment Information on investment in China
For the year ended December 31, 2020.

Schedule 8

In thousand in NTD
(except in US dollars)

China reinvestment Company Names	Major Business Scope	Paid-in Capital. (Note 3)	Investment Method (Note 7)	Accumulated investment amount remitted from Taiwan at initial period (Note 3)	Investment amount remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period (Note 3)	The investee companies for the period income (Loss)	The Company's direct or indirect investment (%)	Recognized Investment (loss) (Note 1)	Year-end Investment Carrying Amoount (Note 1)	Remitted Investment income for the year end
					Remitted	Recovery						
Hangzhou De Licacy Textile Co., Ltd.	Production and sales of long and short fiber fabric processing and finishing	$ 1,196,160 (USD 42,000,000)	3. Best Alliance International Limited	$ 1,301,643 (Note 4) (USD 18,289,091 And $ 780,770)	$ -	$ -	$ 1,301,643 (Note 4) (USD 18,289,091 And $ 780,770)	$ 25,885	100	$ 27,000 (Note 6)	$ 1,730,774	$ -
Apex Textile Co., Ltd	Manufacture and sale of textile products and dyeing and finishing	370,240 (USD 13,000,000)	3.Bright Wisdom Ltd.	120,840 (USD 3,000,000 And $ 35,400)	-	-	120,840 (USD 3,000,000 And $ 35,400)	(18,042)	53.22	(10,951)	193,570	-
Chang Sin Lucky Unique EnterpriseCompany (Note 5)	Manufacture, dyeing and sales of various high-quality fabrics and textiles	-	3.Hao Wan Company	71,200 (USD 2,500,000)	-	71,200 (USD 2,500,000)	-	(244)	-	(244)	-	-
Shanghai De Licacy Company	General Investment	1,573,520 (USD 55,250,000)	3.Sin Hao Company、Samoa Sin Young International Limited	58,384 (USD 2,050,000)	-	-	58,384 (USD 2,050,000)	-	14.67	-	38,339	-
Apex(Anqing)Textile Co, Ltd	Manufacture and sale of various high-quality fabrics and textiles	296,192 (USD 10,400,000)	3.Lucky Apex Ventures Ltd.	296,192 (USD 10,400,000)	-	-	296,192 (USD 10,400,000)	(4,361)	53.22	(1,692)	164,027	-

Company Names	Accumulated remittance of investments from Taiwan to China at the end of the period (Note 3	Investmen Commission, MOEA approved investment amount (Note 3)	Investment quota in China according to the Investment Commission, MOEA
Hangzhou De Licacy Textile Co., Ltd.	$ 1,301,643 (USD 18,289,091 and $ 780,770)	$ 1,301,643 (USD 18,289,091and $ 780,770)	(Note 2)
Apex Textile Co., Ltd	$ 120,840 (USD 3,000,000 and $ 35,400)	$ 120,840 (USD 3,000,000and$ 35,400)	(Note 2)
Apex (Shanghai) Textile co., Ltd	$ 58,384 (USD 2,050,000)	$ 357,424 (USD 12,550,000)	(Note 2)
Apex(Anqing)Textile Co, Ltd	$ 296,192 (USD 10,400,000)	$ 455,680 (USD 16,000,000)	(Note 2)

Note 1: Recognized based on the financial statements of the investee company audited by the parent company's certified public accountants in Taiwan during the same period.
Note 2: In accordance with the newly revised "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" dated August 29, 2018, the Company obtained the certification document issued by the Industrial Development Bureau, Ministry of Economic Affairs on August 28, 2017, which conforms to the scope of operation of the Ministry of Manufacturing Operations, so the calculation of investment limit is not required.
Note 3: The related amount was translated at the Foreign Exchange Rate of NT$28.48 per USD at the end of the period.
Note 4: Including the recognition of De Yi Company's investment of NT$111,616 (US$3,919,091) in Hangzhou Deli by way of debt in proportion to its shareholding.
Note 5: Changxin Lucky Unique Enterprise Company was liquidated on October 31, 2009 and remitted USD 2,706,075.53 (including capital stock of USD 2,500,000 and investment income of 206,075.53) to Hao Wan on November 30, 109. The Company then remitted to De Licacy Samoa Company.
Note 6: The difference is the unrealized gain or loss on disposal of fixed assets and investment fixed assets.
Note 7: (1) Investment in Mainland China through third-party remittance.
(2) Investment in China through a third-party company.
(3) Reinvestment in Mainland China through re-investment in an existing company in a third region.

De Licacy Industrial Co., Ltd.and Subsidiaries

Significant transactions with China investees directly or indirectly through third regions, the prices, payment terms, and unrealized gains or losses

For year ended 31 December 2020

Schedule 9

(In thousands of New Taiwan Dollars)

Company	Transaction Partner	The relationship with transaction partner	Transaction Type	Amount	Trading Terms			Notes, Accounts Receivable (Payable)		Unrealized Income (loss)
					Price	Payment Terms	Comparison with general transactions	Balance	Percentage(%)	
Der Fa Company	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Sales	$ 60,260	Trade at general price	Open Account 120 days	No general customers to compare	$ 8,982	58	$ -
Eden Road Company	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Sales	5,457	Trade at general price	Open Account 90 days	General customer open account 45-120 days	-	-	-
Eden Road International Ltd.(H.K.)	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Sales	6,745	Trade at general price	Open Account 90 days	General customer open account 45-120 days	3,400	2	-
Eden Road International Ltd.(H.K.)	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	13,231	Trade at general price	Open Account 90 days	General customer open account 45-120 days	(12,975)	14	-
Thousand Well International Limted	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	332,601	Trade at general price	Open Account 90 days	No general customers to compare	-	-	-
Fastpower Limited	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	34,064	Trade at general price	Open Account 90 days	No general customers to compare	-	-	-
Thousand Well (Samoa) International Limted	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	105,665	Trade at general price	Open Account 90 days	No general customers to compare	(5,935)	100	-
Fastpower (Samoa) Limited	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	8,347	Trade at general price	Open Account 90 days	No general customers to compare	(8,344)	100	-
Futures co., Ltd	Apex Textile Co., Ltd	affiliated company	Sales	5,885	Trade at general price	Open Account 90 days	No general customers to compare	4,253	62	-
Futures co., Ltd	Apex (Anqing) Textile Co., Ltd	affiliated company	Sales	15,119	Trade at general price	Open Account 90 days	No general customers to compare	2,575	38	-
Total Express Ltd.	Apex Textile Co., Ltd	affiliated company	Purchase	915,988	Trade at general price	Open Account 90 days	No general customers to compare	(45,499)	100	-

De Licacy Industrial Co., Ltd.
Major Shareholders' Information
December 31, 2020

Schedule 10

Names of Major Shareholders	No. of Shares	
	Number of shares held(shares)	shareholding ratio
Fu-Fa International Investment Co. Ltd.	32,928,067	8.56%
Fu-Hwa Investment Co. Ltd.	30,000,994	7.8%
Fuson International Trade Co. Ltd.	30,000,443	7.8%

Note1: The information on major shareholders in this Schedule is based on the last business day of the quarter in which the shareholders held 5% or more of the Company's total common shares (including treasury stock) that have been delivered without physical registration. The share capital in the individual financial statements may differ from the actual number of shares delivered without physical registration due to differences in the basis of computation.

Note2: The above information is revealed by the trustee's individual subaccount of the trust account opened by the trustee if the shareholder has delivered the shares to the trust. As for the shareholder's shareholding of more than 10% of insider shares reported under the Securities and Exchange Act, the shareholdings include the shareholdings of the shareholders plus the shares delivered to the trust and the shareholder has the right to decide the use of the trust property, etc. Please refer to the Market Observation Post System for the information on insiders' shareholding report.

De Licacy Industrial Co., Ltd.and Subsidiaries
Property, Plant and Equipment
For the years ended December 31 of 2020 and 2019

Schedule 11

(In thousands of New Taiwan Dollars)

	Owned Land	Land Improvements	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Property in construction	Total
Cost								
Balance as of January 1, 2019	$ 289,953	$ 11,310	$ 759,695	$ 1,291,707	$ 11,812	$ 376,955	$ 4,056	$ 2,745,488
Additions	-	-	1,582	89,723	825	5,450	13,750	111,330
Disposal	-	-	-	(75,297)	-	(678)	-	(75,975)
Reclassification	-	-	1,336	39,472	-	2,406	(14,021)	29,193
Balance on December 31, 2019	$ 289,953	$ 11,310	$ 762,613	$ 1,345,605	$ 12,637	$ 384,133	$ 3,785	$ 2,810,036
Accumulated depreciation and impairment								
Balance as of January 1, 2019	$ -	$ 8,231	$ 485,337	$ 1,090,145	$ 10,956	$ 271,888	$ -	$ 1,866,557
Depreciation expense	-	594	18,829	62,491	785	26,216	-	108,915
Disposal	-	-	-	(75,147)	-	(72)	-	(75,219)
Balance on December 31, 2019	$ -	$ 8,825	$ 504,166	$ 1,077,489	$ 11,741	$ 298,032	$ -	$ 1,900,253
Net amount on December 31, 2019	$ 289,953	$ 2,485	$ 258,447	$ 268,116	$ 896	$ 86,101	$ 3,785	$ 909,783
Costs								
Balance on January 1, 2020	$ 289,953	$ 11,310	$ 762,613	$ 1,345,605	$ 12,637	$ 384,133	$ 3,785	$ 2,810,036
Additions	4,022	-	1,248	11,795	490	13,056	17,318	47,929
Disposal	-	-	-	(7,588)	-	(2,875)	-	(10,463)
Reclassification	-	-	1,244	74,084	-	14,922	(19,514)	70,736
Balance on December 31, 2020	$ 293,975	$ 11,310	$ 765,105	$ 1,423,896	$ 13,127	$ 409,236	$ 1,589	$ 2,918,238
Accumulated depreciation and impairment								
Balance as of January 1, 2020	$ -	$ 8,825	$ 504,166	$ 1,077,489	$ 11,741	$ 298,032	$ -	$ 1,900,253
Depreciation expense	-	459	19,020	75,896	544	26,117	-	122,036
Disposal	-	-	-	(7,588)	-	(1,345)	-	(8,933)
Balance on December 31, 2020	$ -	$ 9,284	$ 523,186	$ 1,145,797	$ 12,285	$ 322,804	$ -	$ 2,013,356
Net amount on December 31, 2020	$ 293,975	$ 2,026	$ 241,919	$ 278,099	$ 842	$ 86,432	$ 1,589	$ 904,882

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De Licacy Industrial Co., Ltd.

Statement of Cash

December 31, 2020

Statement 1

Unit: NT$1,000
(but the unit price is NTD)

Item	Amount
Cash in hand and working capital	$ 410
Bank Deposits	
Checks and Demand Deposits-New Taiwan Dollars	170,771
Foreign currency demand deposits (Note)	170,176
	340,947
	$ 341,357

Note:USD$5,975,240 (based on USD$1=$28.48) and JPY$2,212 (based on JPY$1=0.2763).

De Licacy Industrial Co., Ltd.

Statement of financial assets at fair value through profit or loss - current

December 31, 2020

Statement 2

Unit: NT$1,000

(but the unit price is NTD)

Name of Financial Product	Shares	Amount	Acquisition Costs	Fair Value		Provision of guarantees or pledges
				Unit Price	Total Amount	
Funds						
Hua Nan－Saudi Arabian National Oil Fund	285,000	$ 9,387	$ 10,000	32.94	$ 9,387	none

De Licacy Industrial Co., Ltd.
Statement of financial assets at amortized cost – current
December 31, 2020

Statement 3

Unit: NT$1,000
(but the unit price is NTD)

Item	Annual interest rate(%)	Period	Amount
Taiwan Dollar Demand Deposit			
Taiwan Cooperative Bank			$ 30,016
Foreign Currency Demand Deposit (Note 1)			
O-Bank			272,177
Taiwan Dollar Time Deposit			
Mega Bank	0.07	2020.12.28～2021.01.28	8,000
Taiwan Cooperative Bank	0.09	2020.12.01～2021.05.01	13,500
			21,500
Foreign Currency Time Deposits (Note 2)			
O-Bank	0.27～0.53	2020.07.14～2021.02.28	841,882
DBS Bank Limited	0.25	2020.10.16～2021.01.16	85,440
Taishin Bank	0.3	2020.10.23～2021.01.22	99,680
First Commercial Bank	0.3～0.37	2020.11.27～2021.03.09	231,235
Hua Nan Commercial Bank	0.27	2020.10.20～2021.02.02	304,454
Mega Bank	0.38～0.6	2020.07.05～2021.06.16	179,424
Bank Sinopac Co. Ltd.	0.28～0.37	2020.10.29～2021.03.08	153,792
Entie Commercial Bank, Ltd.	0.39～0.5	2020.12.09～2021.03.23	48,416
E.Sun Commercial Bank., Ltd.	0.31	2020.12.28～2021.03.28	421,670
			2,365,993
			$ 2,689,686

Note 1: USD $9,556,773 (calculated based on USD $1=$28.48)
Note 2: USD$83,075,610 (calculated based on USD$1=$28.48)

De Licacy Industrial Co., Ltd.

Statement of Notes receivable(including related parties)

December 31, 2020

Statement 4 Unit: NT$1,000

Company Name	Amount
Non-related party	
Shin Yuan Limited	$ 13,052
GIANT TEXTILE ENTERPRISE CO., LTD.	4,514
WEI HSU CO., LTD.	3,243
Other (Note)	5,623
	$ 26,432
Related Party	
Lucky Unique Enterprise Company	$ 21,394
Tung Ming Company	2,533
Other (Note)	1,225
	$ 25,152

Note：The balance of each account included does not exceed 5% of the total amount of each subject.

De Licacy Industrial Co., Ltd.

Statement of accounts receivable net (including related parties)

December 31, 2020

Statement 5

Unit: NT$1,000

Name of Customer	Amount
Non-related parties	
SINTEX INTERNATIONAL LTD.	$ 141,518
PT PRIMA LTD.	29,464
Other (Note 1)	226,221
	397,203
Less: Allowance for losses	50,103
	$ 347,100
Related Party	
Lucky Unique Enterprise Company	$ 85,961
New Lake Ltd.	13,947
Chadtex Industrial Co., Ltd.	8,627
Other (Note 2)	8,359
	$ 116,894

Note 1: The balance of each account included does not exceed 5% of the total accounts receivable. Of which, $30,842,000 was aged over 12 months and an allowance for loss of $30,842,000 was provided.

Note 2: The balance of each account included did not exceed 5% of the total accounts receivable - related parties. ◦

De Licacy Industrial Co., Ltd.

Statement of Inventories

December 31, 2020

Statement 6

Unit: NT$1,000

Item	Amount	
	Cost	Market Price (Note)
Finished goods	$ 922,188	$ 1,090,153
Work-in-progress	268,596	452,316
Raw materials	180,972	192,026
	$ 1,371,756	$ 1,734,495

Note: Market value is based on net realizable value.

De Licacy Industrial Co., Ltd.

Statement of changes in financial assets at fair value through other comprehensive income - noncurrent

December 31, 2020

Statement 7

Unit: share. NT$1000

(unit price is NTD)

Name	Beginning		Increase in the current period		Decrease in the current period (Note)		Ending		Accumulated loss	Provision of guarantees or pledges
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Fair Value		
Chia Her Industrial Co., Ltd private equity	4,975,176	$ 51,294	-	$ 4,928	2,709,085	$ -	2,266,091	$ 56,222	Not applicable	none

Note: This is a capital reduction to cover the loss of Chia Her Industrial Co., Ltd.

De Licacy Industrial Co., Ltd.

Statement of changes in investments accounted by the equity method

2020

Statement 8

Unit: NT$1,000

	Beginning balance		Increase (Decrease) in the year		Changes in the year										Endingbalance					
	Shares	Amount	Shares	Amount	Investment (loss) income	Unrealized income/loss		Cash Dividend	Capital Surplus		Treasury Stocks	Exchange differences on translation of financial statements of foreign operating institutions	Unrealized gain or loss on investments in equity instruments measured at fair value through other comprehensive income	Actuarial gain or loss of defined benefits	Shares	Shareholding ratio(%)	Amount	Market Value or Net Equity	Evaluation basis	Provision of guarantees or pledges
Investment by equity method																				
De Licacy (Samoa) Holding Company	41,545,109	$2,996,495	11,059,273	$ 320,241	($ 188)	$ -		$ -	$ 5,410	(Note 1)	$ -	$ 70,416	$ -	$ 837	52,604,382	100	$3,393,211	$3,497,273	Equity Methos	none
Tung Ming Textile Co., Ltd.	15,279,600	209,427	(15,279,600)	(258,989)	7,020	-		-	42,984	(Note 2)	-	(227)	(215)	-	-	-	-	-	〃	〃
Lucky Unique Enterprise Co., Ltd.	23,743,612	296,499	(13,807,405)	(166,652)	7,549	2,117		(7,949)	(28,150)	(Note3)	12,681	(3,135)	(1,332)	(216)	9,936,207	24.98	111,412	111,470	〃	〃
De-Fa International Industrial Co., Ltd.	5,500,000	65,462	-	-	(15,753)	-		-	-		-	-	-	-	5,500,000	100	49,709	49,665	〃	〃
Chadex Industrial Co., Ltd.	17,332,280	234,874	1,598,818	21,329	3,893	473	(Note4)	(31,198)	675		-	-	9,656	-	18,931,098	55.06	239,702	239,921	〃	〃
View Best Global Limited	1,935,000	41,637	540,000	15,622	(14,796)	-		-	-		-	(1,410)	-	-	2,475,000	100	41,053	41,053	〃	〃
De Licacy (BVI) Holdings Co.	27,010	3,063,449	-	-	107,012	-		-	-		-	(157,846)	-	-	27,010	100	3,012,615	3,020,823	〃	〃
De Kao Trading Co., Ltd.	1,200,000	9,801	(1,200,000)	(12,000)	(850)	-		-	3,049		-	-	-	-	-	-	-	-	〃	〃
		$6,917,644		($ 80,449)	$ 93,887	$ 2,590		($ 39,147)	$ 23,968		$ 12,681	($ 92,202)	$ 8,109	$ 621			$6,847,702	$6,960,205		

Note 1: The decrease of $8,084,000 in the capital increase of Subsidiary and the increase of $13,494,000 in the reorganization under common control were not recognized in proportion to the shareholding.
Note 2: The increase of $42,984,000 was due to the reorganization under common control.
Note 3: The decrease of $35,609,000 for the reorganization under common control and the increase of $7,459,000 for the disposal of Subsidiary.
Note 4: Of which, $212,000 was realized from the disposal of property, plant and equipment.

De Licacy Industrial Co., Ltd.

Statement of short-term borrowings

December 31, 2020

Statement 9

Unit: NT$1,000

Bank Name	Nature of Borrowing	Amount	Contract Period	Interest rate range(%)	Lines of credit	Endorsement or Guarantee
First Commercial Bank	Credit Loans	$ 207,976	2020.10.06～2021.03.26	1.35～1.40	270,000	The Chairman of the Company is the guarantor.
The Shanghai Commercial & Savings Bank	〃	50,000	2020.12.30～2021.12.18	1.41	50,000	〃
JIH SUN INTERNATIONAL BANK	〃	50,000	2020.11.17～2021.02.17	1.40	50,000	〃
Taishin Bank	〃	75,000	2020.12.07～2021.01.07	1.3	75,000	〃
Bank of Taiwan	〃	50,000	2020.11.23～2021.02.19	1.4	50,000	〃
Bank Sinopac Co. Ltd.	〃	80,000	2020.12.28～2021.03.26	1.20	80,000	〃
Land Bank of Taiwan	〃	20,000	2020.10.29～2021.02.26	1.20	50,000	〃
Entie Commercial Bank, Ltd.	〃	240,000	2020.12.28～2021.06.26	1.17	240,000	〃
Shin Kong Commercial Bank Co., Ltd.	〃	50,000	2020.12.17～2021.01.17	1.25	50,000	〃
DBS Bank Limited	〃	135,000	2020.10.15～2021.01.13	1.10	150,000	〃
Cathay United Bank Company Limited,	〃	80,000	2020.12.28～2021.02.05	1.20	80,000	〃
Hua Nan Commercial Bank	〃	260,000	2020.12.18～2021.02.18	1.22	260,000	〃
The Bank of East Asia Limited	〃	150,000	2020.11.20～2021.04.23	1.31	150,000	〃
The Export-Import Bank of the Republic of China	〃	60,000	2020.03.27～2021.03.27	0.79	80,000	〃
Yuanta Commercial Bank Co., Ltd.	〃	150,000	2020.08.31～2021.02.26	1.33	150,000	〃
Taipei Fubon Bank	〃	97,000	2020.11.04～2021.02.16	1.30	100,000	〃
KGI Commercial Bank Co., Ltd.	〃	100,000	2020.11.27～2021.05.27	1.23	100,000	〃
E.Sun Commercial Bank., Ltd.	〃	30,000	2020.12.17～2021.03.17	1.15	50,000	〃
Bank Of Panshin	〃	50,000	2020.10.29～2021.02.10	1.41	50,000	〃
		1,934,976				
Taishin Bank	Collateralized Borrowing	88,000	2020.12.07～2021.01.07	1.00	100,000	Time deposits
Hua Nan Commercial Bank	〃	272,000	2020.12.04～2021.01.04	1.13	274,000	〃
First Commercial Bank	〃	200,000	2020.11.27～2021.02.26	1.05	200,000	〃
DBS Bank Limited	〃	77,000	2020.09.04～2021.03.03	1.00	500,000	〃
Mega Bank	〃	187,000	2020.08.10～2021.04.19	1.10～1.20	330,000	〃
O-Bank	〃	1,013,000	2020.08.12～2021.02.26	1.01～1.11	1,200,000	〃
Bank Sinopac Co. Ltd.	〃	140,000	2020.10.27～2021.03.26	1.00～1.02	200,000	〃
E.Sun Commercial Bank., Ltd.	〃	40,000	2020.12.30～2021.03.30	0.83	300,000	〃
Taiwan Cooperative Bank	〃	290,000	2020.06.29～2021.02.07	1.4	300,000	〃
Entie Commercial Bank, Ltd.	〃	370,000	2020.12.09～2021.03.23	0.85	600,000	〃
		2,677,000				
		$ 4,611,976				

De Licacy Industrial Co., Ltd.

Statement of short-term notes payable

December 31, 2020

Statement 10

Unit: NT$1,000

Guarantee or Acceptance Agency	Period	Discount Rate (annual)(%)	Amount		
			Issuin Amount	Unamortized ticket discount	Carry Amount
Grand Bills Finance Corp.	2020.11.20～2021.01.29	0.500	$ 50,000	($ 20)	$ 49,980
Taiwan Cooperative Bills Finance Corp.	2020.12.25～2021.02.23	0.902	100,000	(133)	99,867
China Bills Finance Corp.	2020.12.04～2021.01.04	0.400	50,000	(3)	49,997
Mega Bills Finance Co. Ltd.	2020.11.05～2021.01.04	0.852	50,000	(5)	49,995
Dah Chung Bills Finance Corp.	2020.12.11～2021.02.04	0.850	50,000	(41)	49,959
Da Ching Bills Finance Corp.	2020.12.18～2021.02.26	1.040	50,000	(81)	49,919
Taiwan Finance Corp	2020.09.18～2021.01.08	1.140	50,000	(28)	49,972
International Bills Finance Corp.	2020.10.07～2021.01.05	0.650	50,000	(5)	49,995
O-Bank	2020.12.21～2021.03.19	0.330	260,000	(183)	259,817
			$ 710,000	($ 499)	$ 709,501

De Licacy Industrial Co., Ltd.

Statement of notes payable (including related parties)

December 31, 2020

Statement 11 Unit: NT$1,000

Company Name	Amount
Non-related parties	
JEAN WAN INTERNATIONAL CO., LTD.	$ 6,873
Rui Chong Limited	6,523
Farsmart Co. Ltd.	5,030
Hsinjung Fiber Industry Co., Ltd	3,732
SUN WAN INTERNATIONAL CO., LTD.	3,490
Other (Note)	35,557
	$ 61,205
Related Party	
Lucky Unique Enterprise Company	$ 22,197
Tung Ming Company	10,009
	$ 32,206

Note: The balance of each account included does not exceed 5% of the total Notes Payable.

De Licacy Industrial Co., Ltd.

Statement of Accounts Payable(including related parties)

December 31, 2020

Statement 12

Unit: NT$1,000

Company Name	Amount
Non-related party	
YI SHIN TEXTILE INDUSTRIAL CO., LTD.	$ 18,542
Other (Note)	76,367
	$ 94,909
Related Party	
New Lake Ltd.	$ 43,685
Tung Ming Company	29,156
Lucky Unique Enterprise Company	8,134
Chadtex Industrial Co., Ltd.	2,896
	$ 83,871

Note: The balance of each account included does not exceed 5% of the total accounts payable.

De Licacy Industrial Co., Ltd.

Statement of other current liabilities

December 31, 2020

Statement 13

Unit: NT$1,000

Item	Amount
Receipts in suspense	$ 45,004
Receipts in lieu	4,632
Other (Note)	1,593
	$ 51,229

Note: The individual balances included do not exceed 5% of other total current liabilities.

De Licacy Industrial Co., Ltd.

Statement of Long-term Loans

December 31, 2020

Statement 14

Unit: NT$1,000

Bank Name	Summary	Ending balance	Expiry Amount within 1 year	Amount over than 1 year	Contract Period	Interest Rate(%)	Mortgage or guarantee
The Export-Import Bank of the Republic of China	Mortgage loan	$ 12,000	$ 1,333	$ 10,667	2020.11.27～2024.08.15	0.63	Machinery and Equipment
The Export-Import Bank of the Republic of China	Credit loan	240,000	80,000	160,000	2017.01.19～2025.03.20	1.39～1.50	The Chairman of the Company is the guarantor
O-Bank	〃	250,000	-	250,000	2019.05.22～2029.07.09	0.21	〃
Hua Nan Commercial Bank	〃	293,400	12,158	281,242	2019.08.20～2029.11.12	0.65～1.3	〃
Mega Bank	〃	88,000	3,667	84,333	2020.10.08～2025.10.08	1.39	〃
O-Bank(Lead bank of syndicated loan)	Syndicated loan	1,400,000	176,000	1,224,000	2019.02.22～2024.02.22	1.797	〃
O-Bank(Lead bank of syndicated loan)	Commercial paper guarantee for syndicated loans	799,932	-	799,932	2020.10.16～2021.01.08	0.85	〃
		3,083,332	273,158	2,810,174			
Less: syndicated loan organizing fees		4,653	-	4,653			
		$ 3,078,679	$ 273,158	$ 2,805,521			

De Licacy Industrial Co., Ltd.

Statement of Operation Income

2020

Statement 15 Unit: NT$1,000

Item	Quantity	Amount
Sales Revenue		
Finished Fabric	31,685,000 yards	$ 2,751,542
Yarn and processed yarn	1,836,000 kg	221,690
Garments and garment substrates	747,000 pieces	69,470
Dyeing auxiliaries, pulp and main materials	186,000 kg	8,917
		3,051,619
Processing revenue		3,591
		3,055,210
Less: Sales returns	193,000 yards	17,779
Sales Discount		31,791
Net amount		$ 3,005,640

De Licacy Industrial Co., Ltd.

Statement of Operating Cost

2020

Statement 16 Unit: NT$1,000

Item	Amount
Beginning Materials	$ 157,741
Add: Current year material imports	1,080,644
Recovery of decline and slow-moving inventory	317
Less: Inventory loss	1
Sale of raw materials	150,247
Ending raw materials	180,972
Transfer to research and development expenses	3,377
Transfer to manufacturing costs	30,397
Direct raw material consumption	873,708
Direct Labor	203,137
Manufacturing Costs	577,175
Add: Processing costs	283,992
Less: Transferred research and development costs	2,968
Manufacturing Costs	1,935,044
Add: Beginning work-in-progress	278,862
Current year shipments	23,378
Transfer of finished goods	1,989,975
Gain on reversal of inventory decline and slowness	105
Less: Inventory losses	62
Sale of work in progress	64,284
Ending work-in-progress	268,596
Transfer to research and development expenses	1,387
Transfer to marketing expenses	10
Transfer to administrative expenses	131
Transfer to manufacturing costs	1,173
Cost of finished goods	3,891,721
Add: Beginning finished goods	857,714
Current year shipments	726,155
Less: Ending finished goods	922,188
Inventory loss	13
Transfer to work-in-progress	1,989,975
Transfer to marketing expenses	8,424
Transfer to research and development expenses	11,095
Transfer to manufacturing costs	86
Loss on decline and slow-moving inventory	24,047
Cost of production and sales	2,519,762
Cost of raw materials and work-in-process sold	214,531
Unallocated fixed manufacturing costs	49,874
Underlying revenue	(582)
Inventory losses	76
Loss on decline in value of inventories	23,625
Total operating costs	$ 2,807,286

De Licacy Industrial Co., Ltd.
Statement of operation expense
2020

Statement 17 Unit: NT$1,000

	Summary	Marketing Expense	Administration Expense	R&D expense	Expected credit impairment loss	Total
Salary	Salaries, bonuses and overtime fees, etc.	$ 45,011	$ 31,890	$ 54,319	$ -	$ 132,220
Shipping Expenses	Land, sea and air freight expenses, etc.	50,479	344	630	-	51,453
Research fees	Product development expenses	-	-	28,431	-	28,431
Depreciation	Depreciation of property, plant and equipment and right-of-use assets	14,249	4,618	3,768	-	22,635
Representation fees	Expenses related to business development	11,266	5,121	83	-	16,470
Export expenses	Inspection and testing fees, etc.	16,254	-	-	-	16,254
Insurance expenses	Labor and health insurance fees, etc.	4,852	5,285	6,001	-	16,138
Labor costs	Accountant's auditing fee and stock agency service fee	-	10,501	80	-	10,581
Donations	Donation to Educational Foundation	-	6,340	-	-	6,340
Expected credit impairment loss		-	-	-	33,378	33,378
Other (Note)		39,813	35,176	29,766	-	104,755
		$ 181,924	$ 99,275	$ 123,078	$ 33,378	$ 437,655

Note: The amount of each item does not exceed 5% of the amount of this account

De Licacy Industrial Co., Ltd.
Statement of labor, depreciation and amortization by function.

Statement 18 Unit: NT$1,000

	2020			2019		
	Operation Cost	Operation Expense	Total	Operation Cost	Operation Expense	Total
Employee Benefits						
Payroll	$ 258,458	$ 127,069	$ 385,527	$ 298,645	$ 160,503	$ 459,148
Labor and Health Insurance expense	27,649	15,506	43,155	27,943	16,132	44,075
Pension	9,052	8,415	17,467	8,925	8,791	17,716
Remuneration to directors	-	4,151	4,151	-	13,500	13,500
Other	9,206	7,039	16,245	9,539	7,470	17,009
	$ 304,365	$ 163,180	$ 466,545	$ 345,052	$ 206,396	$ 551,448
Depreation	$ 112,717	$ 22,635	$ 135,352	$ 101,690	$ 16,566	$ 118,256
Amortization	-	93	93	-	148	148

Note: The number of employees for the current year and the previous year were 829 and 852, respectively, of which the number of directors who were not also employees in 2020 and 2019 were 4 and 5, respectively.

(1) The average employee benefit expense for the year was $560,000 ("Total employee benefit expense for the year - Total director's remuneration"/"Number of employees for the year - Number of directors who are not concurrent employees"). The average employee benefit expense for the previous year was $635,000 ("Total amount of employee benefit expense for the previous year - Total amount of directors' remuneration" / "Number of employees for the previous year - Number of directors who were not also employees").

(2) The average employee salary expense for the year was $467,000 (Total salary expense for the year / "Number of employees for the year - Number of directors who were not also employees"). The average employee salary expense for the previous year was $542,000 (Total salary expense for the previous year / "Number of employees for the previous year - Number of directors who were not also employees").

(3) Change in average employee salary cost adjustment (14%) ("Average employee salary cost for the current year - Average employee salary cost for the previous year"/ Average employee salary cost for the previous year).

(4) The Company's employee compensation policy is to provide employees with compensation and benefits that are above the industry average. Employee compensation includes monthly salaries (including special allowances, special expenses, production bonuses, etc. for performance and production results), bonuses for the three holidays (Spring Festival, Labor Day, and Mid-Autumn Festival), and compensation based on the Company's annual profitability (year-end bonuses). In accordance with Article 26 of the Company's Articles of Incorporation, the Company shall set aside no less than 4% of the Company's annual profits as employee compensation, and the amount and distribution method shall be recommended by the Compensation Committee to the Board of Directors for approval.

(5) The chairman, vice chairman, and managers (including managers who serve as directors) of the Company shall be paid monthly in accordance with the Salary Control Act. In the event of a salary increase or a change in position during their term of office that results in an increase in compensation or the payment of a year-end bonus, the compensation committee shall consider the matter and submit it to the Board of Directors for a resolution. In accordance with Article 26 of the Company's Articles of Incorporation, the Board of Directors shall recuse itself from voting on any resolution of compensation for itself and its related parties. In accordance with Article 26 of the Company's Articles of Incorporation, if the Company makes a profit in a year, the Board of Directors shall resolve to set aside not more than 3% of the remuneration of the directors. However, if the Company still has accumulated losses, the amount of compensation shall be reserved in advance and then the remuneration to the directors shall be provided in accordance with the aforementioned percentage.

(6) The remuneration for independent directors shall be NT$250,000 per year for each director, regardless of profit or loss.

(7) The company has established an audit committee to replace the supervisor

5. The most recent annual audited consolidated financial statements

Statement of Financial Report on Consolidation of Related Enterprises

For the year ended December 31, 2020, pursuant to the "Compilation Standards for the Consolidated Financial Statements of the Affiliated Enterprises and the Relationship Report of the Consolidated Business Report of Affiliated Enterprises", the Company is that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements under International Financial Reporting Standards 10, and if relevant information that should be disclosed in the consolidated financial report of the affiliated company has been disclosed in the former consolidated financial report of the parent-subsidiary company. Separately prepare the consolidated financial report of the related companies.

We hereby declare all details.

Company Name: De Licacy Industrial Co., Ltd.

Chairman: Yeh, Chia-Ming

Date: 19 March 2021

Lndependent Auditors' Report

Dear the Board of Directors and Shareholders of De Licacy Industrial Co., Ltd.

Opinion

We have audited the accompanying financial statements of De Licacy Industrial Co., Ltd and its subsidiaries (the "De Licacy Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated changes in equity and consolidated cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, which is based on our and other accountants' auditing results (please refer other matters section) and accompanying consolidated financial statements present fairly, in all material respects, the financial position of the De Licacy Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards ("IFRS"), International Accounting Standards ("IAS"), Interpretations of IFRS ("IFRIC"), and Interpretations of IAS ("SIC") endorsed by the Financial Supervisory Commission ("FSC") of Taiwan, the Republic of China ("ROC").

Basis of Opinion

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

Key Audit Matter

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

The descriptions of the key audit matter of the 2020 consolidated financial statements of the De Licacy Group are as follows:

As stated in Note 4.7 Inventories, Note 5 Impairment loss of Inventories, and Note 11 Inventories of the Consolidated Financial Statements, the amount of inventories as of December 31, 2020 amounted to NT$3,210,797,000 (hereinafter referred to as "Inventories"), accounting for 18% of the total consolidated assets.

Because the carrying amount of inventories is material to the consolidated financial statements, and the evaluation of doubtful and obsolete inventories involves significant management judgment, the evaluation of inventory doubtfulness is considered a critical review

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Due to the book value of inventory is significant to the overall consolidated financial reports, and the evaluation of dull and obsolete inventory involves significant judgment of the management, the evaluation of dull inventory is listed as a key audit item.

We have reviewed the reasonableness of the assessment of inventory obsolescence as follows.

(1) To understand and evaluate the effectiveness of the design and implementation of the inventory internal control system.

(2) To evaluate the aging of inventories at the end of the year and verify the correctness of the ageing of inventories on a sample basis, and then recalculate the appropriateness of the provision for inventory doubtfulness loss.

(3) Conduct inventory stocktaking at the end of the year to confirm and evaluate whether the inventory is obsolete or damaged.

Other Matters

The consolodated financial statements included in the consolidated financial statements of Deloitte Touche Tohmatsu, Inc. and its investment in New Premium Enterprise Co., Ltd. Accordingly, our opinion on the consolidated financial statements referred to above, which relates to the amount of the aforementioned investment and its comprehensive income and loss, was based on the audited reports of other auditors. The above investments accounted for by the equity method amounted to $46,459,000 and $96,773,000 as of December 31, 2020 and 2019, respectively, representing less than 1% and 1% of the total consolidated assets The consolidated loss recognized under the equity method amounted to $50,314,000 and $28,489,000 for the years ended December 31, 2020 and 2019, respectively, which accounted for (22%) and (6%) of the consolidated total profit or loss.

De Licacy Industrial Co., Ltd. has prepared its individual financial statements for the years ended December 31, 2020 and 2019, and we have issued an unqualified audit report, with additional qualifications for refernce.

Management's and Governance's Responsibility for the Consolidated Financial Statements

Management's responsibility is to prepare consolidated financial statements in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations and Interpretations issued by the Financial Supervisory Commission, and to maintain such internal control relevant to the preparation of consolidated financial statements as is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management's responsibility also includes assessing the ability of the Group to continue as a going concern, the disclosure of related matters, and the adoption of the going concern basis of accounting, unless management intends to liquidate the Group or cease operations, or there is no practical alternative to liquidation or discontinuation of operations.

The governance unit (Audit Committee) of the Group has the responsibility for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We have obtained sufficient and appropriate auditing evidence of the financial information of the constituent entities of the Group to express our opinions on the consolidated financial statements. We are responsible for the guidance, supervision and execution of the Group's audits and we are responsible for providing auditing opinions with the Group.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 2020 financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chao-Chin Yang and Chi-Jen Lee.

Financial Supervisory Commission Authorized No. Jin-Kuan-Chen-Sheni-Tzu No. 1060023872	Securities and Futures Commission Autnorized No. Tai-Tsai-Cheng-6-Tzu No. 0920123784

Date: 19 March 2021

De Licacy Industrial Co., Ltd.and Subsidiaries
Consolidated Balance Sheets
The Years Ended December 31, 2020 and 2019

(In thousands of New Taiwan Dollars)

Code	Assets	December 31 2020 Amount	%	December 31 2019 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 1,223,480	7	$ 1,343,347	7
1110	Financial assets at fair value through profit and loss- (Notes 4 and 7)	64,704	-	61,908	-
1120	Financial assets at fair value through other comprehensive gains and losses-current (notes 4 and 8)	38,979	-	-	-
1136	Financial assets at amortized cost-current (Notes 4, 9 and 38)	2,816,902	16	2,449,905	13
1150	Notes receivable (Notes 4, 10 and 28)	79,586	-	177,969	1
1160	Notes receivable-related parties (Notes 4, 10, 28 and 37)	24,845	-	-	-
1170	Net accounts receivable (Notes 4, 10 and 28)	1,614,862	9	1,801,429	10
1180	Accounts receivable-net amount of related parties (Notes 4, 28 and 37)	147,303	1	159,252	1
1200	Other receivables (Note 10)	116,078	1	204,263	1
1210	Other receivables-related parties (Note 37)	114,870	1	257,459	1
130X	Inventory (Notes 4, 5 and 11)	3,210,797	18	3,350,147	18
1410	Prepayments (Note 19)	156,743	1	200,598	1
1479	Other current assets (Notes 20 and 30)	561,533	3	728,140	4
11XX	Total current assets	10,170,682	57	10,734,417	57
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive gains and losses-non-current (Notes 4 and 8)	120,056	1	111,010	1
1535	Financial assets measured at amortized cost-non-current (Notes 4 and 9)	27,725	-	25,229	-
1550	Investments using the equity method (Notes 4 and 13)	793,054	5	727,795	4
1600	Property, plant and equipment (Notes 4, 14, 37 and 38)	5,922,156	33	6,279,836	34
1755	Right-of-use assets (Notes 4, 15 and 38)	370,567	2	451,968	2
1760	Investment properties (Notes 4, 16 and 38)	65,071	-	64,716	-
1805	Goodwill (Notes 4 and 17)	12,996	-	12,444	-
1821	Other intangible assets (Notes 4 and 18)	15,423	-	17,294	-
1840	Deferred tax assets (Notes 4 and 30)	283,407	2	175,568	1
1920	Deposited margin (Note 4)	17,082	-	21,643	-
1975	Net confirmed welfare assets-non-current (Notes 4 and 26)	5,476	-	-	-
1990	Other non-current assets (note 20)	43,735	-	161,728	1
15XX	Total non-current assets	7,676,748	43	8,049,231	43
1XXX	Total assets	$ 17,847,430	100	$ 18,783,648	100

CODE	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans (note 21 and 38)	$ 6,400,957	36	$ 5,270,282	28
2110	Short-term notes payable (Note 21)	709,501	4	429,790	2
2120	Financial liabilities measured at fair value through profit and loss-current (notes 4 and 7)	20,927	-	2,462	-
2150	Notes payable (Note 22)	72,165	-	145,447	1
2160	Notes payable-related parties (Note 37)	32,206	-	-	-
2170	Accounts payable (Note 22)	650,938	4	651,628	4
2180	Accounts payable-related parties (Note 37)	98,596	-	139,678	1
2219	Other payables (note 23)	498,196	3	669,316	4
2220	Other payables-related parties (Note 37)	183,505	1	248,464	1
2230	Current income tax liabilities (Notes 4 and 30)	5,814	-	14,758	-
2280	Lease liabilities-current (Notes 4 and 15)	27,739	-	46,679	-
2322	Long-term loans due within one year (Notes 21 and 38)	282,952	2	1,174,746	6
2365	Refund liabilities-current (notes 4 and 25)	3,705	-	6,523	-
2399	Other current liabilities (Note 28)	121,343	1	136,918	1
21XX	Total current liabilities	9,108,544	51	8,936,691	48
	Non-current liabilities				
2541	Long-term bank loans (Notes 21 and 38)	3,181,005	18	3,372,293	18
2580	Lease liabilities-non-current (Notes 4 and 15)	14,435	-	58,701	1
2570	Deferred tax liabilities (Notes 4 and 30)	36,823	-	53,135	-
2630	Non-current deferred income (Notes 4 and 24)	49,376	-	34,853	-
2640	Net confirmed benefit liabilities-non-current (Notes 4 and 26)	-	-	55,544	-
2645	Deposit margin	2,464	-	4,250	-
25XX	Total non-current liabilities	3,284,103	18	3,578,776	19
2XXX	Total liabilities	12,392,647	69	12,515,467	67
	Equity attribuSchedule to the owners of the company (Note 27)				
3100	Stocks				
3110	Common stocks	3,845,657	22	3,845,657	20
3200	Capital reserve	791,558	4	942,169	5
	Retained surplus				
3310	Legal surplus reserve	283,732	2	228,353	1
3320	Special reserve	401,956	2	293,042	2
3350	Unappropriated earnings	(162,083)	(1)	578,530	3
3300	Total retained earnings	523,605	3	1,099,925	6
3400	Other equities	(456,503)	(2)	(401,956)	(2)
3500	Treasury stocks (note 4)	-	-	(12,681)	-
31XX	Total equity of company owners	4,704,317	27	5,473,114	29
36XX	Non-controlling interests (note 27)	750,466	4	795,067	4
3XXX	Total equity	5,454,783	31	6,268,181	33
	Total	$ 17,847,430	100	$ 18,783,648	100

The accompanying notes are an integral part of the individual financial statements.
(Please refer to the auditors' report of Deloitte and Touche on March 19, 2021)

Chairman: Chia-Min Yeh, Manager:Wei-Li Yeh, Accounting Manager; Yi-nung-Yu

De Licacy Industrial Co., Ltd.and Subsidiaries
Consolidated Statements of compresensive Income
For the Years Ended December 31 of 2020 and 2019

(In thousands of New Taiwan Dollars)
(Except Earnings (net loss) Per Share)

Code		2020 Amount	2020 %	2019 Amount	2019 %
	Operating income (Note 4, 28 and 37)				
4100	Net sales revenue	$ 8,407,460	98	$ 10,533,526	96
4800	Other operating income	187,199	2	386,198	4
4000	Total operating income	8,594,659	100	10,919,724	100
	Operating costs (Notes 11, 26, 29 and 37)				
5110	Cost of goods sold	7,350,952	86	8,865,307	81
5900	Gross Operating Income	1,243,707	14	2,054,417	19
5910	Unrealized sales benefits (Note 4)	(26)	-	-	-
5950	Gross realized operating income	1,243,681	14	2,054,417	19
	Operating expenses (Note 10, 26 and 29)				
6100	Marketing expenses	471,947	5	576,654	5
6200	General and administrative expenses	490,694	6	475,357	5
6300	Research and development expenses	208,459	2	231,949	2
6450	Expected credit loss	60,043	1	24,314	-
6000	Total operating expenses	1,231,143	14	1,308,274	12
6500	Net other income and expenses (notes 29 and 37)	(9,383)	-	55,618	-
6900	Operating income	3,155	-	801,761	7
	Non-operating income and expenses (Notes 4, 7, 16, 29 and 37)				
7100	Interest income	42,886	-	54,256	-
7190	Other income	204,648	2	123,148	1
7020	Other benefits and losses	(281,461)	(3)	(52,828)	-
7050	Financial costs	(177,717)	(2)	(206,066)	(2)
7060	Share of losses of affiliated companies using the equity method	(83,313)	(1)	(53,384)	-
7000	Total non-operating income and expenses	(294,957)	(4)	(134,874)	(1)
7900	Net profit before tax (net loss)	(291,802)	(4)	666,887	6
7950	Income tax expense (benefits) (Notes 4 and 30)	(85,169)	(1)	52,424	-
8200	Net profit (net loss) for the year	(206,633)	(3)	614,463	6

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Code		2020 Amount	2020 %	2019 Amount	2019 %
	Other comprehensive income (net loss)				
8310	Items not reclassified to profit or loss				
8311	Determine the remeasurement of the benefit plan (note 26)	29,226	-	(4,956)	-
8316	Unrealized appraisal gains and losses of equity instrument investments measured at fair value through other comprehensive gains and losses (note 27)	29,573	1	65,232	1
8320	Share of other comprehensive profit and loss of affiliates using the equity method (Note 27)	(1,548)	-	-	-
8349	Income tax related to items not reclassified (Note 30)	(5,678)	-	1,038	-
		51,573	1	61,314	1
	Items that may be reclassified to profit and loss in the future				
8361	Conversion difference in the conversion of financial statements of foreign operating institutions (Note 27)	(114,464)	(1)	(188,358)	(2)
8370	Share of other comprehensive profit and loss of affiliates using the equity method (Note 27)	26,815	-	(26,500)	-
8399	Income tax related to items that may be reclassified (Notes 27 and 30)	18,305	-	39,648	-
8360		(69,344)	(1)	(175,210)	(2)
8300	Other comprehensive profit and loss for the year (net after tax)	(17,771)	-	(113,896)	(1)
8500	Total comprehensive profit and loss for the year	($ 224,404)	(3)	$ 500,567	5
8600	The net profit (net loss) is attribuSchedule to:				
8610	Owner of the company	($ 207,286)	(3)	$ 558,021	5
8620	Non-controlling interests	653	-	56,442	1
		($ 206,633)	(3)	$ 614,463	6
8700	The total comprehensive profit and loss is attribuSchedule to:				
8710	Owner of the company	($ 241,385)	(3)	$ 444,877	4
8720	Non-controlling interests	16,981	-	55,690	1
		($ 224,404)	(3)	$ 500,567	5
	Earnings per share (net loss) (Note 31)				
9710	Basic	($ 0.54)		$ 1.61	
9810	Dilution	($ 0.54)		$ 1.60	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the auditors' report of Deloitte and Touché on March 19, 2021)

Chairman: Chia-Min Yeh, Manager: Wei-Li Yeh, Accounting Manager; Yi-nung-Yu

De Licacy Industrial Co., Ltd.and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2020 and 2019

(In thousands of New Taiwan Dollars, Except Dividends per Share)

Code		Equity attribute to the Company's owner											
		Retained Earnings					Other Equities						
		Common Stock	Capital Surplus	Legal Reserve	Special surplus reserve	Unappropriated Earnings	Exchange differences from the financial statements of foreign operating enteritis	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total	Treasury Stocks	Grand Total	Non-Controlled Equity	Total Equity
A1	Balance at 1 January 2019	$ 3,345,657	$ 652,962	$ 208,137	$ 280,634	$ 241,374	($ 294,358)	$ 1,316	($ 293,042)	($ 12,681)	$ 4,423,041	$ 798,168	$ 5,221,209
	Appropriations of 2018 earnings (Note27)												
B1	Legal Reserve	-	-	20,216	-	(20,216)	-	-	-	-	-	-	-
B3	Special surplus reserve	-	-	-	12,408	(12,408)	-	-	-	-	-	-	-
B5	Cash dividends to shareholders – NT$ 0.55per share	-	-	-	-	(184,011)	-	-	-	-	(184,011)	-	(184,011)
C15	Cash dividends from capital Surplus cash dividends to shareholders – NT$0.95 per share (Note 27) .	-	(317,837)	-	-	-	-	-	-	-	(317,837)	-	(317,837)
D1	Net income for the year ended December 31 2019	-	-	-	-	558,021	-	-	-	-	558,021	56,442	614,463
D3	Other comprehensive (loss) income after tax for the year ended December 31, 2019	-	-	-	-	(4,230)	(157,089)	48,175	(108,914)	-	(113,144)	(752)	(113,896)
D5	Total comprehensive (loss) income for the year ended Dec. 31 2019	-	-	-	-	553,791	(157,089)	48,175	(108,914)	-	444,877	55,690	500,567
E1	Issurance of ordinary shares for cash (Note 27)	500,000	597,987	-	-	-	-	-	-	-	1,097,987	-	1,097,987
M1	Dividends distributed to the subsidiary and adjust capital surplus (Note 27)	-	1,827	-	-	-	-	-	-	-	1,827	-	1,827
M3	Subsidiary liquidation and returned shares (Note 27)	-	-	-	-	-	-	-	-	-	-	(5,186)	(5,186)
M5	Difference between actual acquisition of the subsidiary equity price and book value (Notes 12, 27, and 33)	-	8,710	-	-	-	-	-	-	-	8,710	(105,324)	(96,614)
M7	Changes equity to the Subsidiary ownership (Notes 12, 27 and 33)	-	(1,480)	-	-	-	-	-	-	-	(1,480)	1,480	-
O1	Cash dividends from the Subsidiary (Note 27)	-	-	-	-	-	-	-	-	-	-	(43,842)	(43,842)
T1	Non-controlled equity increase(Note 27)	-	-	-	-	-	-	-	-	-	-	94,081	94,081
Z1	Balance at 31 December 2019	3,845,657	942,169	228,353	293,042	578,530	(451,447)	49,491	(401,956)	(12,681)	5,473,114	795,067	6,268,181
	Appropriations of 2019 earnings (Note 27)												
B1	Legal Reserve	-	-	55,379	-	(55,379)	-	-	-	-	-	-	-
B3	Preferred Reserve	-	-	-	108,914	(108,914)	-	-	-	-	-	-	-
B5	Cash dividends to shareholders - NT$1.05 per share	-	-	-	-	(403,794)	-	-	-	-	(403,794)	-	(403,794)
C15	Cash Dividends from Capital Surplus to shareholders- NT$0.45 per share(Note 27)	-	(173,055)	-	-	-	-	-	-	-	(173,055)	-	(173,055)
D1	Net income for the year ended December 31, 2020	-	-	-	-	(207,286)	-	-	-	-	(207,286)	653	(206,633)
D3	Other comprehensive (loss) income after tax for the year ended December 31, 2020	-	-	-	-	23,332	(74,434)	17,003	(57,431)	-	(34,099)	16,328	(17,771)
D5	Total comprehensive (loss) income for the year ended December 31, 2020	-	-	-	-	(183,954)	(74,434)	17,003	(57,431)	-	(241,385)	16,981	(224,404)
M3	The subsidiary on liquidation (Notes 27 and 32)	-	7,459	-	-	-	12,788	-	12,788	12,681	32,928	(189,185)	(156,257)
M5	Difference between actual acquisition of the subsidiaries equity price and book value difference (Notes 12, 27, and 33)	-	675	-	-	-	-	-	-	-	675	(22,004)	(21,329)
M7	Changes equity to the Subsidiary ownership (Notes 12, 27 and 33)	-	22,394	-	-	-	422	1,102	1,524	-	23,918	(23,918)	-
O1	Cash dividends from the Subsidiary (Note 27)	-	-	-	-	-	-	-	-	-	-	(45,663)	(45,663)
Q1	Other comprehensive loss /income at fair value through liquidation (Note 27)	-	-	-	-	11,428	-	(11,428)	(11,428)	-	-	-	-
T1	Non-controlled equity increase(Note 27)	-	(8,084)	-	-	-	-	-	-	-	(8,084)	219,188	211,104
Z1	Balance on 31 December 2020	$ 3,845,657	$ 791,558	$ 283,732	$ 401,956	($ 162,083)	($ 512,671)	$ 56,168	($ 456,503)	$ -	$ 4,704,317	$ 750,466	$ 5,454,783

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the auditors' report of Deloitte and Touché on March 19, 2021)

Chairman: Chia-Min Yeh, Manager: Wei-Li Yeh, Accounting Manager; Yi-nung-Yu

De Licacy Industrial Co., Ltd.and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31 of 2020 and 2019
(In thousands of New Taiwan Dollars)

Code		2020	2019
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income (Loss) before tax	($ 291,802)	$ 666,887
A20000	Adjustments for:		
	Revenues/Expenses		
A20100	Depreciation	615,814	542,728
A20200	Amortization	2,073	2,224
A20300	Expected credit loss (gain)	60,043	24,314
A20400	Financial assets and liabilities at fair value through profit or loss	9,740	(33,621)
A20900	Financial cost	177,717	206,066
A21200	Interest income	(42,886)	(54,256)
A21300	Dividend income	(1,487)	(1,602)
A21900	Share-Based Payment cost	-	737
A22300	Share of Loss of Associates & Joint Ventures Accounted for Using Equity Method	83,313	53,384
A22500	Loss (income) from liquidation of property, plant and equipment	9,383	(55,618)
A22700	Income from liquidation of investment properties	-	(14,409)
A23700	Inventory Valuation and Obsolescence Losses	42,628	9,264
A23900	Unrealized sales income	26	-
A24100	Unrealized foreign exchange losses	95,539	13,081
A24500	Benefits from liquidation of subsidiary	(9,154)	-
A29900	Allowance (reversal) for refund liability.	(1,950)	1,077
A29900	Gains from lease amendment	(10)	-
	Changes in operating assets and liabilities		
A31130	Notes Receivable	14,976	54,238
A31150	Accounts Receivable (include related parties)	58,893	(183,582)
A31180	Other accounts receivable (include related parties)	(56,839)	24,955
A31200	Inventory	42,252	(518,876)
A31230	Prepayments	37,655	(46,779)
A31240	Other current assets	88,533	(158,562)
A32130	Notes payable	(1,367)	(43,571)
A32150	Accounts payable	7,761	33,756
A32160	Accounts payable - stakeholders	(32,879)	139,678
A32180	Other payables	(122,455)	143,169
A32190	Other payables - stakeholder	9,697	(10,332)
A32230	Other current liabilities	(19,993)	64,878
A32240	Net confirmed welfare liability (assets) – non-current	(27,231)	(13,605)
A32990	Long-term differed income	22,829	(2,193)
A33000	Cash generated from operations	770,819	843,430
A33100	Interest received	40,590	51,664
A33200	Dividends received	1,487	1,602
A33300	Interest paid	(179,579)	(201,963)
A33500	Income tax paid	(30,296)	(90,745)
AAAA	Cash generated from operations (net)	603,021	603,988
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets - current at fair value through other comprehensive profit or loss	(83,563)	-
B00020	Liquidation of financial assets - current at fair value through other comprehensive profit or loss	63,635	-
B00100	Acquisition of financial assets at fair value through profit or loss	(21,277)	(24,569)
B00200	Liquidation of financial assets at fair value through profit or loss	24,242	15,113
B00040	Acquisition of financial assets at amortized cost	(10,682,165)	(18,395,760)

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code		2020	2019
B00060	Financial assets at amortized cost repayment of principal upon maturity	9,900,763	18,038,738
B01800	Investments accounted for using equity method	(6,375)	(22,259)
B02000	Increase in prepayments for investments	(34,647)	-
B02200	Net cash flows from subsidiary acquisition	(1,225)	-
B02300	Net cash flows from subsidiary liquidation	(1,801)	-
B02400	Net returned payments for share from subsidiary liquidation	-	(5,285)
B02700	Acquisition of property, plant and equipment	(438,271)	(1,263,391)
B02800	Proceeds from liquidation of property, plant and equipment	263,177	362,256
B03700	Increase in refundable deposits	(1,445)	(16,796)
B03800	Decrease in refundable deposits	2,928	12,381
B04300	Increase in other Accounts receivable – related parties	(8,009)	-
B04500	Acquisition of intangible assets	(565)	(1,430)
B05350	Acquisition of the right-of-use assets	-	(1,629)
B05500	Proceeds from disposal of real estate investments	43,030	-
B06700	Increase in prepayment for equipment	(12,866)	(117,386)
B06800	Decrease in long-term receivables	1,355	1,798
B07600	Received dividends from associated companies	7,949	-
B09900	Subsidies from the right-of-use assets	-	25,697
BBBB	Net cash used in investing activities	(985,130)	(1,392,522)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term debts	29,164,154	27,027,237
C00200	Decrease in short-term debts	(27,574,750)	(26,836,058)
C00500	Increase in short-term notes and bills payable	3,948,627	3,704,716
C00600	Decrease in short-term notes and bills payable	(3,638,916)	(3,767,743)
C01600	Loan of long-term debt	5,023,231	12,974,615
C01700	Repayment of long-term debt	(6,105,032)	(11,911,926)
C03000	Increase in deposits received	6,224	10,382
C03100	Decrease in deposits received	(8,010)	(8,273)
C03600	Decrease in other payables	-	(44,500)
C03700	Increase in other payables= related parties	175,660	203,842
C03800	Decrease in other payables= related parties	(181,974)	(481,156)
C04020	Repayment of the principal portion of lease liabilities	(47,391)	(43,565)
C04500	Net cash used in financing activities	(622,512)	(543,863)
C04600	Issuance of common stock for cash	-	1,097,250
C05400	Issuance of Subsidiary's common stock for cash	211,104	94,081
C09900	Acquisition of ownership interests in subsidiaries	(96,279)	(21,664)
CCCC	Net cash generated from financing activities	254,136	1,453,375
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	8,106	(51,326)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(119,867)	613,515
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,343,347	729,832
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,223,480	$ 1,343,347

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the auditors' report of Deloitte and Touché on March 19, 2021)

Chairman: Chia-Min Yeh, Manager: Wei-Li Yeh, Accounting Manager; Yi-nung-Yu

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In thousands of New Taiwan Dollars, unless stated otherwise)

1. Company history

De Licacy Industrial Co., Ltd. (”the Company”) was incorporated in July 1982 and engaged in manufacturing plaid cloth, blended cloth, jacquard cloth, bubble cloth, telescopic cloth, chemical fiber cloth, polyester cotton cloth, satin and other textile manufacturing dyeing and finishing processing and trading business.

The Company’s stock has been listed and traded on the Taiwan Stock Exchange since January 1997.

The currency used in the consolidated financial statements is New Taiwan Dollars.

2. The date and procedures for passing the financial report

The consolidated financial statements were approved by the Corporation’s board of directors on March 15, 2021.

3.Application of newly issued and revised standards and interpretations

(1)Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of (IFRIC), and Interpretation announcement (SIC), (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC), which did not have any material impact on the Company’s accounting policies:

(2)The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendment to IFRS 4 “application to IFRS 9 - temporally exemption for extension”	Effective from issuing date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 “Interest Rate Benchmark Reform – the second stage”	The Corporation shall apply these amendments for annual reporting period beginning on or after January 1, 2021.
Amendment to IFRS 16 “COVID-19-related rent concessions”	The Corporation shall apply these amendments for annual reporting period beginning on or after June 1, 2020.

As of the date the financial statements were authorized for issue, the combined company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the related standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

(3)New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
“Annual improvement for the 2018-2020 period”	January 1 2022 (Note 2)
Amendment to IFRS 3 ” Updating a Reference to the Conceptual Framework”	January 1 2022 (Note 3)
Amendments to IFRS 10and IAS 28 “ Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be confirmed
IFRS 17 “Insurance Contract”	January 1 2023
Amendments to IFRS 17	January 1 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1 2023
Amendment to IAS 1” Disclosure of Accounting Policies”	January 1 2023(Note 6)
Amendment to IAS 8 “Accounting Estimates Definitions”	January 1 2023(Note 7)
Amendment to IAS 16 “Property, Plant and Equipment — Proceeds before Intended Use”	January 1 2022(Note 4)
Amendment to IAS 37 “Onerous Contracts — Cost of Fulfilling a Contract”	January 1 2022(Note 5)

Note1 :Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note2:IFRS 9 Amendments will be applied to the exchange of financial liabilities or modification of terms that occur during the annual report period after January 1, 2022; IAS 41amendments "Agriculture" will be applied to fair value measures for the annual report period after January 1, 2022. IFRS 1amendments "First adoption of IFRSs" will be applied retroactively to the annual report period after January 1, 2022.

Note3: The Corporation shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020.

Note4: This amendment applies to plant, property and equipment in the location and condition necessary to achieve management's intended operation mode after January 1, 2021.

Note5: This amendment will be applied to contracts that have not fulfilled all their obligations as at 1 January 2022

Note6: The Company shall apply these amendments postponed for annual reporting periods beginning on or after January 1, 2023.

Note7: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in the beginning annual report period after January 1, 2023.

As of the date of the consolidated financial statements were authorized for issue, the combined company is still evaluated that no significant impact on its financial position and financial performance is anticipated as a result of the initial adoption of the other standards or interpretations.

4. Summary explanation of major accounting policies

(1)Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2)Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value and net defined benefit liabilities (assets) recognized at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 input is quoted prices (unadjusted) in active markets for identical assets or liabilities.
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that ar e observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3) Level 3 inputs are unobservable inputs for an asset or liability.

(3) Classification of current and noncurrent assets and liabilities

Current assets include:

1)Assets held primarily for the purpose of trading;

2)Assets expected to be realized within 12 months after the reporting period; and

3)Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period

Current liabilities include:

1)Liabilities held primarily for the purpose of trading;

2)Liabilities due to be settled within 12 months after the reporting period; and

3)Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current

(4)Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). The consolidated income statement is included in the operating profit and loss of the acquired or disposed subsidiary at the current date of acquisition or until the date of disposition.When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by consolidated companie.All intra-company transactions,

balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When the merging company's changes in the ownership and equity of the subsidiary do not result in the loss of control, it is treated as an equity transaction. The carrying amount of the consolidated company and non-controlling interests has been adjusted to reflect changes in its relative equity in the subsidiary. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributable to the owners of the company.

When the combined company loses control of a subsidiary, the gain or loss on disposal is the difference generated from (1) the aggregate of the fair value of the consideration received and the fair value of the remaining investment in the former subsidiary at the date of loss of control, and (2) the aggregate total of the assets and liabilities and noncontrolling interests of the former subsidiary at the carrying amount on the date of loss of control. The combined company accounts for all amounts recognized in other comprehensive income or loss related to the subsidiary on the same basis as the combined company must follow for the direct disposal of the related assets or liabilities.

The remaining investment in a former subsidiary is recognized as the original investment in related companies based on the fair value on the date of loss of control.

See Note 12, Schedule 7 and Schedule 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

(5)Business Combinations

The business combinations follow the acquisition laws. The related acquisition -related costs are included as expenses in the period of cost occurrence and labor acquisition.

Goodwill is measured at the fair value of the transfer consideration and the total fair value of the acquirer's previously held interest in the acquirer at the date of the acquisition, in excess of the net amount of identifiable assets and liabilities acquired at the date of the acquisition.

(6)Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of

non-monetary items in respect of which gain and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (i.e., not recalculated).

For the purpose of presenting the consolidated financial statements, the functional currencies of its foreign operations are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

If the combined company disposes of all the interests of a foreign operation, or disposes of some interest of a subsidiary of a foreign operation but loses control, or disposes of a related company of a foreign operation after the retained interests are financial assets and treated in accordance with the accounting policies of financial instruments, all accumulated foreign exchange differences attributed to the owners of the Company and related to the foreign operations will be re-classified to profit or loss.

(7) Inventories

Inventories consist of raw materials, work in progress(including outsourced) and finished goods , and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

(8)Investments in associates and joint venture

An associate is an entity over which the combined companies have significant influence, and which are neither a subsidiary nor an interest in a joint venture.

The combined companies use the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the combined companies' share of the profit or loss and other comprehensive income of the associate. The combines companies also recognize the changes in the combined companies' share of the equity of associates.

The entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the combined companies transact with its associate, profits and losses resulting from the transactions with the associate are recognized in the combined companies consolidated financial statements only to the extent of interests in the associate that are not related to the combined companies.

(9)Property, plant, and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Property, plant and equipment in the course of construction are measured at cost. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If their respective lease terms are shorter than their useful lives, such assets are depreciated over their lease terms. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(10) Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Straight-line basis depreciation of investment real estate.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

(11) Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

To impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual year, that unit shall be tested for impairment before the end of the current annual year. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

(12) Intangible assets

1.Intangible assets acquired separately.

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on

a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2.Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(13) prope Impairment of property, plant and equipment, right-of-use asset, and intangible assets excluding goodwill.

At the end of each reporting period, the combined companies review the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the combined companies estimate the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

(14) Financial instruments

Financial assets and financial liabilities are recognized when the Combined companies becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attribuSchedule to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attribuSchedule to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1. Financial assets

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

(1) Measurement categories

Financial assets are classified into the following categories: financial assets at amortized cost and investments in equity instruments at FVTOCI.

A. Financial assets at Fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets measured at fair value through profit or loss on a mandatory basis. Financial assets

at fair value through profit or loss include investments in equity instruments that are not designated as at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value with dividends and interest recognized in other income and interest income, respectively, and gains or losses arising from remeasurement recognized in other gains and losses. For the determination of fair value, please refer to Note 36

B. Financial assets carried at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, financial assets at amortized cost, notes and accounts receivable (net) and other receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

a)Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

b)Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:Significant financial difficulty of the issuer or the borrower;Breach of contract, such as a default;It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are heldfor the purpose of meeting short-term cash commitments.

C.Investments in equity instruments at FVTOCI

On initial recognition, the Combined companies may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will beransferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Combined companies' right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets

The Combined companies recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Combined companies always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Combined companies recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Combined companies measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on afinancial instrument that are possible within 12 months after the reporting date. For internal credit risk management purposes, the Combined companies etermines that internal or external information which shows that the debtor is unlikely to pay its creditors would indicate that a financial asset is in default(without taking into account any collateral held by the Combined companies).

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

(3) Derecognition of financial assets

The Combined companies derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, thedifference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest

method.

(2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognizedand the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3. Derivative instruments

The derivative instruments which are entered into by The combined company are exchange rate swap contract to manage the exchange rate risk of The combined company.

Derivative instruments are originally recognized at fair value at the time of signingthe derivative instruments contract, and are subsequently re-measured at fair value at the balance sheet date. When the fair value of derivative instruments is positive, it is then classified as a financial asset; when the fair value is negative, it is then classified as a financial liability.

(15) Treasury Stocks

The subsidiary holds the shares of the parent company on the basis of the book value of the parent company when the subsidiary becomes a subsidiary.

(16) Provisions

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(17) Revenue recognition

The combined company allocates the transaction price to each contractual performance obligation after the contractual performance obligation is identified in the customer contract and recognized revenue when each performance obligation is satisfied.

Sales Revenue

Sales revenue comes from the sale of long and short fiber fabrics. The combined company recognizes revenue and accounts receivable at the time when the customer has the right to set the price and use the products and has the primary responsibility for re-selling the products and bears the risk of obsolescence of the products when the trade terms are fulfilled.

Therefore, no revenue is recognized when the product is in de-materialization process.

(18) Lease

At the inception of a contract, The combined company assesses whether the contract is, or contains, a lease.

1.The combined company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The lease payment of the operating lease is recognized as income on a

straight-line basis during the relevant lease period. The original direct costs incurred as a result of the acquisition of a business lease are added to the carrying amount of the underlying asset and are recognized as expenses during the lease period on a straight-line basis.

2.The combined company as lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any re-measurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If the changes in lease term result in changes in future lease payments, The combined company re-measures the lease liability and adjusts the right-to-use assets relatively, provided that the book value of the right-to-use assets has been reduced to zero, the remaining measured amount is recognized in the profit and loss. Lease liabilities are expressed separately in the consolidated balance sheet.

(19) Borrowing Costs

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

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

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

(20) Government grants

Government grants are not recognized until there is reasonable assurance that The combined company willcomply with the conditions attached to them and that the grants will be received.

Government grants related to revenue are recognized in other income on a systematic basis over the period in which the related costs intended to be reimbursed are recognized as expenses by The combined company. Government grants that are contingent on the acquisition of non-current assets by The combined company are recognized as deferred

revenue and are transferred to other income on a systematic basis over the life of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to The combined company with no future related costs are recognized in profit or loss in the period in which they become receivable.

(21) Employee benefits

1.Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(22) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2.Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated

with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment properties measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

3.Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. Major sources of uncertainty in major accounting judgments, estimates and assumptions

In the application of The combined companys' accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The combined companies consider the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Estimates and key resources of assumption uncertainty- slow-moving inventory losses

Inventory is based on the age of the stock to assess its sluggish situation, and based on historical experience to estimate the proportion of its proposed impairment amount, as the basis for assessing the loss of inventory sluggish. If future actual inventory impairment is higher than expected, significant losses may be incurred. ◦

6. Explanation of important accounting items

	31 December 2020	31 December 2019
Cash on hand, turnover and petty cash	$ 1,403	$ 1,625
Bank cheques and demand deposits	1,115,912	969,902
Cash Equivalents (Investments with an original Expiry Date of less than 3 months)		
Time Deposit	6,165	371,820
Commercial Paper	100,000	-
	$ 1,223,480	$ 1,343,347

The annual interest rate of cash equivalents on December 31, 2020 and 2019 was 0.95% to 3.3% and 0.66% to 2.25% respectively.

7. Financial Instruments at fair value through profit and loss.

	December 31 2020	December 31 2019
Financial assets - current		
Mandatory measurement at fair value through profit or loss		
Derivative instruments (not designated as hedge)		
Conversion rights of private placement convertible bonds of listed companies (Note 9)	$ 52,461	$ 43,599
Non-derivative financial assets		
Domestic listed (over-the-counter) stocks	2,856	9,720
Fund beneficiary certificates	9,387	8,589
	$ 64,704	$ 61,908
Financial liabilities - current		
Held for trading		
Derivative instruments (not designated as hedges)		
Exchange rate swap contracts (Note)	$ 20,927	$ 2,462

Note:Foreign exchange contracts with no hedging accounting applied at the balance sheet date and which have not yet due are as follows:

December 31, 2020

Category	Currencies	Expiration Period	Contract Amount (in 1,000 dollars)
Foreign exchange swap contract	NTD to USD	2021.01.28～2021.08.09	NTD 679,680/USD 23,100
Foreign exchange swap contract	NTD to CNY	2021.02.23	NTD 43,128/CNY 10,000

December 31 2019

Category	Currencies	Expiration Period	Contract Amount (in 1,000 dollars)
Foreign exchange contract	NTD to USD	2020.02.07～2020.03.17	NTD 278,730/USD 9,200

The purpose of the combined company to engage in foreign exchange transactions is mainly to avoid the risk of foreign currency assets and liabilities due to foreign exchange fluctuations.

Financial assets and liabilities at fair value through profit or loss in the years of 2020 and 2019 resulted the evaluation loss of NT$18,301,000 and evaluation benefits of NT$34,715,000 respectively, which were included under other benefits and losses in the consolidated comprehensive income statement.

8. Financial assets – Equity instrument investment at fair value through other comprehensive profit or loss

	December 31 2020	December 31 2019
Current		
Domestic Investment		
Shares of listed companies		
Common stock of Far Eastern International Commercial Bank.	$ 38,979	$ -
Noncurrent		
Domestic Investment		
Private shares of listed companies		
Private common shares of Chia Her Industrial Co., Ltd.	$ 120,056	$ 109,534
Private (over-the-counter) shares		
Common stock of Tuntex Incorporation.	-	1,476
	$ 120,056	$ 111,010

In July 2013 and May 2014, the combined company subscribed 13,980,000 and 15,873,000 shares (2,266,000 and 2,573,000 shares after the capital reduction, with a consolidated ownership of 5.902%) of Chia Her Industrial Co., Ltd..'s private placement common stock at NT$1.43 and NT$1.26 per share, respectively, for $19,991,000 and $20,000,000, respectively. Although the 3-year lock-up period has passed, the Company is still unable to complete the public offering because its past profitability does not meet the requirements for listing.

The combined company invests in the private equity of Chia Her Industrial Co., Ltd. and the common shares of Tuntex Incorporation for medium-and long-term strategic purposes. The management of The combined company believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss. Thus, they select and designate these investments at fair value through other comprehensive profits and losses

9.Financial assets at amortized cost

	December 31 2020	December 31 2019
Current		
Domestic Investment		
Financial Product (1)	$ 13,094	$ -
Pledged Demand Deposit	323,470	25,941
Pledged Time Deposit (1)	2,480,338	2,413,964
Time deposits with an original maturity period of more than 3 months (1)	-	10,000
	$ 2,816,902	$ 2,449,905
Non-Current		
Domestic Investment		
Chia Her Industrial Co., Ltd. private equity convertible corporate bond (2)	$ 27,725	$ 25,229
(1) Financial product interest rate range	3.88%	-
Time Deposit interest rate range	0.07%～2.2%	0.13%～2.5%

The financial products are non principal guaranteed and with floating interest rates.

(2)In October 2018, The combined company purchased 300 three-year private placement convertible bonds of Chia Her Industrial Co. at a book value of $100,000 with a coupon rate of 4.5% and an effective interest rate of 14.66%. This investment is not transferable within three years in accordance with the relevant laws and regulations.

The combined company classifies its investment in corporate bonds as investment in liability instruments measured at amortized cost - non-current. Since the economic characteristics and risks of this derivative instruments are not closely related to those of the host contract, The combined company recognizes the derivative separately from the corporate bonds.

(3) For information on pledges of financial assets measured at amortized cost. (see Note 38)

(4)The combined company invests only in liability instruments with low credit risk as assessed by the impairment. The combined company considers the historical default loss rate and the outlook of the industry in which it operates to measure the expected credit loss over 12 months or the expected credit loss over the life of the investment in liability instruments. As the debtor has low credit risk and sufficient ability to settle the contractual cash flows, no expected credit loss has been recorded against financial assets at amortized cost as of December 31, 2020 and 2019.

10. Notes Receivable, Net Accounts Receivable, and other Accounts Receivable

(1) Notes Receivable

Notes receivable of The combined company are all business-related.

No overdue notes receivable of The combined company on 31 December 2020 and 2019 , thus no allowance was made for losses.

(2) Accounts Receivable

	December 31 2020	December 31 2019
At amortized cost		
Total book value	$ 1,709,214	$ 1,839,217
Less: allowance for the losses	94,352	37,788
	$ 1,614,862	$ 1,801,429

The average credit period of sales of goods of The combined company was 30-120 days. No interest for accounts receivable. To mitigate credit risk, The combined company's management assigns a dedicated team to determine credit limits, approve credit facilities and other monitoring procedures to ensure that appropriate actions are taken to collect overdue accounts receivable. In addition, The combined company reviews the recoverable amounts of accounts receivable on an individual case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the management of the Company believes that the credit risk of The combined company has been significantly reduced.

The combined company measures the loss allowance for notes and accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on notes and accounts receivable are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As The combined company's historical credit loss experience does not show there are significant differences in the loss patterns of different customer groups,

therefore, instead of further differentiating the customer groups, the provision matrix only sets the expected credit loss rate based on the number of days to establish accounts receivable.

If there is any evidence shows that the counter-party is in serious financial difficulty and The combined company cannot reasonably expect to recover the amount, for example, if the counter-party is in a liquidation process, The combined company will directly write off the related accounts receivable but will continue the recovery activities, and the recovered amount will be recognized in profit or loss.

The combined company measured the allowance for losses on accounts receivable based on the provision matrix as follows:

December 31 2020

	Less than 90 days	90-180 days	180-365 days	365 days above	Total
Expected credit loss rate	0%	0%～5%	0%～100%	0%～100%	
Total carrying amount	$1,470,655	$ 130,757	$ 47,868	$ 59,934	$1,709,214
Allowance for losses (expected credit losses during the continuance period)	-	(1,273)	(33,993)	(59,086)	(94,352)
Amortized cost	$1,470,655	$ 129,484	$ 13,875	$ 848	$1,614,862

December 31 2019

	Less than 90 days	90-180 days	180-365 days	365 days above	Total
Expected credit loss rate	0%～2%	0%～100%	0%～100%	48%～100%	
Total Carrying amount	$1,619,056	$ 154,936	$ 32,825	$ 32,400	$1,839,217
Allowance for losses (expected credit losses during the continuance period)	(1,126)	(2,776)	(17,014)	(16,872)	(37,788)
Amortized cost	$1,617,930	$ 152,160	$ 15,811	$ 15,528	$1,801,429

Information on the changes in the allowance for losses on accounts receivable is as follows.

	2020	2019
Beginning Balance	$ 37,788	$ 27,454
Add: Impairment loss for the year	60,043	24,314
Less: Actual write-off for the year	3,605	13,406
Subsidiary Disposal	(207)	-
Foreign exchange difference	333	(574)
Ending Balance	$ 94,352	$ 37,788

Please see the Note 36-5 - Financial Assets transfer information for the amount and related terms of The combined company's transfer of accounts receivable.

(3) Other Receivables

	December 31 2020	December 31 2019
Proceeds from Sale of Equipment	$ 20,554	$ 60,123
Proceeds from sales of investment fixed property	7,452	50,482
Proceeds from sale of right-of-use asset	13,199	13,199
Government Grants	8,817	-
Others	66,056	80,459
	$ 116,078	$ 204,263

11. Inventory

	December 31 2020	December 31 2019
Finished Products	$ 1,810,813	$ 1,783,568
Work-in-progress	807,249	893,788
Raw materials	586,119	659,884
work-in-progress materials - outsourced	6,616	12,907
	$ 3,210,797	$ 3,350,147

Natures of cost of goods sold:

	2020	2019
Cost of inventory sold	$7,254,036	$8,833,327
Loss for market price decline and obsolete and slow-moving inventories	42,628	9,264
Unallocated Manufacturing Costs (Note)	53,118	15,211
Other	1,170	7,505
	$7,350,952	$8,865,307

Note: Unallocated manufacturing costs include expenses related to the shutdown period due to the impact of the COVID-19 outbreak.

12. Subsidiary

Subsidiaries included in Consolidated Financial Statements

The main elements of the consolidated financial statements are as follows:

Name of Investment Company	Name of Subsidiary	Business Type	Percentage of shareholding(%) December 31 2020	Percentage of shareholding(%) December 31 2019	Note
The Company	De Licacy (Samoa) Holdings Company (De Licacy Samoa Company)	General Investment	100	100	(1)
	Tung Ming Textile Co., Ltd. (Tung Ming Company)	Manufacture, processing and trading of chemical fibers	-	91.28	(2)
	De-Fa International Industrial Co., Ltd. (De Fa Company)	General Import and Export Trade	100	100	
	Chadtex Industrial Co., Ltd. (Chadtex Company)	Manufacturing and sales of finished long-fiber fabrics	55.06	50.41	(3)
	Lucky Unique Enterprise Co., Ltd. (Lucky Unique Enterprise Company)	Manufacture and processing of various fiber textiles	-	59.7	(4)
	British Virgin Islands De Licacy HoldingsLimited (De Licacy BVI Holdings Company)	General Investment	100	100	(5)
	View Best GlobalLimited (View Best Global Company)	General Investment	100	100	(6)
	De Kao Trading Co., Ltd. (De Kao Company)	General Import and Export Trade	-	60	(7)
Tung Ming Company	Lucky Unique Enterprise Company	Manufacture and processing of various fiber textiles	-	1.22	(4)
	Bright Wisdom Holdings Ltd. (Bright Wisdom Ltd.)	General Investment	-	5.22	(8)
De Licacy Samoa Company	Vantage Gain Holdings Limited (Vantage Gain Limited)	General Investment	73.33	73.33	(9)
	Best Alliance International Limited (Best Alliance Limited)	General Investment	100	100	
	Hao Wan InvestmentLimited (Hao Wan Company)	General Investment	-	100	(11)
	De Licacy (Anguilla) Holdings Co Ltd (De Licacy Anguilla Company)	General Investment	100	100	
	De Hong Holdings Co., Ltd. (De Hong Company)	General Investment	50	50	(12)
	New Lake Ltd. (New Lake Company)	General Import and Export Trade	100	100	(13)

(Continued)

(continued from the previous page)

Name of Investment Company	Name of Subsidiary	Business Type	Percentage of shareholding(%) December 31 2020	Percentage of shareholding(%) December 31 2019	Note
	Deli Star International Limited (Deli Star Limited)	General Investment	-	-	(14)
	Beauty Plus Ventrues Limited (Beauty Plus limited)	General Investment	85	85	
Hao Wang Company	Chang Sin Lucky Unique Enterprise TextileLimited (Chang Sin Lucky Unique Enterprise Company)	Manufacture, dyeing and sales of various high-quality fabrics and textiles	-	100	(11)
De Licacy BVI Holding Company	De Shen (Cayman) Holdings Co., Ltd. Company (De Shen Cayman Company)	General Investment	100	100	(5)
Der Sheng Cayman Company	Vietnam De Licacy Enterprise LiabilitiesLimited (Vietnam De Licacy Company)	Printing, dyeing, finishing, garment manufacturing and trading of various textile and yarn materials	100	100	(5)
De Hong Company	De Hong International Co., Ltd. (Vietnam) (De Hong (Vietnam) Company)	Printing and finishing of various types of garments and cloths	100	100	(12)
Best Alliance International Limited	Hangzhou De Licacy TextileLimited (Hangzhou De Licacy Company)	Production and sales of long and short fiber fabric processing and finishing	100	100	
	Eden Road InternationalLimited (Eden Road Company)	General Import and Export Trade	100	100	
	Bright Wisdom Ltd.	General Investment	53.22	45.85	(8)
	Hong Kong Eden Road InternationalLimited (Hong Kong Eden Road Company)	General Import and Export Trade	100	-	(10)
Eden Road Company	Bright Wisdom Ltd.	General Investment	-	20.23	(8)
Lucky Unique Enterprise Company	Gain Faith Investments Ltd (Gain Faith Ltd)	General Investment	-	100	(4)
	E Textile Co .,Ltd. (E Textile Company)	Manufacture and processing of various fiber textile products	-	80	(4)
	De Kao Company	General Import and Export Trade	-	-	(4) and (7)
	Tung Ming Company	Manufacture, processing, and trading of chemical fibers	-	-	(2) and (4)
Bright Wisdom Ltd.	Total Express Ltd.	International Trade Business	100	100	(15)
	Apex Textile Co., Ltd (Apex Textile Company)	Manufacture and sale of textile products and dyeing and finishing	100	100	(15)
	Lucky Apex Ventures Limited	General Investment	100	100	
	Futures co., Ltd (Futures Company)	General Import and Export Trade	100	-	(16)
Lucky Apex Ventures Limited	Apex (Anqing) Textile Co., Ltd (Apex (Anqing) Company)	Manufacture and sale of various high-quality fabrics and textiles	100	100	
—	Thousand Well International Limted (Thousand Well Company)	International Trade Business	-	-	(17)
—	Fastpower Limited (Fastpower Limited)	International Trade Business	-	-	(17)
—	Thousand Well (Samoa) International Limted (Thousand Well (SAMOA) Company)	International Trade Business	-	-	(17)
—	Fastpower (Samoa) Limited (Fastpower (Samoa) Limited)	International Trade Business	-	-	(17)

(1) The Company increase investment in De Licacy Samoa Company NTD320,241,000(USD11,059,000)and NTD137,228,000(USD4,440,000)in 2020 and 2019 respectively.

(2) On April 20, 2020, the board of directors approved the sale of 91.28% of the Company's equity interest in Tung Ming Company to Lucky Unique Enterprise Company for NTD 258,989,000, which is a reorganization of a jointly-controlled entity, and therefore The combined company increased its capital reserve for the

difference between the sale price and the net equity of NTD20,052,000，see Note 33.

(3) In 2020, the Company acquired 4.65% of Chadtex Company from an unrelated parties for $21,329,000, resulting in an increase in shareholding from 50.41% to 55.06%. The Company increased capital surplus by $675,000 for the difference between the actual acquisition price and the carrying amount, see Note 33.

(4) In June 2019, the Company acquired 3.96% of Lucky Unique Enterprise Company from an un related party for NT$21,664,000, resulting in an increase in the shareholding ratio from 55.74% to 59.7%, and the Company increased its capital reserve by NT$1,069,000 for the difference between the actual acquisition price and book value. Please see Note 33 . On January 14, 2020, the Board of Directors approved the purchase of 1.22% of Lucky Unique Enterprise Company from its subsidiary Tung Ming Company for NT$6,633,000, resulting in an increase in shareholding from 59.7% to 60.92%, and therefore the transfer of shareholding was a reorganization of a jointly controlled entity. Therefore, the transfer of ownership was a reorganization under common control, and The combined company reduced the capital surplus by NT$27,000 for the difference between the transaction price and the net equity, see Note 33.

On June 19, 2020, the board of directors approved the sale of 35.94% of Lucky Unique Enterprise Company's shares (14,293,000 shares to unrelated parties) for NT$195,227,000 (NT$13.7 per share, net of securities transaction tax of NT$587,000). The transaction price was determined by reference to the equity value valuation report of Evermore Consulting Co., Ltd., an independent consultant of the un related party, as of March 31, 2020. The remaining investment was recognized at the fair value of the investment in affiliated companies at the date of loss of control, see Notes 13 and 32.

(5) The Company increased its investment in De Licacy Holdings Company by NT$427,638,000 (US$13,600,000) in 2019 for indirect investment in De Shen (Cayman) Holdings Co., Ltd. and Vietnam De Licacy Company. As of December 31, 2020, US$106,060,000 of the indirect investment in Vietnam De Licacy Company has been approved by the Investment Commission of the Ministry of Economic Affairs for review.

(6) The Company increased its investment in View Best Global Co., Ltd. in 2020 by NT$15,622,000 (US$540,000), mainly for the purpose of lending funds to an affiliate, Vietnam AGATO company, for its operations.

(7) On March 12, 2020, the Board of Directors approved the sale of 60% of the Company's equity interest in De Kao Company to Lucky Unique Enterprise Company, a subsidiary, for NT$12,000,000, and therefore the transfer of equity interest is a reorganization under a jointly controlled entity. Therefore, The combined company increased the capital surplus by NT$1,192,000 for the difference between the sale price and the net equity, see Note 33.

(8) Bright Wisdom Ltd. processed a cash capital increase in June 2019, but Tung Ming Company, Best Alliance International Limited and Eden Road Company were not recognized in proportion to their shareholdings, which resulted in a change in the shareholdings in Bright Wisdom Ltd. of 5.22%, 45.85% and 20.23%, respectively. The combined company reduced its capital surplus by NT$1,480,000 for the cash capital increase of the subsidiary not recognized in proportion to its shareholding, see Note 33 attached.

On January 14, 2020, the Board of Directors approved the acquisition of 5.22%

and 20.23% equity interest in Bright Wisdom Ltd. by Best Alliance International Limited from its subsidiaries Tung Ming Company and Eden Road Company at US$1.0376 per share, respectively. As such, the transfer of ownership was a reorganization under common control, and The combined company increased the capital reserve by NT$1,177,000 for the difference between the transaction price and the net equity, see Note 33 attached.

Bright Wisdom Ltd. increased its capital by NT$209,403,000 (US$7,100,000) from January to September 2020, and its shareholding decreased from 71.3% to 53.22% because Best Alliance International Limited did not recognize the capital increase in proportion to its shareholding. The Company reduced its capital stock by NT$8,084,000 for this unrecognized increase in capital stock, see Note 33.

(9) De Licacy Samoa Company increased its investment in Bao Li Company by US$159,000 and US$532,000 in 2020 and 2019, respectively, mainly for indirect investment in Perfect Step Investments Limited (Perfect Step Ltd. holds 20% of the shares).

(10) De Licacy Samoa Company indirectly invested $1,572,000 (US$50,000) in Hong Kong Eden Road Company through Best Alliance International Limited in March 109, and Hong Kong Eden Road Company is mainly engaged in general import and export trade. .

(11) Chang Sin Lucky Unique Enterprise Textile Limited was liquidated on October 31, 2020 and the liquidation amount of NT$77,739,000 (US$2,706,000) was remitted to Hao Wan on November 30, 2020 for remittance to De-Licacy Samoa Company.

(12) De Licacy Samoa Company increased its investment in De Hong Company (50% shareholdings) by US$500,000 in 2019, mainly for indirect investment in De Hong (Vietnam) Company (100% shareholdings).

(13) De Licacy Samoa Company invests an additional NT$174,300,000 (US$6,000,000) in New Lake Company in 2020 to repay the USD loan.

(14) As Deli Star International Limited is no longer in active operation, The combined company returned NT$5,200,000 in liquidation on August 16, 2019 and is expected to be automatically delisted by the Government of Anguilla in six months.

(15) At the end of 2019, Bright Wisdom Ltd. acquired 19.231% of the shares of Apex Textile Co., Ltd and Total Express Ltd. from the key management at NT$74,950,000 (US$2,500,000), resulting in an increase in the percentage of shareholding from 80.769% to 100%. The Company increased its capital surplus by NT$7,641,000 for the difference between the actual acquisition price and the book value, see Note 33.

(16) On September 24, 2020, Bright Wisdom Ltd. acquired 100% of the shares held by Futures co., Ltd, which is mainly engaged in general import and export trade, from the key management for NT$3,000,000 (US$103,000). The combined company recognized goodwill of NT$552,000 for the difference between the consideration transferred and the fair value, which was valued using the discounted cash flow method as of September 30, 2020, based on the valuation report of Eternal Asset Consulting Co. On September 24, 2020, Bright Wisdom Ltd. increased its investment in Futures co., Ltd by NT$7,000,000 (US$239,000), which was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 16, 2020 and approved on October 27, 2020.

(17) Thousand Well International Limted and Fastpower Limited are companies to which The combined company has no material equity investment, but The combined company has control over the financial and operating policies of these companies and therefore The combined company has control over them and they are included in the preparation of the consolidated financial statements. The combined company has established Thousand Well (Samoa) International Limted and Fastpower (Samoa) Limited in October 2020 to transfer the operating activities of the former Thousand Well International Limted and Fastpower Limited .

13. Investments accounted for using equity method

	December 31 2020	December 31 2019
Investment in affiliates	$ 746,595	$ 631,022
Investment in joint ventures	46,459	96,773
	$ 793,054	$ 727,795

1.Investment in affiliates

	December 31 2020	December 31 2019
Significant affiliates		
Perfect Step Ltd.	$ 210,718	$ 225,694
Sung Yu Company	399,151	364,072
Lucky Unique Enterprise Company	111,412	-
	721,281	589,766
Individually insignificant affiliates		
Vietnam ATAGO Company	25,314	41,256
	$ 746,595	$ 631,022

The combined company's shareholdings and voting rights in affiliated companies as of the balance sheet date were as follows:

Name of Company	December 31 2020	December 31 2019
Perfect Step Ltd.	20%	20%
Sung Yu Company	38%	38%
Lucky Unique Enterprise Company	24.98%	-
Vietnam ATAGO Company	30%	30%

Vantage Gain Holdings Limited , a subsidiary, will increase its investment in Perfect Step Ltd. by NT$6,375,000 (US$217,000) and NT$22,259,000 (US$726,000) in 2020 and 2019, respectively, and Perfect Step Ltd. is mainly engaged in general investment.

Please refer to Note 12(4) for information on the Company's investment in a related company- Lucky Unique Enterprise Co., Ltd..

For information on the nature of business, principal place of business and country of incorporation of the above affiliates, please refer to Schedule 7, "Information on Investee Companies, Location...etc." and Schedule 8, "Information on Investment in China".

1). Significant affiliates

The following summarized financial information has been prepared on the basis of the financial statements of each affiliate IFRSs and reflects adjustments made under the equity method.

Perfect Step Ltd.

	December 31 2020	December 31 2019
Current Assets	$ 10,159	$ 47,692
Non-Current Assets	1,611,909	1,696,806
Current Liabilities	(649,100)	(687,785)
Equity	972,968	1,056,713
Controlled Equity	(762,250)	(831,019)
Equity of the combined companies	$ 210,718	$ 225,694

	2020	2019
Operation Income	$ -	$ -
Net income (loss)	($ 50,482)	($ 802)

Sung Yu Company

	December 31 2020	December 31 2019
Current Assets	$ 77	$ 85
Non-current Assets	1,054,024	961,845
Current Liabilities	(3,703)	(3,846)
Equity	1,050,398	958,084
Controlled Equity	(651,247)	(594,012)
Equity of the combined companies	$ 399,151	$ 364,072

	2020	2019
Operation Income	$ -	$ -
Net income (loss)	($ 38,283)	($ 36,420)

Lucky Unique Enterprise Company

	December 31 2020
Current Assets	$ 598,775
Non-current Assets	801,251
Current Liabilities	(924,092)
Non-current Liabilities	(29,780)
Equity	446,154
Controlled Equity	(334,684)
Equity of the combined companies	111,470
Unrealized income(loss) of upstream and downstream transactions.	(58)
Investment Carrying Amount	$ 111,412

	2020
Operation Income	$ 614,595
Net income	$ 15,285

2).Consolidated Individually insignificant affiliates information

	2020	2019
Shares of the combined companies		
Total income (loss)	($ 15,941)	($ 13,965)

2.Investment in joint ventures

Significant Joint Venture －New Premium Enterprise Co., Ltd.

	December 31 2020	December 31 2019
Current Assets	$ 76,836	$ 126,279
Non-current Assets	19,196	53,224
Current Liabilities	(3,114)	(20,788)
Non-current Liabilities	(-)	(6,789)
Equity	92,918	151,926
Controlled Equity	(46,459)	(75,963)
Equity of the combined companies	46,459	75,963
Net equity difference	-	20,810
Investment Carrying Amount	$ 46,459	$ 96,773

	2020	2019
Operation Income	$ 42,829	$ 180,706
Net loss	($ 53,282)	($ 51,960)

As of the balance sheet date, The combined company held 50% of the equity and voting rights in the significant joint venture (New Premium Enterprise Co.,Ltd).

Investments accounted for using the equity method and The combined company's share of profit or loss and other comprehensive income or loss are recognized on the basis of the audited financial statements of each of the affiliates and the joint venture for the same period.

14. Property, Plant and Equipment

Details of the two-period change in property, plant and equipment are set out in Schedule 12.

Among the owned land, part of The combined company's factory land (with a book value of NT$23,507,000) is agricultural land, which is temporarily registered in the name of others, but the agricultural land has been set up as a mortgage to The combined company.

The combined company has not performed an impairment assessment for 2020 and 2019 as there is no indication of impairment.

Depreciation expense is accrued on a straight-line basis over the following number of years of useful life：

Land improvements	3 to 40 years
Buildings	
Plant main buildings	20 to 55 years
Mechanical and power equipment	5 to 40 years
Engineering System	3 to 55 years
Others	2 to 25 years
Machinery	2 to 25 years
Transportation equipment	3 to 15 years
Other equipment	2 to 25 years

For the amount of property, plant and equipment pledged as security for loans by The combined company, see Note 38.

15. Lease Agreement

(1) Right-of-use asset

	December 31 2020	December 31 2019
Right-of-use asset carrying amount		
Land	$ 328,818	$ 347,614
Buildings	37,984	99,191
Transportation equipment	3,175	449
Other equipment	590	4,714
	$ 370,567	$ 451,968

	2020	2019
Additions of right-of-use asset	$ 27,455	$ 132,133
Depreciation expense of right-of-use asset Depreciation expense		
Land	$ 10,287	$ 11,342
Buildings	40,155	35,414
Transportation equipment	1,070	1,657
Other equipment	4,124	4,127
	$ 55,636	$ 52,540

Except for the above additions and recognition of depreciation expense, The combined company's right-of-use assets are not subject to significant sublease or impairment in 2020 and 2019.

See Note 38 for the amount of the right-of-use asset that is set as a guarantee for the loan.

(2) Lease liabilities

	December 31 2020	December 31 2019
Lease liabilities carrying amount		
Current	$ 27,739	$ 46,679
Non-current	$ 14,435	$ 58,701

The discount rate range of the Lease liabilities is as follows:

	December 31 2020	December 31 2019
Land	-	1.82%
Buildings	1.32% ~ 4.73%	1.34% ~ 4.73%
Transportation equipment	1.41% ~ 1.45%	1.34%
Other equipment	1.78%	1.78% ~ 1.9%

(3) Important Tenant Activities and Terms

The combined company leased certain pieces of land for factory and office use for a term of 40 to 50 years. At the end of the lease term, the combined Company has no priority purchasing rights for the leased land and buildings.

The right-of-use asset lease period is as follows.

Land	June 2047 to December 2068
Buildings	March 2022 to March 2023
Transportation equipment	July 2023 to April 2024
Other equipment	February 2021

(4) Other leasing information

	2020	2019
Short-term leasing expense	$ 5,025	$ 10,492
Total cash used in leasing	($ 52,416)	($ 55,686)

All commitments under leases commencing after the balance sheet date for the lease period are as follows:

	December 31 2020	December 31 2019
Lease Commitment	$ 4,870	$ 2,501

16. Investment fixed properties

Changes of land use right and uildings are as follows:

	2020	2019
Costs		
Beginning Balance	$ 145,772	$ 202,653
Disposal of the year	-	(43,591)
Net foreign exchange difference	4,187	(13,290)
Ending Balance	$ 149,959	$ 145,772
Accumulated depreciation		
Beginning Balance	$ 81,056	$ 84,789
Disposal of the year	-	(7,518)
Depreciation expense	3,415	4,285
Net foreign exchange difference	417	(500)
Ending Balance	$ 84,888	$ 81,056
Year end net	$ 65,071	$ 64,716

The combined company disposed of certain investment properties in fiscal year 2019 and recognized a gain on disposal of investment properties of NT$14,409,000 under other gains and losses in the Consolidated Statement of Income.

Investment properties are depreciated on a straight-line basis over 20 years of useful life.

The fair value of investment property as of December 31, 2019 was NT$202,384,000, which was based on a valuation performed by Evermore Valuation Joint Office, an independent non- related party, as of December 31, 2019. The valuation was performed using the discounted cash flow analysis method. There was no significant change at the fair value as of December 31, 2020 compared to December 31, 2019.

Please refer to Note 38 for the amount of investment property pledged as collateral for loans.

17. Goodwill

The goodwill represents the increase in the indirect ownership of Bright Wisdom Ltd. by the subsidiary Tung Ming Company in 2011. The initial carrying value of the equity-method investments was the carrying value as of January 1, 2011. The difference between the carrying value and the net equity includes goodwill of NT$12,444,000, which arose from the business combination of Bright Wisdom Ltd. which became a subsidiary of The combined company from a related party at the end of 2014.

The combined company also acquired Jon Da Company in September 2020 and recognized goodwill totaling NT$552,000 for the difference between the consideration transferred and the fair value, see Note 12(16) attached.

The combined company did not recognize any impairment loss on goodwill in 2020 and 2019.

18. Other Intangible Assets

	December 31 2020	December 31 2019
Computer Software	$ 3,414	$ 4,646
Emissions rights	12,009	12,648
	$ 15,423	$ 17,294

	Computer software	Emissions Rights	Total
Costs			
Balance at January 1 2019	$ 7,937	$ 17,159	$ 25,096
Purchase of the year	1,430	-	1,430
Net foreign exchange difference	(18)	(681)	(699)
Balance at December 31 2019	$ 9,349	$ 16,478	$ 25,827
Accumulated amortization			
Balance at January 1 2019	$ 3,403	$ 3,074	$ 6,477
Amortization fee	1,307	917	2,224
Net foreign exchange difference	(7)	(161)	(168)
Balance at December 31 2019	$ 4,703	$ 3,830	$ 8,533
Net at December 31 2019	$ 4,646	$ 12,648	$ 17,294
Costs			
Balance at January 1 2020	$ 9,349	$ 16,478	$ 25,827
Purchase of the year	565	-	565
Net foreign exchange difference	(25)	258	233
Subsidiary Disposal	(970)	-	(970)
Net at December 31 2020	$ 8,919	$ 16,736	$ 25,655
Accumulated amortization			
Balance at January 1 2020	$ 4,703	$ 3,830	$ 8,533
Amortization fee	1,252	821	2,073
Net foreign exchange difference	(18)	76	58
Subsidiary Disposal	(432)	-	(432)
Balance at December 31 2020	$ 5,505	$ 4,727	$ 10,232
Net at December 31 2020	$ 3,414	$ 12,009	$ 15,423

Except for the recognition of amortization fee, there were no significant additions, disposals and impairments to The combined company's other intangible assets in 2020 and 2019.

Emissions Rights, which were acquired by a subsidiary in China in March 2015 for a fee, are accrued on a straight-line basis over 20 years. Computer software is amortized on a straight-line basis over 1-8 years.

19. Prepayments

	December 31 2020	December 31 2019
Current		
Prepayment for purchases	$ 100,052	$ 101,078
Prepayment for plating fee	4,090	5,837
Prepayment for leasing fee	2,174	3,069
Prepayment for insurance fee	913	2,707
Others	49,514	87,907
	$ 156,743	$ 200,598

20. Other Assets

	December 31 2020	December 31 2019
Current		
Input Tax	$ 383,971	$ 564,128
Tax Overpaid Retained for Offsetting the Future Tax Payable	115,350	84,321
Refundable Tax	37,493	49,194
Office supplies	4,530	6,781
Others	20,189	23,716
	$ 561,533	$ 728,140
Non-current		
Prepayment for equipment	$ 43,003	$ 159,641
Long-term receivables	732	2,087
	$ 43,735	$ 161,728

21. Loan

(1)Short-term loan

	December 31 2020	December 31 2019
Securred loan (see Note 38)		
Bank loan	$ 3,849,446	$ 2,437,498
Unsecured loan		
Bank loan by line of credit	2,551,511	2,832,784
	$ 6,400,957	$ 5,270,282

The annual interest rates of bank loans are 0.79% to 6.00% and 0.97% to 6.00% in 2020 and 2019, respectively. The amount of fully-guaranteed short-term secured loans on December 31,2020 and 2019 is NT$1,393,000,000 and NT$970,613,000, respectively.

(2)Short-term notes and bills payable

	December 31 2020	December 31 2019
Commercial Paper Payable	$ 710,000	$ 430,000
Less: Discount on short-term notes and bills payable	499	210
	$ 709,501	$ 429,790

Outstanding short-term notes and bills payable are as follows:

December 31 2020

Guarantor/Acceptance Agency	Face amount	Discount amount	Carrying amount	Interest rate collars(%)	Name of collateral	Collateral Carrying amount
Commercial Paper Payable						
Grand Bills Finance Corp.	$ 50,000	$ 20	$ 49,980	0.500	none	$ -
Taiwan Cooperative Bills Finance Corp.	100,000	133	99,867	0.902	none	-
China Bills Finance Corp.	50,000	3	49,997	0.400	none	-
Mega Bills Finance Co. Ltd.	50,000	5	49,995	0.852	none	-
Dah Chung Bills Finance Corp.	50,000	41	49,959	0.850	none	-
Da Ching Bills Finance Corp.	50,000	81	49,919	1.040	none	-
Taiwan Finance Corp.	50,000	28	49,972	1.140	none	-
International Bills Finance Corp.	50,000	5	49,995	0.650	none	-
O-Bank	260,000	183	259,817	0.330	none	-
	$ 710,000	$ 499	$ 709,501			

December 31 2019

Guarantor/Acceptance Agency	Face amount	Discount amount	Carrying amount	Interest rate collars(%)	Name of collateral	Collateral Carrying amount
Commercial Paper Payable						
Grand Bills Finance Corp.	$ 50,000	$ 16	$ 49,984	0.750	none	$ -
Taiwan Cooperative Bills Finance Corp.	100,000	25	99,975	0.902	none	-
China Bills Finance Corp.	50,000	17	49,983	0.600	none	-
Mega Bills Finance Co. Ltd.	50,000	16	49,984	0.852	none	-
Dah Chung Bills Finance Corp.	50,000	57	49,943	0.852	none	-
Da Ching Bills Finance Corp.	30,000	5	29,995	1.052	none	-
Taiwan Finance Corp.	50,000	57	49,943	0.850	none	-
International Bills Finance Corp.	50,000	17	49,983	0.750	none	-
	$ 430,000	$ 210	$ 429,790			

(3) Long-term bank loan

	December 31 2020	December 31 2019
Secured Loan		
Bank loan 1.	$ 12,000	$ 1,128,000
Syndicated Loans 2.	2,561,628	2,994,470
Less: Syndicated Loans Arrangement Fee	6,023	6,416
	2,567,605	4,116,054
Unsecured loan		
Bank line of credit loans1.	896,352	430,985
	3,463,957	4,547,039
Less: classified as the part due within one year	282,952	1,174,746
	$ 3,181,005	$ 3,372,293

1. Bank Guarantees and Credit Loans

	Expiry Date	Significant Terms	December 31 2020	December 31 2019
Guaranteed Loans				
Bank loan	2020.03.30～2020.08.12	The principal is repaid at a time when it is due.	$ -	$ 1,128,000
Bank loan	2024.08.15	From September 2021, average amortization of principal in 36 installments.	12,000	-
Unsecured loan				
Bank line of credit loans	2022.01.19～2025.03.20	Since July 2017, the principal has been amortized on an average half-year basis. This loan is intended to remit the capital required to set up the Vietnam plant in the investment share capital.	240,000	100,000
Bank line of credit loans	2022.08.05	The first installment will be made 9 months after the first utilization of the credit line, and every 3 months thereafter, in a total of 10 equal installments.	14,952	22,485
Bank line of credit loans	2026.05.15～2029.07.09	From April 2022, the principal will be repaid in average monthly installments.	250,000	235,000
Bank line of credit loans	2025.08.21～2029.11.12	The principal will be repaid in equal monthly installments beginning in September 2021.	293,400	73,500
Bank line of credit loans	2025.10.08	The average monthly principal repayment has been made since November 2021.	88,000	-
Bank line of credit loans	2023.09.30	The principal will be repaid in 24 equal monthly installments beginning in October 2021.	10,000	-
			908,352	1,558,985
Less: classified as the part due within one year			106,952	1,174,746
			$ 801,400	$ 384,239

The interest rates as of December 31, 2020 and 2019 are 0.21% to 1.79% and 0.21% to 3.48% per annum, respectively. fully guaranteed loans are fully guaranteed at December 31, 2019. loans are fully guaranteed at December 31, 2019.

2.Bank Syndications signed on February 13 2019

(1) Bank Syndication Quota－NT$2,200,000,000

On February 13, 2019, the Company entered into a syndicated credit agreement with a syndicate of banks for a total amount of NT$2,200,000, 000,the purpose of which is to repay loans from financial institutions and to replenish medium-term operating revolver.

As the financial ratios in the consolidated financial statements for the second quarter of 2020 did not meet the requirements of the loan agreement, the Company applied to the syndicated credit syndicate for a waiver of the financial ratios in the 2020 semi-annual and annual reports and for a new guarantee line of NT$800,000,000 (Item B) for the issuance of commercial paper (the total amount of Item A and Item B to be utilized shall not exceed the total credit line of NT$2,200,000,000), and the first supplementary contract was signed on November 30, 2020.

Terms and Conditions

		Used Amount				
	Line of Credit	December 31 2020	December 31 2019	Credit Period	Annual interest rate	Credit granting method
Item A	$ 2,200,000	$ 1,400,000	$ 2,200,000	From the date of first use to the date of expiration of 5 years	1.797%	Should not be revolving use
Item B (Commercial Paper Guarantee)	800,000	799,932	-	From the date of first use to the date of expiration of 5 years.	0.85%	Revolving use is allowed.
	$ 3,000,000	2,199,932	2,200,000			
Less: As part of a one-year maturity		176,000	-			
		$ 2,023,932	$ 2,200,000			

Settlement method

Item A: The 30-month maturity date from the first drawdown date (21 February 2019) will be the first installment. Thereafter, the outstanding principal balance of Item A will be amortized in six installments at a rate of six installments. Of these, 8 per cent were amortized for the first to fifth installments and 60 per cent for the sixth installment. However, if the date of amortization of the balance of principal for any period as set out in the foregoing manner will be later than the final maturity date, the final maturity date shall be the amortization date of the principal for that period.

Item B: The full payment obligation shall be fulfilled on the maturity date of the commercial promissory note at the face amount as scheduled, and the first installment shall expire 30 months from the date of the first use, and thereafter the amount shall be reduced in six installments at a rate of one every six months. Among them, the first to the fifth phase of the amortization and decrement of 8%, the sixth phase of the amortization and decrement of 60%.

(2) Bank Syndication Quota - USD28,000,000

On February 13, 2019, De Shen (Cayman) Holdings Co., Ltd., a subsidiary of the Company, entered into a syndicated credit facility agreement with a syndicate of banks for a total amount of USD28,000,000 for the repayment of loans from financial institutions, including but not limited to the outstanding balance of the old syndicated loan and the replenishment of medium-term operating revolver.

Terms and Conditions

	Used Amount				
Line of Credit	December 31 2020	December 31 2019	Credit Period	Annual interest rate	Credit granting method
USD28,000,000	$ 361,696 (USD12,700,000)	$ 794,470 (USD26,500,000)	From the date of first use to the date of expiration of five years.	1.1% to 1.11% and 2.76% to 2.79% for 2020 on December 31, 2019 and 2020, respectively.	The total amount of the credit facility is to be utilized on a recurring basis, with the first installment of 30 months from the date of initial utilization (February 13, 2019) and subsequent installments every six months, with the total amount of the credit facility being reduced in six installments of eight percent (8%) from the first to the fifth installment and sixty percent (60%) from the sixth installment.

(3) Financial Ratios

During the term of this contract, the Company's consolidated financial statements shall maintain the ratios shown below:

A. Current Ratio (Current Assets/(Current Liabilities - Dividends payable)): shall not be less than one hundred percent (100%) (Inclusive).

B. Liabilities Ratio:(Total Liabilities - Dividends Payable - Bank loans secured by full certificates of deposit)/Net of tangibles: shall not be higher than two hundred percent (200%) (inclusive).

C. Interest covers multiplier ((Net income before tax + Finance costs + Depreciation Depreciation + Amortization)/Finance costs): 6 times (inclusive) above.

D. Net of Tangibles (Equity(include minor shareholdings) - Intangible Assets + Dividends payable): No less than NT$4.5 billion (inclusive)

The combined company's pledges to secure long-term loans are described in Note 38.

22. Notes Payable and Accounts Payable

(1) Notes Payable

	December 31 2020	December 31 2019
Occurrence due to business	$ 70,882	$ 142,999
Occurrence due to nonbusiness – purchase of Property, Plant and Equipment	1,283	2,448
	$ 72,165	$ 145,447

(2) All accounts Payable for business.

(3) The combined company has a financial risk management policy to ensure that all payables are repaid within the prearranged credit terms.

23. Other accounts payable

	December 31 2020	December 31 2019
Payroll payable, bonus, Remuneration for Employees and Directors	$ 184,518	$ 223,319
Utilities Payable	68,793	59,484
Commission Payable	46,690	37,425
Equipment Payable	33,189	34,938
Leave Payable	8,218	16,008
Business tax payable	7,200	124,089
Others	149,588	174,053
	$ 498,196	$ 669,316

24. Long-term deferred income

	December 31 2020	December 31 2019
Government Grants	$ 49,376	$ 34,853

This represents government subsidies from environmental improvement projects, energy conservation projects and production line technology renovation, which has been recorded as deferred income and transferred to profit or loss over the useful lives of the related assets of 5 to 15 years.

Apex (Anqing) Textile Co., Ltd received a land use right grant of NT$25,697,000 (CNY5,860,000) in 2019, which was recorded under deferred revenue and amortized to income over the 50-year life of the land use right.

25. Refund Liability

	2020	2019
Beginning Balance	$ 6,523	$ 5,961
Current year provision (reversal) of refund liability	(1,950)	1,077
Subsidiary Disposal	(860)	-
Foreign exchange difference	(8)	(515)
Ending Balance	$ 3,705	$ 6,523

26. Post-employment benefit plan

(1) Defined contribution plan

The Labor Pension Act, which is a defined post-employment contribution plan administered by the government, is applicable to The combined company and its domestic subsidiaries, and contributes 6% of employees' monthly salaries to the individual accounts of the Labor Insurance Bureau.

The employees of The combined company's subsidiaries in China and Vietnam are members of the post-employment benefit plan operated by the local governments in China and Vietnam. The subsidiaries are required to contribute a certain percentage of payroll costs to the post-employment benefit plan in order to fund the plan. The combined company's obligation to this government-operated post-employment benefit plan is only to contribute a specific amount.

(2) Defined benefit plan

The pension plan of The combined company and its domestic subsidiaries under the Labor Standards Act in Taiwan is a government-administered defined benefit pension plan. The employees' pension payments are based on the average salary for the six months prior to the date of approved retirement. The Company contributes 2% to 4% of the employees' monthly salaries to the pension fund, which is deposited in the name of the Labor Pension Fund Supervisory Committee in a special account in the Bank of Taiwan. If the balance of the special account is not sufficient to pay the employees who are expected to meet the retirement requirements in the following year before the end of the year, the difference will be withdrawn in one lump sum by the end of March of the following year. The management of the special account is entrusted to the Bureau of Labor Funds, Ministry of Labor, and The combined company has no right to influence the investment management strategy.

The amounts of defined benefit plan included in the consolidated balance sheets are shown below:

	December 31 2020	December 31 2019
Defined benefit obligation current value	$ 187,855	$ 304,916
Plan assets at fair value	(193,331)	(249,372)
Net defined benefit liabilities(assets)	($ 5,476)	$ 55,544

Net defined benefit liabilities changes:

	Defined benefit obligation current value	Plan assets at fair value	Net defined benefit liabilities
1 January 2019	$ 318,765	($ 254,572)	$ 64,193
Current Service Costs	2,918	-	2,918
Interest expense(income)	3,140	(2,604)	536
Recognized in profit or loss	6,058	(2,604)	3,454
Re-measurement			
Planning assets remuneration (In addition to the amount included in net interest)	-	(8,881)	(8,881)
Actuarial losses(income)			
Changes in demographic assumptions	413	-	413
Changes in financial assumptions	6,826	-	6,826
Experience Adjustment	6,598	-	6,598
Recognized in other comprehensive loss or income	13,837	(8,881)	4,956

(Continued)

(continued from the previous page)

	Defined benefit obligation current value	Plan assets at fair value	Net defined benefit liabilities
Employer's contribution	$ -	($ 17,059)	($ 17,059)
Benefit expenditures	(33,744)	33,744	-
December 31 2019	304,916	(249,372)	55,544
Current Service Costs	2,312	-	2,312
Interest expense(income)	1,841	(1,659)	182
Recognized in profit or loss	4,153	(1,659)	2,494
Re-measurement			
Plan Assets remuneration (In addition to the amount included in net interest)	-	(7,287)	(7,287)
Actuarial losses(income)			
Changes in demographic assumptions	16	-	16
Changes in financial assumptions	4,271	-	4,271
Experience Adjustment	(26,226)	-	(26,226)
Recognized in other comprehensive loss or income	(21,939)	(7,287)	(29,226)
Employer's contribution	-	(29,725)	(29,725)
Benefit expenditures	(42,433)	42,433	-
Disposal of Subsidiary	(56,842)	52,279	(4,563)
December 31 2020	$ 187,855	($ 193,331)	($ 5,476)

The amounts recognized in profit or loss for defined benefit plans are summarized by function as follows.

	2020	2019
Operation cost	$ 1,410	$ 2,093
Marketing Expense	382	464
Management Expense	320	473
R&D Expense	382	424
	$ 2,494	$ 3,454

The combined company is exposed to the following risks as a result of the Labor Standards Act pension system.

1. Investment Risk: Bureau of Labor Funds, Ministry of Labor invests its labor pension funds in domestic and foreign equity securities, debt securities and bank deposits through its own use and entrusted operations, but the amount of Plan Assets allocated to the combined company is based on the income at an interest rate not lower than the local bank's two-year time deposit rate.
2. Interest Risk: The decrease in interest rates on government bonds will increase the current value of the defined benefit obligation, but the return on investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.
3. Payroll Risk: The defined benefit obligation current value is calculated by reference to

the future salary of the plan member. Therefore, an increase in plan members' salaries will increase the defined benefit obligation current value.

The defined benefit obligation current value of The combined company was actuarially determined by a qualified actuary with the following significant assumptions as of the measurement date.

	December 31 2020	December 31 2019
Discount rate	0.2% ~ 0.5%	0.6% ~ 0.75%
Expected rate of salary increase	1.5% ~ 2%	0.5% ~ 2%

The amount by which the defined benefit obligation current value would increase (decrease) if there were reasonably possible changes in significant actuarial assumptions, respectively, with all other assumptions held constant, is as follows

	December 31 2020	December 31 2019
Discount Rate		
Add: 0.1%	($ 1,693)	($ 2,776)
Less: 0.1%	$ 1,716	$ 2,815
Expected rate of salary increase		
Add: 0.1%	$ 1,663	$ 2,732
Less: 0.1%	($ 1,644)	($ 1,891)

The sensitivity analysis above may not reflect actual changes in the current value of the defined benefit obligation because actuarial assumptions may be correlated with each other and changes in only one assumption are unlikely.

	December 31 2020	December 31 2019
Amount expected to be withdrawn within 1 year	$ 9,919	$ 14,244
Average Period of Defined Benefit Obligation Expiration	4.3 ~ 9.3 years	5.1 ~ 9.4 years

27. Equity

(1) Common Stocks

	December 31 2020	December 31 2019
Authorized Shares (1000 shares)	480,000	480,000
authorized capital stock	$ 4,800,000	$ 4,800,000
Number of shares issued and fully paid (1000 shares)	384,566	384,566
Issued capital stocks	$ 3,845,657	$ 3,845,657

The issued common shares have a par value of $10 per share and each share is entitled to one vote and the right to receive dividends.

On June 21, 2019, the Board of Directors resolved to issue 50,000,000 new shares with a par value of $10 per share at a premium of $22 per share. The above cash capital increase was approved and reported by the Securities and Futures Bureau of the Financial Supervisory Commission on July 18, 2019, and the Board of Directors resolved to set September 20, 2019 as the base date for the capital increase, and the legal registration

procedures have been completed.

(2) Capital surplus

	December 31 2020	December 31 2019
May be used to make up losses, pay cash or capitalize (Note)		
Stock Issuance Premium	$ 617,063	$ 790,118
Corporate bond conversion premium	32,325	32,325
Treasury Stocks Transactions	77,146	69,687
Actual acquired or the difference between the actual acquisition or disposal price of a subsidiary and its carrying value (Note 12)	65,024	50,039
	$ 791,558	$ 942,169

Note:Such capital surplus may be used to cover losses or, when the Company has no losses, to distribute cash or to capitalize capital, provided that such capitalization is limited to a certain percentage of the paid-in capital each year.

On June 21, 2019, the Board of Directors resolved to issue 50,000,000 new shares in cash, of which the share issuance premium was NT$597,250,000 (net of securities underwriting expenses of NT$2,750,000), and the portion reserved for employee subscription was recognized as salary expense of NT$737,000 based on the fair value of the stock options, and capital surplus-employee stock options were also recorded, which was transferred to capital surplus-share issuance premium after the completion of the cash capital increase.

(3) Retained Earnings and Dividends Policy

In accordance with the Company's Articles of Company, if there is any surplus in the annual accounts, the Company shall first pay taxes to cover the deficits of previous years and then set aside 10% as legal reserve, but if the legal reserve has reached the Company's paid-in capital, it may not be set aside, and the rest shall be set aside or reversed to special reserve in accordance with the law, and the remaining amount shall be added up. The accumulated undistributed earnings of prior years shall be retained by the board of directors at its discretion, depending on the operational needs, to prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders. The Company's policy on the distribution of employees' and directors' remuneration is described in Note 29-(8) "Employee Compensation and Directors' Remuneration".

Under the objective of maintaining schedule dividends, the Board of Directors shall, in principle, distribute not less than 50% of the distribu schedule earnings, of which the cash portion of dividends and bonuses to shareholders shall not be less than 10% of the shareholders' distribution, subject to adjustment based on the Company's performance and capital requirements. The cash portion of dividends and bonuses to shareholders shall not be less than 10% of the total amount distributed to shareholders, subject to adjustments based on the Company's performance and capital requirements.

The legal reserve shall be set aside until the remaining balance reaches the Company's total paid-in capital and may be used to cover losses. If the Company has no deficit, the excess of the legal reserve over 25% of the total paid-in capital may be distributed in cash, in addition to being capitalized.

The Company follows the letters: No. Financial-Supervisory-Securities-Issuing-

1010012865, No. Financial-Supervisory-Securities-Issuing-1010047490, and No. Financial-Supervisory-Securities-Issuing-1030006415 and the "Q&A on the Application of IFRSs to the Presentation of Special Reserve", etc. The Company has presented and reversed the presentation of special reserve.

At the shareholders' meetings held on June 11, 2020 and June 21, 2019, the Company resolved to distribute earnings for the years 2019 and 2018 respectively as follows:

	2019	2018
Legal reserve	$ 55,379	$ 20,216
Special reserve	108,914	12,408
Cash dividends	403,794	184,011
Cash dividends per share(NT$)	1.05	0.55

The Company also resolved at the regular shareholders' meeting on June 11, 2020 to distribute cash dividends (NT$0.45 per share) at a capital surplus - share issue premium of NT$173,055,000 and on June 21, 2019 to distribute cash dividends (NT$0.95 per share) at a capital surplus - share issue premium of NT$317,837,000.

The Company has proposed to cover the loss by legal reserve of NT$162,083,000 at the board of directors' meeting on March 15, 2021.

(4)Special reserve

	2020	2019
Beginning Balance	$ 293,042	$ 280,634
Made special reserve		
Deductions from other equity	108,914	12,408
Ending Balance	$ 401,956	$ 293,042

Upon the distribution of earnings, a special reserve is provided for the difference between the net decrease in other stockholders' equity recorded at the end of the reporting period and the special reserve provided for the first time using IFRSs. If the balance of the decrease in other stockholders' equity subsequently reverses, the earnings may be distributed as part of the reversal.

(5)Other Equities

1. Exchange differences on translation of financial statements of foreign operating institutions

	2020	2019
Beginning Balance	($ 451,447)	($ 294,358)
Current Year Occurred		
Conversion differences of foreign operating institutions	(119,345)	(169,860)
Related taxes of foreign operating institutions	18,096	39,271
Related company for using equity method/Shares of joint ventures	26,815	(26,500)
Other comprehensive loss/income of the year	(74,434)	(157,089)
Dispose subsidiaries	12,788	-
Changes in ownership equities of subsidiaries	422	-
Ending Balance	($ 512,671)	($ 451,447)

2.Financial liabilities at fair value through other comprehensive profit and loss unrealized evaluation loss and income.

	2020	2019
Beginning Balance	$ 49,491	$ 1,316
Currently generated		
Unrealized gains or losses/Equity Instruments	18,335	48,175
Share of affiliated companies using the equity method	(1,332)	-
Total other comprehensive income	17,003	48,175
Changes in ownership equities in subsidiaries	1,102	-
Transfer of accumulated gain or loss on disposal of equity instruments to retained earnings	(11,428)	-
Closing balance	$ 56,168	$ 49,491

(6)Non-controlled Equity

	2020	2019
Beginning Balance	$ 795,067	$ 798,168
Net income	653	56,442
Total other comprehensive income		
Exchange differences on translation of financial statements of foreign operating institutions	4,881	(18,498)
Financial assets at fair value through other comprehensive profit and loss unrealized gains or losses	11,238	17,057
Defined benefit plan re-measurements	-	387
Income tax related to defined benefit plan re-measurement	-	(75)
Income taxes related to the translation of financial statements of foreign operating entities	209	377
Cash dividends allocated	(45,663)	(43,842)
Return of shares in the liquidation of subsidiaries	-	(5,186)
Subsidiary Disposal	(189,185)	-
Non-Controlled Equity increase	219,188	95,561
Non-Controlled Equity decrease	(45,922)	(105,324)
Ending Balance	$ 750,466	$ 795,067

(7)Treasury Stocks

Shares of parent company held by subsidiaries. (1000 shares)	2020	2019
Shares in starting period	1,218	1,137
increase (Note 1)	25	81
decrease (Note 2)	(1,243)	-
Shares in period end	-	1,218

Note 1: The Company's shareholding in Lucky Unique Enterprise Company increased by 1.22% and 3.96% in 2020 and 2019 respectively, representing a consolidated shareholding of 25,000 shares and 81,000 shares in the Company.

Note 2: The Company disposed of Lucky Unique Enterprise Company's shares in 2020 and lost control of Lucky Unique Enterprise Company. Therefore, Lucky Unique Enterprise Company's shares are no longer treated as treasury stock, and the market price of the Company's shares and the carrying amount of treasury stock are increased by the capital surplus - treasury stock of NT$7,459,000.

Lucky Unique Enterprise Company, a subsidiary of the Company, holds shares of the Company (Lucky Unique Enterprise Company is classified as Financial liabilities at fair value through other (Lucky Unique Enterprise Company is classified as financial liabilities at fair value through other comprehensive profit and loss-noncurrent), and the Company is included in Treasury Stocks based on the percentage of consolidated holdings.

Lucky Unique Enterprise Company holds the Company's shares for investment purposes, and the related information is as follows:

Name of Subsidiary	Number of shares (1000 shares)	Carrying amount	Market value
December 31 2019			
Lucky Unique Enterprise Company	2,040	$ 53,143	$ 53,143
Belong to the Company	1,218	12,681	31,726

Lucky Unique Enterprise Company received cash dividends of NT$3,060,000 from the Company in 2019, and the Company increased its capital surplus - treasury stock by NT$1,827.000 in proportion to its consolidated shareholding,

The shares held by subsidiaries are treated as treasury stocks, except that they are not allowed to participate in the Company's capital increase and have no voting rights, and have the same rights as ordinary shareholders.

28. Revenue

	2020	2019
Sales Revenue	$ 8,594,659	$ 10,919,724

(1) Description of Customer Agreement

Revenue from sales of long- and short-staple fibers

The combined company recognizes revenue and accounts receivable from the sale of short- and long-haul fabrics when the terms of trade are fulfilled. The average credit period of The combined company's merchandise sales is 30 to 120 days. Most of the contracts are recognized as accounts receivable when the merchandise is transferred and The combined company has the unconditional right to receive the consideration. However, for some of these contracts, The combined company is obligated to transfer the merchandise to the customer.

(2) Balance of Contract

	December 31 2020	December 31 2019	January 1 2019
Notes receivable (including related party (Notes 10 and 37)	$ 104,431	$ 177,969	$ 232,207
Accounts Receivable (including related party)(Notes 10 and 37)	$ 1,762,165	$ 1,960,681	$ 1,800,839
Contract liabilities (Included under other current liabilities)			
Sale of goods	$ 50,446	$ 86,947	$ 2,892

(3) Revenue breakdown from customer contracts

Please refer to Note 43 for revenue breakdowns.

29. Net income (loss) before tax

(1) Other income and loss, net

	2020	2019
Net income (loss) on disposal of property, plant and equipment	($ 9,383)	$ 55,618

(2) Interest income

	2020	2019
Bank deposits	$ 39,027	$ 50,577
Financial assets carried at amortized cost	3,859	3,679
	$ 42,886	$ 54,256

(3) Other income

	2020	2019
Subsidy income	$ 101,472	$ 5,916
Rent income	18,551	12,616
Claim income	15,243	26,406
Sale of tubular assets	-	7,375
Sale of cloth samples	3,499	5,877
Dividend income	1,487	1,602
Others	64,396	63,356
	$ 204,648	$ 123,148

(4) Other gains and losses

	2020	2019
Gains from subsidiary disposal (Note 32)	$ 9,154	$ -
Foreign exchange net loss	(219,941)	(61,644)
Financial product evaluation net income (loss) at fair value through profit and loss	(18,301)	34,715
Gains from Investment fixed assets disposal	-	14,409
Others	(52,373)	(40,308)
	($ 281,461)	($ 52,828)

(5) Financial costs

	2020	2019
Bank loan interest total	$ 176,059	$ 211,865
Amortization of handling fees for syndicated loan cases	1,562	4,477
Lease liabilities interest	1,401	1,758
Less: Amounts included in the cost of qualifying assets (included under property, plant and equipment and prepayments for equipment)	1,305	12,034
	$ 177,717	$ 206,066

Capitalization of interest relevant information as below:

	2020	2019
Capitalization of interest amount	$ 1,305	$ 12,034
Capitalization of interest rate	1.32% ~ 4.58%	1.33% ~ 4.62%

(6) Deprecation and Amortization

	2020	2019
Property, Plant and Equipment	$ 556,763	$ 485,903
Investment fixed property	3,415	4,285
Intangible Assets	2,073	2,224
Right-of-use asset	55,636	52,540
	$ 617,887	$ 544,952

Depreciation expense summary by function		
Operation cost	$ 557,453	$ 486,822
Operation expense	58,361	55,906
	$ 615,814	$ 542,728

Amortization fee summary by function		
Operation cost	$ 177	$ 185
Operation expense	1,896	2,039
	$ 2,073	$ 2,224

(7)Employee benefit expense

	2020	2019
Short-term employee benefits		
Payroll	$ 1,087,967	$ 1,252,830
Labor and Health insurance fees	96,672	94,542
Others	38,431	45,626
	1,223,070	1,392,998
Retirement benefits		
Defined contribution plan	112,336	44,466
Defined benefit plan (Note 26)	2,494	3,454
	114,830	47,920
	$ 1,337,900	$ 1,440,918
Summary by function		
Operation cost	$ 823,155	$ 973,915
Operation expense	514,745	467,003
	$ 1,337,900	$ 1,440,918

(8)Remuneration to employee and directors

In accordance with the Company's Articles of Incorporation, the Company provides for employee remuneration and director remuneration at a rate of not less than 4% and not more than 3%, respectively, of the pre-tax benefit for the year before the distribution of employee and director remuneration.

The Company does not intend to contribute employee and directors' remuneration for the year 2020 as the Company's net loss before tax. 2019 employee compensation and director compensation were resolved by the Board of Directors on March 12, 2020 as follows:

Estimation ratio

	2019
Bonus to employees	4%
Bonus to directors	1.5%

Amount

	2019
	Cash
Bonus to employees	$ 25,096
Bonus to directors	9,411

If there is any change in the amount after the adoption of the annual consolidated financial statements, the change in accounting estimate will be adjusted and recorded in the following year.

There is no difference between the actual amount of employee compensation and remuneration of directors and supervisors for fiscal years of 2019 and 2018 and the amount recognized in the consolidated financial statements for fiscal 2019 and 2018.

Please refer to the Market Observation Post System of the Taiwan Stock Exchange Corporation for information on the remuneration of employees and directors resolved by the Board of Directors of the Company.

(8)Foreign Exchange (loss) income

	2020	2019
Total foreign exchange income	$ 281,234	$ 283,642
Total Foreign exchange loss	(501,175)	(345,286)
Net (loss) income	($ 219,941)	($ 61,644)

30. Income Tax

(1)Income tax recognized in profit or loss

Income tax expense (income) main items as below:

	2020	2019
Current income tax		
Occurred in current year	$ 2,714	$ 50,168
Unallocated surplus plus tax	57	399
Prior Year Adjustments	2,952	(9,036)
Repatriation of foreign exchange surplus	15,081	-
Deferred tax		
Occurred in current year	(105,973)	10,893
Income tax expense (benefit) recognized in profit or loss	($ 85,169)	$ 52,424

A reconciliation of accounting income to income tax expense (benefit) is as follows:

	2020	2019
Net income (loss) before tax	($ 291,802)	$ 666,887
Income tax expense (benefit) calculated at statutory tax rate on net income (loss) before tax	($ 59,767)	$ 154,604
Nondeductible expenses in determining taxable income	169	194
Nonaccrual income in determining taxable income	(24,649)	(23,612)
Income tax on inappropriate earnings	57	399
Unrecognized deductible temporary differences	(19,012)	(70,125)
Repatriation of foreign exchange surplus	15,081	-
Adjustments for prior years	2,952	(9,036)
	($ 85,169)	$ 52,424

(2)Income tax recognized in other comprehensive income

	2020	2019
Deferred tax		
In respect of the current year conversion of foreign operating institutions	$ 18,305	$ 39,648
Re-measurement of defined benefit plan	(5,678)	1,038
	$ 12,627	$ 40,686

(3)Current tax assets and liabilities

	December 31 2020	December 31 2019
Tax assets		
Tax refund receivable (included in other current assets)	$ 4,710	$ 1,828
Tax liabilities		
Income tax payable	$ 5,814	$ 14,758

(4)Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities as below:

2020

Deferred tax assets	Beginning Balance	Recognized in profit or loss	Recognized in Other Comprehensive Income	Subsidiary Disposal	Ending Balance
Temporary differences					
Unrealized gross profit of sales	$ 54,295	($ 2,251)	$ -	56	$ 52,100
Leave Payable	2,700	(679)	-	(886)	1,135
Allowance for loss of market price decline and obsolete and slow-moving inventories.	12,684	10,491	-	(958)	22,217
Defined benefit obligation	8,838	(2,545)	(5,678)	(311)	304
Allowace for losses	1,885	7,215	-	-	9,100
Exchange differences of foreign operating institutions	79,477	(383)	18,305	(2,061)	95,338
Unrealized foreign exchange loss	10,496	24,767	-	(734)	34,529
Others	1,549	5,905	-	(819)	6,635
	171,924	42,520	12,627	(5,713)	221,358
Loss Credit	3,644	64,146	-	(5,741)	62,049
	$ 175,568	$ 106,666	$ 12,627	($ 11,454)	$ 283,407
Deferred tax liabilities					
Temporary differences					
Property, Plant and Equipment	$ 35,950	($ 2,031)	$ -	$ -	$ 33,919
Subsidiary inappropriate earnings	17,185	(180)	-	(17,005)	-
Defined benefit obligation	-	2,904	-	-	2,904
	$ 53,135	$ 693	$ -	($ 17,005)	$ 36,823

2019

Deferred tax assets	Beginning Balance	Recognized in profit or loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary differences				
Unrealized gross profit of sales	$ 55,287	($ 992)	$ -	$ 54,295
Leave Payable	2,943	(243)	-	2,700
Allowance for loss of market price decline and obsolete and slow-moving inventories.	13,190	(506)	-	12,684
Defined benefit obligation	10,417	(2,617)	1,038	8,838
Allowance for loss	2,335	(450)	-	1,885
Foreign exchange differences of foreign operating institutions	39,829	-	39,648	79,477
Unrealized foreign exchange loss	-	10,496	-	10,496
Investment loss in overseas subsidiaries	22,979	(22,979)	-	-
Others	1,548	1	-	1,549
	148,528	(17,290)	40,686	171,924
Loss Credit	5,026	(1,382)	-	3,644
	$ 153,554	($ 18,672)	$ 40,686	$ 175,568

Deferred income tax liabilities				
Temporary differences				
Property, Plant and Equipment	$ 38,036	($ 2,086)	$ -	$ 35,950
unrealized exchange gain	7,782	(7,782)	-	-
Subsidiary inappropriate earnings	15,066	2,119	-	17,185
Others	30	(30)	-	-
	$ 60,914	($ 7,779)	$ -	$ 53,135

(5) The amount of deductible temporary differences and unused loss credit for deferred income tax assets were not recognized in the consolidated balance sheet.

	December 31 2019
	Amount
Deduct temporary differences	
Allowance for loss of market price decline and slow-moving inventories.	$ 26,074
Refund liabilities	1,673
Defined benefit obligation	3,020
Loss Credit	3,666
	$ 34,433

(6) Information about unused loss credit

Information about The combined company's loss credit for the year ended December 31, 2020 is as follows

Balance not yet deducted	Final credit year
$ 17,472	2027
673	2028
293,960	2030
$ 312,105	

(7)Aggregate amount of temporary differences related to investments and not recognized as deferred income tax liabilities

As of December 31, 2020 and 2019, taxable temporary differences related to investments in subsidiaries and not recognized as deferred income tax liabilities amounted to $1,898,201,000 and $1,806,173,000, respectively.

(8)Income tax assessments

The income tax returns of the Company and its subsidiaries, De Fa Company and Chadtex Company, through 2018 have been assessed by the tax authorities.

31. Earnings per share (net loss)

The net income and weighted average number of common stock outstanding that were used in the computation the net income (net loss) of earnings per share (net loss) were as follows:

Net income(net loss)

	2020	2019
Net income (net loss) attribuSchedule to the Company’s owners	($ 207,286)	$ 558,021

Shares

Unit: 1000 shares

	2020	2019
Weighted Average Number of outstanding shares	384,566	348,538
Weighted-average treasury stocks - shares of parent company held by subsidiaries	(642)	(1,178)
Weighted average number of shares of common stock for basic earnings per share calculation	383,924	347,360
Effect of dilutive potential common stock: Employee remuneration		
Effect of dilutive potential common stock: Employee remuneration	-	1,052
Weighted-average number of common shares for the purpose of diluted earnings per share	383,924	348,412

If the Company has the option to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of common shares outstanding for the purpose of calculating diluted earnings per share when the potential common shares have a dilutive effect. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share prior to the issuance of employee compensation shares in the following year.

The Company's net loss for 2020 is based on the fact that the effect of the potential dilutive effect of employee compensation on common stock is not included in the calculation of diluted net loss per share. ◦

32. Subsidiary Disposal

On June 19, 2020, The combined company's board of directors approved the sale of Lucky Unique Enterprise Co., Ltd. to an un related party and completed the transfer of ownership on July 8, 2020. As a result, the Company lost control over Lucky Unique Enterprise Co., Ltd. and its subsidiaries (Tung Ming Company, De Kao Company, De Sin Company and Jie Sen Company), which are responsible for the manufacture and processing of various fiber textile products and import and export trading of The combined company.

(1)Consideration Received

	Lucky Unique Enterprise Company and its subsidiaries
cash and cash equivalents	$ 195,227

(2)Analysis of assets and liabilities for loss of control

	Lucky Unique Enterprise Company and its subsidiaries
Current Assets	
cash and cash equivalents	$ 197,028
Financial assets at amortized costs — current	310,136
Accounts receivable	139,423
Other Receivables	11,788
Inventory	54,971
Others	87,816
Non-current Assets	
Property, Plant and Equipment	219,418
Intangible Assets	538
Right-of-use asset	44,325
Deferred tax assets	11,454
Others	41,295
Current Liabilities	
Short –term loans and short-term notes and bills payable	(472,644)
Accounts Payable	(60,025)
Other accounts payable	(49,135)
Tax liabilities	(2,496)
Lease liabilities — current	(12,528)
Others	(4,118)
Non-current Liabilities	
Defined benefit plan liabilities — non-current	(4,563)
Lease liabilities — non-current	(32,165)
Others	(719)
Deferred tax liabilities	(17,005)
Net assets disposal	$ 462,794

(3)Subsidiary Disposal income

	Lucky Unique Enterprise Company and its subsidiaries
Consideration received	$ 195,227
Net assets disposed	(462,794)
Non-Controlled Equity	189,185
Treasury Stocks decrease	(12,681)
Capital surplus – Treasury stocks increase	(7,459)
Fair value of residual equity	120,464
Cumulative translation differences from reclassification to profit or loss due to loss of control over a subsidiary	(12,788)
Gain on disposal	$ 9,154

(4) Net cash outflow of Subsidiary Disposal

	Lucky Unique Enterprise Company and its subsidiaries
Consideration received in cash and cash equivalents	$ 195,227
Less: disposal of cash and cash equivalents	197,028
	($ 1,801)

33. Equity transaction with non-controlled equity

The share transfer of The combined company was carried out successively in 2019 and 2020. However, the share transfer was an organizational restructuring under the common control of the individual. The transaction did not change the control of The combined company over the subsidiary. Please refer to the notes 12 (2), (3), (4), (7), (8) and (15).

January 1 to December 31 2020

	Best Alliance International Limited any	Tung Ming Company	Lucky Unique Enterprise Company	Chadtex Company
Cash consideration paid	$ -	$ -	$ -	$ 21,329
The carrying amount of the subsidiary's net assets should be transferred to noncontrolling interests based on the relative changes in equity.	8,084	(1,150)	(21,244)	(22,004)
Equity transaction differences	$ 8,084	($ 1,150)	($ 21,244)	($ 675)

(continued)

(continued from previous page)

	Best Alliance International Limited	Tung Ming Company	Lucky Unique Enterprise Company	Chadtex Company
Equity transaction differences adjustments				
Capital surplus - difference between actual acquisition price and book value of equity in subsidiaries	($ 8,084)	$ 1,150	$ 21,244	$ 675

2019

	Best Alliance International Limited	Eden Road Company	Tung Ming Company	De Licacy Company	Bright Wisdom Ltd.
Cash consideration paid	$ 122,024	$ 90,515	$ -	$ 21,664	$ 74,950
The carrying amount of the subsidiary's net assets should be transferred to noncontrolling interests based on the relative changes in equity.	(119,541)	(93,027)	1,509	(22,733)	(82,591)
Equity transaction differences	$ 2,483	($ 2,512)	$ 1,509	($ 1,069)	($ 7,641)
Equity transaction differences adjustments					
Capital surplus - difference between actual acquisition price and book value of equity in subsidiaries	($ 2,483)	$ 2,512	($ 1,509)	$ 1,069	$ 7,641

34. Non-cash transactions

The combied company has the following non-cash transaction investment in 2020 and 2019.

(1)Acquisition of Property, Plant and Equipment

	2020	2019
Affects cash and non-cash investment		
Additions of property, plant, and equipment	$ 438,872	$ 1,100,469
Decrease (increase) in equipment payable and notes payable	(601)	162,922
Cash paid for property, plant and equipment	$ 438,271	$ 1,263,391

(2)Disposal of Property, Plant and Equipment

	2020	2019
Cash paid for property, plant, and equipment		
Disposal proceeds of property, plant, and equipment	$ 18,330	$ 449,921
Decrease (increase) in other receivables (including related parties)	244,847	(87,665)
Cash received for property, plant and equipment	$ 263,177	$ 362,256

(3) Disposal of investment property

	2020	2019
Cash paid for property, plant, and equipment		
Proceeds from disposal of investment properties	$ -	$ 50,482
Decrease (increase) in other receivables	43,030	(50,482)
Cash received from investment properties	$ 43,030	$ -

(4)Disposal of the full equity cash receipts of Apex (Shanghai) Textile co., Ltd, De Shen (Samoa) Holdings Co., Ltd. and New Gallant Limited .

	2020	2019
Beginning claim for proceeds balance	$ 101,599	$ 102,556
Ending claim for proceedsBalance	(102,011)	(101,599)
Foreign exchange difference	412	(957)
Cash received	$ -	$ -

35.Capital Risk Management

Due to the need to maintain adequate capital to support the upgrading of plant and equipment, The combined company will be required to maintain adequate capital. Therefore, the capital management of The combined company is to ensure that the necessary financial resources and operating plans are in place to meet the future needs of working capital, capital expenditure, research and development expenses, debt repayment and dividend payment.

36. Financial Instruments

(1) Fair Value Information - Financial Instruments Not Measured at Fair Value

December 31 2020

	Carrying amount	Fair Value			
		The 1st level	The 2nd level	The 3rd level	Total
Financial assets					
Financial assets at amortized cost - non-current					
Chia Her Industrial Co., Ltd. private placement of convertible bonds	$ 27,725	$ -	$ -	$ 30,576	$ 30,576

December 31 2019

	Carrying amount	Fair Values			
		The 1st level	The 2nd level	The 3rd level	Total
Financial assets					
Financial Assets at mortised cost - non-current					
CHIA HER INDUSTRIAL CO., LTD. private placement of convertible bonds	$ 25,229	$ -	$ -	$ 30,792	$ 30,792

The above fair value for Level 3 is based on the binomial tree convertible bond valuation model, and the significant unobservable input value used is the stock price volatility.

(2) Fair Value Information - Financial instruments measured at fair value on a repetitive basis

1.Fair value levels

December 31 2020

	The 1st level	The 2nd level	The 3rd level	Total
Financial assets at fair value through profit or loss				
Listed stocks in Taiwan	$ 2,856	$ -	$ -	$ 2,856
derivatives－conversion right for public company private placement of convertible bonds	-	-	52,461	52,461
Funds beneficiary certificates	9,387	-	-	9,387
Total	$ 12,243	$ -	$ 52,461	$ 64,704
Financial liabilities at fair value through other comprehensive profit and loss－current				
Investments accounted for using equity method －Listed stocks in Taiwan	$ 38,979	$ -	$ -	$ 38,979
Financial liabilities at fair value through other comprehensive profit and loss－non-current				
Investments accounted for using equity method －Listed companies in Taiwan private placement of shares	$ -	$ 120,056	$ -	$ 120,056
Financial liabilities at fair value through profit and loss				
derivatives－Foreign Exchange contract	$ -	$ 20,927	$ -	$ 20,927

December 31 2019

	The 1st level	The 2nd level	The 3rd level	Total
Financial assets at fair value through profit or loss				
Listed stocks in Taiwan	$ 9,720	$ -	$ -	$ 9,720
derivatives － Conversion right for public company private placement of convertible bonds	-	-	43,599	43,599
Funds beneficiary certificates	8,589	-	-	8,589
Total	$ 18,309	$ -	$ 43,599	$ 61,908
Financial liabilities at fair value through other comprehensive profit and loss－non-current				
Investments accounted for using equity method				
－ Listed companies in Taiwan private placement of shares	$ -	$ 109,534	$ -	$ 109,534
－Domestic unlisted stocks	-	-	1,476	1,476
Total	$ -	$ 109,534	$ 1,476	$ 111,010
Financial liabilities at fair value through profit and loss				
derivatives － Foreign Exchange Rate swap contract	$ -	$ 2,462	$ -	$ 2,462

There were no transfers between Level 1 and Level 2 fair value measurements in fiscal years of 2020 and 2019.

2. Reconciliation of financial instruments at Level 3 fair value.

Financial assets at fair value through profit or loss

Convertible right for derivatives－private placement of convertible bonds	2020	2019
Beginning Balance	$ 43,599	$ 7,164
Recognized in profit or loss (Other benefits and losses)	8,862	36,435
Ending Balance	$ 52,461	$ 43,599

3.Level 2 fair value valuation techniques and inputs

Type of financial Instruments	Valuation techniques and inputs
Derivatives - Foreign Exchange Rate Swap Contracts	The discounted cash flow method: The future cash flows are estimated based on the observable forward exchange rate and the contracted foreign exchange rate at the end of the period and are discounted at a rate that reflects the credit risk of each counter party.
Domestic Listed companies private placement of shares	Evaluated by the B-S option pricing model, based on the underlying price, option performance price, risk-free interest rate, historical volatility of the underlying and the maturity period.

4.Level 3 Fair Value Measurement Techniques and Inputs

The fair value of the derivatives - conversion rights of private convertible bonds is estimated using a binary tree convertible bond valuation model, and the significant unobservable input is the stock price volatility. When the stock price volatility increases, the fair value of these derivatives will increase.

(3)Type of financial Instruments

	December 31 2020	December 31 2019
Financial assets		
At fair value through profit or loss		
Mandatory measurement through profit or loss at fair value	$ 64,704	$ 61,908
Financial assets at amortized cost (Note 1)	6,182,733	6,440,496
Financial liabilities at fair value through other comprehensive profit and loss - Investments accounted for using equity method	159,035	111,010
Financial Liabilities		
At fair value through profit or loss - held for trading	20,927	2,462
Measured at amortized cost (Note 2)	12,112,485	12,105,894

Note 1: Balances include cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), financial assets carried at amortized cost (both current and non-current) and refundable deposits, and other financial assets carried at amortized cost.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, short-term bills payable, notes and accounts payable (including related parties), other payables (including related parties), long-term bank loans (including those due within one year) and guarantee deposits.

(4) Financial Risk Management Objectives and Policies

The consolidated company's major financial instruments include investments in equity and debt instruments, receivables, payables, lease liabilities and borrowings. The consolidated company's financial management department provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks associated with The consolidated company's operations through internal risk reporting that analyzes risk exposures based on the level and breadth of risk. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

The consolidated company mitigates the effects of these risks by hedging the risk through derivative financial instruments. The use of derivative financial instruments is governed by the policies adopted by The consolidated company's board of directors, which are the written principles for exchange rate risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments, and investment of surplus liquidity. Internal auditors review compliance with the policy and the amount of risk exposure on an ongoing basis. The consolidated company does not trade in financial instruments (including derivative financial instruments) for speculative purposes.

1. Market risk

The main financial risks to which The combined company is exposed as a result of its operating activities are foreign currency exchange rate risk (see (1) below), interest rate risk (see (2) below), and other price risk (see (3) below).

The consolidated company engages in various derivative financial instruments to manage its exposure to foreign currency exchange rate risk, including exchange rate swap contracts to hedge the exchange rate risk arising from foreign sales of goods.

There is no change in The consolidated company's exposure to market risk of financial instruments and its management and measurement of such exposure.

(1) Exchange rate risk

The consolidated company engages in foreign currency-denominated sales and import transactions and foreign currency borrowings, which expose The combined company to exchange rate risk. The carrying amounts of The consolidated company's monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date (including monetary items denominated in

non-functional currencies that have been eliminated in the Consolidated Financial Statements) are described in Note 41.

Sensitivity Analysis

The consolidated company is primarily affected by fluctuations in the U.S. dollar exchange rate. The following Schedule details the sensitivity analysis of The combined company when the functional currency strengthens or weakens by 1% against the U.S. dollar. The sensitivity analysis includes only foreign currency items in circulation. A positive number in the Schedule below represents the amount by which pre-tax income would increase if the functional currency weakened by 1% relative to the U.S. dollar; a negative number in the same amount would affect pre-tax income if the functional currency strengthened by 1% relative to the U.S. dollar.

	2020	2019
Loss/income	$ 28,339	$ 20,361

This was mainly due to the consolidated company's cash and cash equivalents denominated in U.S. dollars, financial assets measured at amortized cost, receivables, other receivables, payables, other payables and borrowings that were outstanding and not cash flow hedged at the balance sheet date.

The increase in the consolidated company's sensitivity to foreign exchange rates during the year was mainly due to the increase in the combined company's net assets denominated in U.S. dollars.

(2) Interest rate risk

Interest rate risk arises because individuals in the consolidated company borrow funds at both fixed and floating interest rates. The consolidated company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

The carrying amounts of the consolidated company's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31 2020	December 31 2019
Fair value interest rate risk		
Financial assets	$ 2,614,228	$ 2,821,013
Financial liabilities	3,126,480	2,904,644
Cash flow interest rate risk		
Financial assets	1,303,180	764,192
Financial Liabilities	7,664,914	7,617,321

Sensitivity Analysis

If interest rates had increased by 1%, The consolidated company's income before income taxes would have decreased by $63,617,000 and $68,531,000 for fiscal years of 2020 and 2019, respectively, with all other variables held constant.

The decrease in The combined company's sensitivity to interest rates for the

year was mainly due to the increase in variable interest rate deposits.

(3) Other price risk

The combined company's equity price risk arising from its investment in domestic listed and unlisted securities is insignificant.

2. Credit risk

Credit risk refers to the risk of financial loss resulting from the counter-parties' default on contractual obligations. As of the balance sheet date, The combined company's maximum exposure to credit risk due to non-performance of counter-parties' obligations mainly arises from the carrying amount of financial assets recognized in The combined company's balance sheet.

The combined company's counter-parties are all creditworthy organizations and are not expected to have significant credit risk.

3. Liquidity risk

The combined company manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations. The combined company's management monitors the use of banking facilities and ensures compliance with the terms of borrowing contracts.

The combined company's working capital and the obtained banking facilities are sufficient to meet future operating requirements, and therefore there is no liquidity risk due to the inability to raise funds to meet contractual obligations.

(1) Liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest possible date that The combined company could be required to repay. Accordingly, The combined company's bank loans that may be required to be repaid immediately are listed in the Schedule below at the earliest possible date, without considering the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the curve of the yield rate at the balance sheet date.

December 31 2020

	Less than 6 months	6 months to 1 year	1- 9 years
No interest-bearing liabilities			
No interest-bearing liabilities	$1,361,911	$ -	$ 5,059
Leasing liabilities	16,196	14,152	15,077
Floating rate instrument	6,308,288	258,674	1,218,609
Fixed rate instrument	904,889	194,140	2,091,584
	$8,591,284	$ 466,966	$3,330,329

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1 ~ 3 years
Lease liabilities	$ 30,348	$ 15,077

December 31 2019

	Less than 6 months	6 months to 1 year	1- 9 years
No interest-bearing liabilities			
No interest-bearing liabilities	$1,693,359	$ -	$ 2,473
Leasing liabilities	27,568	23,482	63,523
Floating rate instrument	5,803,081	686,830	1,200,869
Fixed rate instrument	622,275	19,726	2,267,713
	$8,146,283	$ 730,038	$3,534,578

Further information on the maturity analysis of lease liabilities is as follows：

	Less than 1 year	1 ~ 3 years
Lease liabilities	$ 51,050	$ 63,523

The amount of floating rate instruments for the above non-derivative financial assets and liabilities will vary depending on the difference between the floating rate and the interest rate estimated at the balance sheet date.

(2) Liquidity and interest rate risk of derivative financial liabilities

The liquidity analysis of derivative financial instruments is based on total undiscounted cash inflows and outflows for derivative instruments with gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined based on the projected interest rate derived from the yield rate curve at the balance sheet date.

December 31 2020

	1-3 months	4-6 months	6-12 months
Total Transaction			
Foreign Exchange Rate swap contract			
Flow-in	$ 116,872	$ 582,161	$ 2,848
Flow-out	(120,805)	(599,156)	(2,847)
	($ 3,933)	($ 16,995)	$ 1

December 31 2019

	1-3 months
Total Transaction	
Foreign Exchange Rate swap contract	
Flow-in	$ 276,268
Flow-out	(278,730)
	($ 2,462)

(5)Transfer of financial assets information

Unit: 1 dollar

Trading Partners	Sales Amount		Cash received		Limit		Note
2020							
Mega Bank	USD	29,452	USD	29,452	USD	300,000	The management fee is 0.75% to 0.8% of the invoice amount + $15
2019							
Mega Bank	USD	75,443	USD	65,013	USD	300,000	The management fee is 0.75% to 0.8% of the invoice amount + $15

The above credit is recurring。

37. Related Parties' Transactions

All transactions, account balances, revenues and expenses between the Company and its subsidiaries (which are related parties of the Company) were eliminated upon consolidation and are therefore not disclosed in this note. In addition to those disclosed in other notes, the transactions between the combined company and other related parties were as follows.

(1) Names of related parties and their relationships

Name of related party	Relationship with the combined company
Perfect Step Ltd.	Affiliated Companies
Vietnam ATAGO Company	Affiliated Companies
Lucky Unique Enterprise Company	Affiliated Companies (Note 1)
E Textile Co .,Ltd.	Subsidiary of an affiliated company, Lucky Unique Enterprise Co., Ltd. (Note 1)

(continued)

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Name of related party	Relationship with the combined company
Gain Faith Investments Ltd	Subsidiary of an affiliated company, Lucky Unique Enterprise Co., Ltd. (Note 1)
Tung Ming Company	Subsidiary of an affiliated company, Lucky Unique Enterprise Co., Ltd. (Note 1)
De Kao Company	Subsidiary of an affiliated company, Lucky Unique Enterprise Co., Ltd. (Note 1)
YEH Fu-lin	Key management
YEH Chia-ming	Key management
YEH Chia-how	Key management
YEH Wei-li	Key management
YU Yi-Nung	Key management
Jei Jom Enterprise Co. Ltd.	Subsidiary of Joint Venture Era Nouveau International Co., Ltd.
Future Tycoon Holdings Co., Ltd.	The Special Assistant to the Chairman of the Company is a director of the Company (Note 2)
Future Tycoon Enterprise Co., Ltd.	The Special Assistant to the Chairman of the Company is a director of the Company (Note 2)
Fu-hwa investment Co. Ltd.	The chairman is the same person
DNE Energy Inc.	The chairman is the same person
Doyo Enterprise Co., Ltd.	The Chairman is a director of the Company
Sheng-Bo Technology Corp.	The Chairman is a director of the Company
Fuson International Co., Ltd.	The Chairman is a director of the Company
Fu-fa International Investment Co. Ltd..	The Chairman is a supervisor of the Company
Chuan Yeh Investment Co. Ltd.	The Vice Chairman is the Chairman of the Company
Thrive Power Limited	The Vice Chairman is the Chairman of the Company

Note1 : Subsidairy of the Company until July 8, 2020.

Note2 :The president of the Company is a director of the Company until July 26, 2020.

(2)Operation Income

Item	Type of related party	2020	2019
Sales of goods sold	The Special Assistant to the Chairman of the Company is a director of the Company (Note 2)	$ 376,206	$ 392,515
	Affliated company (Note1)	277,067	-
	Affliated company	9,470	8,425
	Subsidairy of affliated company Lucky Unique Enterprise Company (Note 1)	17,005	-
	Subsidairy of the joint venture New Premium Enterprise Co., Ltd.	3,921	5,465
		$ 683,669	$ 406,405

The combined company's sales prices to related parties are comparable to those of non-related parties, and the collection terms are one to three months at the end of each month, which are not materially different from those of non-related parties.

(3)Purchase

Type of related party	2020	2019
The Special Assistant to the Chairman of the Company is a director of the Company (Note 2)	$ 391,026	$ 416,617
Affliated company (Note1)	93,355	-
Subsidairyof the joint venture New Premium Enterprise Co., Ltd.	20,035	20,027
Subsidairy of the affliated company Lucky Unique Enterprise Company	6,718	-
	$ 511,134	$ 436,644

The combined company has no comparable purchase price for related party products. The payment period of related party is approximately one month at the end of each month, which is not materially different from that of non-related party.

(4)Amounts due from related parties (excluding loans to related parties)

Item	Type of related party/Name	December 31, 2020	December 31, 2019
Notes receivable	Affliated company (Note1)	$ 21,488	$ -
	Subsidairy of the affliated company Lucky Unique Enterprise Company (Note 1)	3,357	-
		24,845	-
Accounts Receivable	Affliated company	86,011	-
	The Special Assistant to the Chairman of the Company is a director of the Company (Note 2)	52,354	155,295
	Subsidairy of the affliated company Lucky Unique Enterprise Company (Note1)	7,923	-
	Affiliated companies (Note 1)	1,015	77
	Subsidairy of the joint venture New Premium Enterprise Co., Ltd.	-	3,880
		147,303	159,252
Other Receivables	Affliated company /Perfect Step Ltd. (Note 34)	102,011	101,599
	Affliated company (Note1)	3,836	-
	Subsidairy of the joint venture New Premium Enterprise Co., Ltd.	-	316

	The Special Assistant to the Chairman of the Company is a director of the Company		
	Future Tycoon Holdings Co. Ltd.	980	155,544
	Subsidairy of affliated company Lucky Unique Enterprise Company (Note 1)	34	-
		106,861	257,459
		$ 279,009	$ 416,711

No guarantees have been received for related party receivables outstanding. No allowance for losses has been provided for related party receivables in 2020 and 2019.

(5)Amounts due to related parties (excluding loans from related parties)

Item	Type of related party/Name	December 31, 2020	December 31, 2019
Notes Payable	Affliated company /Lucky Unique EnterpriseCompany	$ 22,197	$ -
	Subsidairy of the affliated company Lucky Unique EnterpriseCompany (Note1)	10,009	-
		32,206	-
Accounts Payable	The Special Assistant to the Chairman of the Company is a director of the Company./ Future Tycoon Enterprise Co., Ltd.	60,961	129,925
	Subsidairy of affliated company Lucky Unique EnterpriseCompany (Note 1)	29,156	-
	Affliated company (Note 1)	8,479	-
	Subsidairy of the joint venture New Premium Enterprise Co., Ltd.	-	9,753
		98,596	139,678
Other accounts payable	Key management	3,511	78,642
	Affliated company (Note 1)	4,547	-
	Subsidairy of the affliated company Lucky Unique Enterprise Company (Note 1)	337	-
	The Special Assistant to the Chairman of the Company is a director of the Company. (Note1)	305	305
	The Chairman is a director of the Company	-	43
		8,700	78,990
		$ 139,502	$ 218,668

The outstanding balance due to related party is unsecured and will be settled in cash. The amount due to Key management was for the acquisition of equity interest in Apex Textile Co., Ltd and Total Express Ltd.

(6)Acquisition of Property, Plant and Equipment

The Company purchased property, plant and equipment from Lucky Unique Enterprise Company in 2020 for NT$4,439,000.

(7)Disposal of Property, Plant and Equipment

Type of related party/Name	Disposal Proceeds		Disposal (loss) income	
	2020	2019	2020	2019
The Chairman is a director of the Company (Note2)				
Future Tycoon Holdings Co Ltd.	$ 60	$232,675	$ 3	($ 314)
Future Tycoon Enterprise Co., Ltd.	-	16,554	-	3,023
Afflicated company（Note 1）	2,160	-	1,671	-
	$ 2,220	$249,229	$ 1,674	$ 2,709

(8)Operating Lease- for rent

Type of related party/Name	Rent Objective	Leasing Period
Affliated company (Note1)/Lucky Unique EnterpriseCompany	Office	July 2020 to March 2023
Subsidairy of the affliated company Lucky Unique Enterprise Company. (Note1)	Office	May 2020 to June 2021
The Chairman is the same person.	Office	April 2020 to Feb. 2021
The Chairman is the same person.	Plant Roof (Note 3)	Oct. 2017 to Oct. 2037
The Chairman is a director of the Company	Plant Roof (Note 3)	Oct. 2017 to Oct 2037

Note3:The Company leased the roof of the plant to related party for solar power generation at a rent of 7% of the sales revenue of the solar power system.

The total lease payments to be received in the future are summarized as follows:

Type of related party/Name	2020	2019
Affliated company (Note1)/Lucky Unique EnterpriseCompany	$ 10,257	$ -
Subsidairy of affliated company Lucky Unique EnterpriseCompany (Note1)	165	-
The Chairman is the same person.	52	-
	$ 10,474	$ -

Summary of leasing revenue as below:

Type of related party/Name	2020	2019
Affliated company (Note1)/Lucky Unique EnterpriseCompany	$ 2,864	$ -
Subsidairy of affliated company Lucky Unique Enterprise Company(Note1)	480	-
The Chairman is the same person.	404	190
The Chairman is a director of the Company	390	353
	$ 4,138	$ 543

(9)Loans to related party

Type of related party	December 31 2020	December 31 2019
Other Receivables		
Affliated company	$ 8,009	$ -

Type of related party	2020	2019
Interest income		
The Special Assistant to the Chairman of the Company is a director of the Company. (Note2)	$ -	$ 215
Affliated company	35	-
	$ 35	$ 215

The combined company provides short-term loans to related parties as non-guaranteed loans with interest rates ranging from 1.5% to 2.5%.

(10)Borrowings from related party

Type of related party/Name	December 31 2020	December 31 2019
Other accounts payable		
Key management		
YEH, Fu-lin	$ 141,263	$ 130,796
Others	26,189	38,678
The Vice Chairman is the Chairman of the Company	7,353	-
	$ 174,805	$ 169,474

Type of related party/Name	2020	2019
Interest expense		
Key management		
YEH, Fu-lin (1)	$ 7,767	$ 8,212
Others (2)	1,173	1,228
The Chairman is a supervisor of the Company (2)	-	49
The Chairman is the same person. (2)	-	57
The Chairman is a director of the Company (3)	79	-
	$ 9,019	$ 9,546
Interest rate (1)	1.5% ~ 4.5%	1.5% ~ 4.5%
Interest rate (2)	1.5%	1.5%
Interest rate (3)	1.4% ~ 2.25%	-

The combined company's borrowings from related parties bear interest rates comparable to market rates. All loans are unsecured loans.

(11)Other related party transactions

1.Processing Fees

The combined company pays the related party's entrusted processing fee, which is recorded as Operation cost according to its nature, none of similar products processing price can be compared, and the payment terms are monthly for 1 to 3 months.

Type of related party	2020	2019
The Special Assistant to the Chairman of the Company is a director of the Company. (Note 2)	$ 236,234	$ 156,145
Subsidairy of the affliated company Lucky Unique Enterprise Company (Note 1)	84,195	-
Affliated company (Note 1)	2,678	-
	$ 323,107	$ 156,145

2.Manufacturing and Operation expense

The Company's expenses for purchasing gifts from related parties and renting sample display rooms are as follows.

Type of related party	2020	2019
The Chairman is a director of the Company	$ 348	$ 1,163
Affliated company Lucky Unique EnterpriseCompany 之 Subsidairy (Note1)	1,108	-
Affliated company (Note1)	31	-
	$ 1,487	$ 1,163

3.Other income

The income from the sale of the Company's managed assets to related parties, income from counseling services and commissions were as follows:

Type of related party	2020	2019
The Special Assistant to the Chairman of the Company is a director of the Company. (Note2)	$ 699	$ 5,983
Affliated company (Note1)	2,995	-
Subsidairy of the joint venture New Premium Enterprise Co., Ltd.	2,348	4,151
	$ 6,042	$ 10,134

(12)Remuneration to Key Management Personnel

The combined company's total remuneration to directors and other key management personnel is as follows:

	2020	2019
Short-term employee benefits	$ 49,614	$ 59,849
Post-employment beneifts	705	839
	$ 50,319	$ 60,688

The remuneration of directors and other key management personnel is determined by the Remuneration Committee based on the current year's operating results and the base of year-end bonuses paid in previous years.

38.Pledged assets

The following assets of The combined company have been provided as collateral for bank loans:

	December 31 2020	December 31 2019
Land	$ 266,446	$ 382,656
Buildings	275,536	325,355
Machinery	65,816	43,345
Right-of-use asset	267,437	283,444
Investment fixed property	65,071	64,716
Pledged bank deposits (recorded as financial assets carried at amortized cost - current) (Note)	2,803,808	2,439,905
	$ 3,744,114	$ 3,539,421

Note：The collaterals as fully guaranteed borrowings as of December 31, 2020 and 2019 were NT$2,687,940,000 and NT$2,239,794,000, respectively.

39.Significant Contingent Liabilities and Unrecognized Contractual Commitments

In addition to those described in other Notes, the combined company has the following significant commitments and contingencies on its balance sheet.

(1) As of 2020 and December 31, 2019, The combined company has opened unused letters of credit for raw materials purchases of $120,717,000 and $12,958,000, respectively.

(2) The combined company's unrecognized contractual commitments were as follows.

	December 31 2020	December 31 2019
Purchase of property, plant and equipment	$ 46,661	$ 41,567

(3)As of 2020 and December 31, 2019, the Consolidated Company has provided guarantee notes of NT$348,000,000 and NT$417,515,000 for the purchase of raw materials and the provision of guarantees for borrowing lines from financial institutions, respectively.

40.Other matters

The Company was affected by the global pandemic of COVID-19, resulting in a significant decrease in 2020 operating income. In response to the impact of the epidemic, the Company has applied for salary and working capital subsidies from the government and has received 92,182,000 (Note 29).

41.Information on foreign currency assets and liabilities with significant impacts

The following information is presented in the aggregate in foreign currencies other than the functional currency of each of the consolidated companies. Assets and liabilities denominated in foreign currencies that have a significant effect are as follows:

Unit:Foreign currency and NT$1,000

December 31 2020

Foreign Currency Assets	Foreign Currency	Foreign Exchange Rate	Carrying Amount
Currency			
USD	$ 207,488	28.48 (USD:NTD)	$ 5,909,257
USD	3,261	6.5249 (USD:CNY)	92,863
USD	16,067	23,100 (USD:VND)	457,589
Non-currency items			
Associates & Joint Ventures Accounted for Using Equity Method			
USD	9,030	28.48 (USD:NTD)	257,177
Hong Kong Dollars	108,672	7.7539 (Hong Kong Dollars:USD)	399,151
Foreign Currency Liabilities			
Currency			
USD	57,932	28.48 (USD:NTD)	1,649,875
USD	11,619	6.5249 (USD:CNY)	330,920
USD	57,760	23,100 (USD:VND)	1,645,013

December 31 2019

Foreign Currency Assets	Currency Amount	Foreign Exchange Rate	Carrying amount
Currency			
USD	$ 221,729	29.98 (USD:NTD)	$ 6,647,452
USD	12,615	6.9762 (USD:CNY)	378,184
USD	10,918	23,178 (USD:VND)	327,309
Non-currency items			
Associates & Joint Ventures Accounted for Using Equity Method			
USD	10,756	29.98 (USD:NTD)	322,467
Hong Kong Dollars	94,589	7.789 (Hong Kong Dollars:USD)	364,072
Foreign Currency Liability			
Currency			
USD	94,509	29.98 (USD:NTD)	2,833,396
USD	13,310	6.9762 (USD:CNY)	399,029
USD	69,527	23,178 (USD:VND)	2,084,408

The combined company is primarily exposed to foreign currency exchange rate risk for the U.S. dollar, CNY and Vietnamese Dong. The following information is presented as a summary

of the functional currencies of the individual foreign currency holdings, and the exchange rates disclosed represent the rates at which those functional currencies were translated into the presentation currency. Foreign currency exchange gains and losses (realized and unrealized) with significant effect are as follows.:

	2020		2019	
Functional Currency	Functional Currency to Presentation Currency	Net FX (loss) income	Functional Currency to Presentation Currency	Net FX (loss) income
NTD	1 (NTD:NTD)	($ 226,572)	1 (NTD:NTD)	($ 96,542)
USD	29.549 (USD:NTD)	61	30.912 (USD:NTD)	(107)
CNY	4.2827 (CNY:NTD)	(389)	4.4821 (CNY:NTD)	15,407
VND	0.001271 (VND:NTD)	6,959	0.001331 (VND:NTD)	19,598
		($ 219,941)		($ 61,644)

42. Note Disclosure

(1) Information on significant transactions.

1.Loan of funds to others: Schedule 1 (attached)

2.Endorsement and guarantee for others: Schedule 2 (attached)

3.MarkeSchedule securities held at the end of the period (excluding investments in subsidiaries and affiliated companies): Schedule 3 (attached)

4.Cumulative purchase or sale of markeSchedule securities amounting to at least NT$300 million or 20% of the paid-in capital: Schedule 4 (attached).

5.Acquisition of real estate amounting to at least NT$300 million or 20% of the paid-in capital:None.

6.Disposal of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.

7.Purchase from or sale to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule 5 (attached).

8.Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Schedule 6 (attached).

9. Derivative transactions: Please refer to Note 7.

10.Others: Business relationships and significant transactions between the parent and subsidiaries and between subsidiaries: Schedule 10 (attached).

(2) Information on investment: Schedule 7 (attached).

(3) Information on investment in China.

1. Name of the investee company in China, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gain or loss, and investment limit in China: Schedule 8 (attached).

2, Significant transactions with the investee company in China, directly or indirectly through a third country, and the prices, terms of payment, and unrealized gains or losses.

1) Amounts and percentages of purchases and related accounts payable: Schedule 9

(attached).

2) Amount and percentage of sales and related receivables: Schedule 8 (attached).

3) Amount of property transactions and the amount of gain or loss arising from them: None.

4) Ending balance and purpose of guarantees or collaterals provided: Schedule 2 (attached).

5) Maximum balance, ending balance, interest rate range, and total current interest on financial instruments: Schedule 1 (attached).

6) Other transactions that have a significant effect on current income or financial position, such as the provision or receipt of labor services: None.

(4)Information on major shareholders: Name, amount and percentage of shares held by shareholders with at least 5% ownership: Schedule 11 (attached).

43. SEGMENT INFORMATION

(1)Segment Revenue and Operating Results

The consolidated companies are all in the textile industry. The financial information provided to the chief operating decision maker for the purpose of allocating resources and evaluating the performance of the divisions focuses on the Company and its subsidiaries, and is presented below by reportable segment.

	The Company	Hangzhou De Licacy Group (Note 1)	Vietnam De Licacy Group (Note 2)	Other	Adjustments and eliminations	Adjusted Amount
2020						
Revenue from customers other than the Company and its consolidated subsidiaries	$2,769,524	$1,918,680	$2,123,927	$1,782,528	$ -	$ 8,594,65
Income from the Company and consolidated subsidiaries	236,116	30,370	436,557	1,575,693	(2,278,736)	
Total income	$3,005,640	$1,949,050	$2,560,484	$3,358,221	($2,278,736)	$ 8,594,65
Segment income (loss)	($ 236,705)	$ 108,188	$ 129,261	($ 3,781)	$ 6,192	$ 3,15
Interest income						42,88
Other income						204,64
Finance costs						(177,71
Share of losses of affiliated companies and joint ventures recognized under the equity method						(83,31
Other gains and losses						(281,46
Net segment loss before tax						($ 291,80
2019						
Revenue from customers other than the Company and its consolidated subsidiaries	$3,843,550	$2,709,234	$1,905,208	$2,461,732	$ -	$ 10,919,72
Income from the Company and consolidated subsidiaries	425,833	62,595	557,269	1,689,127	(2,734,824)	
Total income	$4,269,383	$2,771,829	$2,462,477	$4,150,859	($2,734,824)	$ 10,919,72
Segment benefits	$ 138,247	$ 243,492	$ 264,848	$ 124,419	$ 30,755	$ 801,76
Interest income						54,25
Other income						123,14
Finance costs						(206,06
Share of losses of affiliated companies and joint ventures recognized under the equity method						(53,38
Other gains and losses						(52,82
Net segment income before tax						$ 666,88

Note1: Hangzhou De Licacy Group include Best Alliance International Limited , Eden

Road International Ltd., Eden Road International Ltd.(H.K.), Hangzhou De Licacy Textile Co., Ltd. , De Fa Company, Hao Wang Company, Chang Xin Lucky Unique Enterprise Company, Thousand Well International Limted, Thousand Well (Samoa) International Limted, Fastpower Limited, and Fastpower (Samoa) Limited

Note2: Vietnam De Licacy Group include De Licacy Holdings company, De Shen (Cayman) Holdings Co., Ltd.,Vietnam De LicacyCompany , and New Lake Ltd.

Segment profit or loss represents the profit earned by each segment, excluding non-operating income and expense and income tax expense. This measure is provided to the chief operating decision maker for the purpose of allocating resources to the segments and evaluating their performance.

The combined company's chief operating decision maker makes decisions based on the operating results of each segment and does not have information on segment assets and liabilities to evaluate the performance of different business activities, therefore, only the operating results of reporSchedule segments are presented.

(2)Location information

The combined company operates mainly in three regions－Taiwan, China and Vietnam.

The information on continuing business unit income from external customers of The combined company by operation and non-current assets locations are as below:

	Income from external customers		Non-current assets	
	2020	2019	2020 December 31	2019 December 31
Taiwan	$ 3,114,738	$ 4,500,362	$ 756,201	$ 982,316
China	3,355,370	4,490,435	2,302,791	2,290,991
Vietnam	2,124,551	1,928,927	3,370,956	3,714,679
	$ 8,594,659	$10,919,724	$ 6,429,948	$ 6,987,986

Non-current assets exclude classified as financial assets, Refundable Deposits, investments accounted for using equity method, net defined benefit assetand deferred income tax assets.

(3)Major customers' information

The combined company has no sales income from major customers which accounts for more than 10% of the net sales income in the consolidated Income Statement

De Licacy Industrial Co., Ltd. and Subdidiary
Funds loaned to others.
For the year end 31 December of 2020

Schedule 1

(In thousands of New Taiwan Dollars)

No.	Loan Funded Companies	Loan recipients	Current Accounts	Is a related party	Highest balance for the period	Closing balance	Actual expenditures	Interest rate collars(%)	Natures of funding and loan	Business transactions(Note 4)	Reasons of short-term financing funds	Allowance for bad debts	Collateral		The limit for individual funds lending(Note 1)	Capital Loan and Total Limit(Note 2)
													Name	Value		
0	The Company	Best Alliance International Limited	Other Receivables	Y	$ 166,842	$ 74,048	$ 74,048	1.8	Short-term financing	$ -	Operating revolving fund	$ -	none	$ -	$ 1,411,295	$ 1,881,727
	The Company	Der Sheng Cayman Company	Other Receivables	Y	78,570	76,896	-	-	Short-term financing	-	Operating revolving fund	-	none	-	1,411,295	1,881,727
	The Company	Total Express Ltd.	Other Receivables	Y	133,335	128,160	128,160	1.8	Short-term financing	-	Operating revolving fund	-	none	-	1,411,295	1,881,727
	The Company	Vietnam De LicacyCompany	Other Receivables	Y	355,560	341,760	341,760	2.8	Short-term financing	-	Operating revolving fund	-	none	-	1,411,295	1,881,727
1	De LicacySamoa Company	Vietnam De LicacyCompany	Other Receivables	Y	120,900	113,920	113,920	2.8	Short-term financing	-	Operating revolving fund	-	none	-	1,049,182	1,398,909
	De LicacySamoa Company	Apex Textile Co., Ltd	Other Receivables	Y	76,896	76,896	76,896	1.8	Short-term financing	-	Operating revolving fund	-	none	-	1,049,182	1,398,909
2	De Fa Company	Hangzhou De Licacy Company	Other Receivables	Y	17,076	-	-	-	Short-term financing	-	Operating revolving fund	-	none	-	14,900	19,866
	De Fa Company	Hangzhou De Licacy Company	Other Receivables	Y	86,100	-	-	-	Business transactions	68,317		-	none	-	83,217	88,183
3	Eden Road Compan	Best Alliance International Limited	Temporary payments	Y	111,833	-	-	-	Short-term financing	-	Operating revolving fund	-	none	-	8,391 (Note3)	8,391 (Note3)
4	Total Express Ltd.	Apex Textile Co., Ltd	Accounts Receivable	Y	180,141	-	-	1.8～2.34	Business transactions	857,530		-	none	-	876,315	882,576
5	Der Sheng Cayman Company	Vietnam De LicacyCompany	Other Receivables	Y	509,660	-	-	2.5	Short-term financing	-	Operating revolving fund	-	none	-	906,236	1,208,315
6	New Lake Ltd.	Vietnam De LicacyCompany	Other Receivables	Y	60,450	-	-	2.5	Short-term financing	-	Operating revolving fund	-	none	-	296,860 (Note3)	296,860 (Note3)
7	De HongCompany	De Hong (Vietnam) Company	Other Receivables	Y	22,669	13,955	6,550	2.5	Short-term financing	-	Operating revolving fund	-	none	-	20,276	27,034
8	Hangzhou De Licacy Company	Apex Textile Co., Ltd	Temporary payments	Y	234,795	109,425	109,120 (Note5)	5.1	Short-term financing	-	Operating revolving fund	-	none	-	534,738	712,985
	Hangzhou e Licacy Company	Apex Textile Co., Ltd	Temporary payments	Y	153,195	153,195	109,120 (Note5)	4.15	Short-term financing	-	Operating revolving fund	-	none	-	534,738	712,985
9	Apex Textile Co., Ltd	Apex (Anqing) Textile Co., Ltd	Accounts Receivable	Y	87,540	87,540	61,544 (Note 5)	5.1	Short-term financing	-	Operating revolving fund	-	none	-	109,109	145,478
10	Lucky Apex Ventures Limited	Apex (Anqing) Textile Co., Ltd	Other Receivables	Y	123,821	121,182	121,154	1.0	Short-term financing	-	Operating revolving fund	-	none	-	128,811	171,748
11	View Best Global Company	Vietnam ATAGO Company	Other Receivables	Y	8,148	7,974	7,974	2.5	Short-term financing	-	Operating revolving fund	-	none	-	12,316	16,421
12	Best Alliance International Limited	Hangzhou De Licacy Company	Temporary payments	Y	68,352	68,352	68,352	-	Short-term financing	-	Operating revolving fund	-	none	-	702,472	936,629
	Best Alliance International Limited	Eden Road International Ltd.(H.K.)	Temporary payments	Y	69,840	68,352	68,352	-	Short-term financing	-	Operating revolving fund	-	none	-	702,472	936,629

Note 1: Based on 30% of the net shareholders' equity of each lending company and the amount of business transactions in the previous year.
Note 2: Based on 40% of the net shareholders' equity of each lending company and the amount of business transactions in the previous year.
Note 3: Based on 100% of each lending company's net shareholders' equity and the amount of business transactions in the previous year.
Note 4: Based on the amount of business transactions in the previous year.
Note 5: The difference between the announcement and the announcement is the adjustment of foreign currency exchange gain or loss at the end of the period.

De Licacy Industrial Co., Ltd. and Subsidairies

Endorsement for others

FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 2

(In thousands of New Taiwan Dollars)

No.	Endorsement/Guarantor Name of Company	Endorsed/Guarantees: Name of Company	Endorsed/Guarantees: Limit of endorsement guarantee for a single enterprise (Note 1)	Limit of endorsement guarantee for a single enterprise (Note 1)	Highest Endorsement Balance	Ending endorsement guarantee balance	Actual expenditure	Amount of endorsement guarantee by assets guarantee	Ratio of cumulative endorsement guarantee to net of the most recent financial statements (%)	Highest endorsement guarantee (Note 2)	Parent company's endorsement to Subsidairy guarantee	Subsidairy's endorsement of the parent company	Endorsement guarantee to China
0	The Company	New Lake Ltd.	Subsidairy (Indirect shareholdings100%)	$ 2,352,159	$ 1,033,050	$ 1,011,040	$ 387,328	$ -	21.49	$ 7,056,476	Y	N	N
	The Company	De Fa Company	Subsidairy (Direct shareholdings100%)	2,352,159	230,636	229,396	132,800	-	4.88	7,056,476	Y	N	N
	The Company	Chadtex Company	Subsidairy (Direct shareholdings55.06%)	2,352,159	105,000	80,000	-	-	1.70	7,056,476	Y	N	N
	The Company	Eden Road Compan	Subsidairy (Indirect shareholdings100%)	2,352,159	498,712	412,960	110,218	-	8.78	7,056,476	Y	N	N
	The Company	Vietnam De LicacyCompany	Subsidairy (Indirect shareholdings 100%)	2,352,159	938,345	902,120	392,329	-	19.18	7,056,476	Y	N	N
	The Company	De Shen (Cayman) Holdings Co., Ltd.	Subsidairy (Indirect shareholdings100%)	2,352,159	1,118,325	911,360	361,696	-	19.37	7,056,476	Y	N	N
	The Company	Apex Textile Co., Ltd	Subsidairy (Indirect shareholdings 53.22%)	2,352,159	207,383	207,383	137,508	-	4.41	7,056,476	Y	N	Y
	The Company	Hangzhou De Licacy Company	Subsidairy (Indirect shareholdings 100%)	2,352,159	575,510	320,750	33,480	-	6.82	7,056,476	Y	N	Y
	The Company	De Kao Company	Subsidairy of the affliate company Lucky Unique Enterprise Company (Subsidairy of the Company by July 8, 2020) (Indirect shareholdings 14.99%)	2,352,159	10,000	-	-	-	-	7,056,476	N	N	N
	The Company	Apex (Anqing) Textile Co., Ltd	Subsidairy (Indirect shareholdings53.22%)	2,352,159	43,050	43,770	30,639	-	0.93	7,056,476	Y	N	Y
	The Company	Total Express Ltd.	Subsidairy (Indirect shareholdings53.22%)	2,352,159	216,565	-	-	-	-	7,056,476	Y	N	N
	The Company	Eden Road International Ltd.(H.K.)	Subsidairy (Indirect shareholdings100%)	2,352,159	174,600	170,880	-	-	2.42	7,056,476	Y	N	N
1	Apex Textile Co., Ltd	Hazhou De Licacy Company	Affiliate Company (Parent company Indirect shareholdings100%)	181,848	129,150	-	-	-	-	363,695 (Note3)	N	N	Y

Note 1: Based on 50% of the total equity of the owners of each endorsing company.

Note 2: Based on 150% of the total interests of the owners of each endorsing company.

Note 3: Based on 100% of the total interests of the owners of each endorsing and guaranteeing company.

De Licacy Industrial Co., Ltd. and Subsidairies

Accumulated purchase or sale of the same markeSchedule securities amounting to at least NT$300 million or 20% of the paid-in capital.

FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 4

(In thousands of New Taiwan Dollars)

Seller/Buyer	Type and name of markeSchedule securities	Line Item	Trading Partners	Relationship	Beginning		Buy		Sell				Ending	
					share/unit	Amount	share/unit	Amount	share/unit	Amount	Book cost	Disposal(loss) income	share/unit	Amount
The Company	De LicacySamoa Company	Investments accounted for using equity method	—	100% transfer of investment to subsidiaries	41,545,109	$ 2,996,495	11,059,273	$396,716 (Note)	-	$ -	$ -	$ -	52,604,382	$ 3,393,211

Note: Including NT$320,241,000 of new investment, (NT$188,000) of interest in subsidiaries using the equity method, NT$70,416,000 of translation differences on financial statements of foreign operating institutions, NT$837,000 of remeasurement of defined benefit plans of subsidiaries using the equity method and NT$5,410,000 of capital surplus - long-term investment.

De Licacy Industrial Co., Ltd. and Subsidairies

Purchase or sale transactions with related parties amounting to at least NT$100 million or 20% of the paid-in capital

FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 5

(In thousands of New Taiwan Dollars)

Buying/selling company	Trading Partners	Relationship	Transactions				Circumstances and reasons of transaction conditions are different from general transactions		Notes and accounts receivable (payable)		Note
			Buy/Sell	Amount	Percentage of total purchase (sales) (%)	Credit Period	Unit Price (Note 1)	Credit Period	Balance	Percentage of total receivable (payable)(%)	
The Company	Chadtex Company	Subsidairy	Purchase	$ 121,353	7	Open Account 30 days	unapplicable	General open account 30-90 days	($ 2,895)	1	
The Company	Tung Ming Company	Note 2	Purchase	127,247	7	Open Account 30至90 days	〃	General open account 30-90 days	-	-	
The Company	New Lake Ltd.	Subsidairy	(Sales)	(123,106)	4	Open Account 30至60 days	〃	General open account 30-90 days	13,947	3	
The Company	New Lake Ltd.	Subsidairy	Purchase	451,073	25	Open Account 30至90 days	〃	General open account 30-90 days	(43,685)	16	
Eden Road International Ltd.	Thousand Well International Limted	Affiliate Company	Purchase	178,950	86	Open Account 90 days	〃	No general suppliers available for comparison	-	-	
Eden Road International Ltd.(H.K.)	Thousand Well International Limted	Affiliate Company	Purchase	153,651	52	Open Account 90 days	〃	No general suppliers available for comparison	-	-	
Eden Road International Ltd.(H.K.)	Thousand Well (Samoa) International Limted	Affiliate Company	Purchase	105,665	35	Open Account 90 days	〃	No general suppliers available for comparison	(67,647)	73	
Hangzhou De Licacy Company	Thousand Well International Limted	Affiliate Company	(Sales)	(332,601)	19	Open Account 90 days	〃	General open account 30-90 days	-	-	
Hangzhou De Licacy Company	Thousand Well (Samoa) International Limted	Affiliate Company	(Sales)	(105,665)	6	Open Account 90 days	〃	General open account 30-90 days	5,935	1	
Apex Textile Co., Ltd	Total Express Ltd.	Affiliate Company	(Sales)	(915,988)	65	Open Account 90 days	〃	General open account 30-90 days	45,499	16	
Apex Textile Co., Ltd	Apex (Anqing) Textile Co., Ltd	Affiliate Company	(Sales)	(100,262)	7	Open Account 90 days	〃	General open account 30-90 days	86,811	31	
Apex Textile Co., Ltd	Apex (Anqing) Textile Co., Ltd	Affiliate Company	Purchase	192,039	18	Open Account 90 days	〃	General open account 30-120 days	(33,223)	14	
New Lake Ltd.	Vietnam De Licacy Company	Affiliate Company	(Sales)	(627,275)	30	Open Account 90 days	〃	General open account 30-60 days	520,823	67	
New Lake Ltd.	Vietnam De Licacy Company	Affiliate Company	Purchase	905,378	47	Open Account 120 days	〃	General open account 30 days	(285,483)	78	

Note 1: The purchase price is not comparable to the general purchase price of similar products; the sales price is comparable to the general customer.
Note 2: Prior to July 8, 2020, the company was a subsidiary of the Company.

De Licacy Industrial Co., Ltd. and Subsidairies

Receivables from related parties amounting to NTD100 million or 20% of paid-in capital or more.

December 31, 2020

Schedule 6

(In thousands of New Taiwan Dollars)

Accounts receivable companies	Name of trading Partners	Relationship with the dealer	Balance of receivables from related parties	Turnover(%)	Overdue amounts due from related parties		Amounts due from related parties recovered in the period	Allowance for losses
					Amount	Methodology		
The Company	Vietnam De LicacyCompany	Subsidairy	$ 348,276	(Note1)	$ -	—	$ 2,156	$ -
The Company	Total Express Ltd.	Subsidairy	129,089	(Note2)	-	—	-	-
Lucky Apex Ventures Limited	Apex (Anqing) Textile Co., Ltd	Subsidairy	121,154	(Note2)	-	—	-	-
De Shen (Cayman) Holdings Co., Ltd.	Vietnam De LicacyCompany	Subsidairy	226,105	(Note3)	-	—	-	-
New Lake Ltd.	Vietnam De LicacyCompany	Affiliate Company	546,860	1.00 (Note4)	-	—	136,847	-
Vietnam De LicacyCompany	New Lake Ltd.	Affiliate Company	285,483	3.08	-	—	52,034	-
Hangzhou De Licacy Company	Apex Textile Co., Ltd	Affiliate Company	424,518	0.33 (Note5)	-	—	-	-
De LicacySamoa Company	Vietnam De LicacyCompany	Affiliate Company	116,440	(Note2)	-	—	58,240	-
Apex Textile Co., Ltd	Apex (Anqing) Textile Co., Ltd	Affiliate Company	163,583	2.08 (Note6)	-	—	54,542	-

Note 1: NT$348,171,000 were receivables from loans and interest on funds, and the rest were receivables from endorsement and guarantee fees, which were not included in the calculation of the turnover rate.
Note 2: All of them are receivables arising from capital loans and interest, which are not included in the calculation of the turnover rate.
Note 3: Receivables arising from the sale of fixed assets are not included in the calculation of the turnover rate.
Note 4: NT$26,037,000 was the amount from the sale of property, plant and equipment and advances, which was not included in the calculation of the turnover rate.
Note 5: NT$218,240,000 was due from the loan of funds and NT$201,921,000 was due from the sale of investment fixed assets and advances from leased plants, which were not included in the calculation of turnover rate.
Note 6: NT$61,544,000 was a receivable arising from capital loans and NT$15,228,000 was a receivable arising from the sale of property, plant and equipment, which was not included in the turnover calculation.

De Licacy Industrial Co., Ltd.and Subsidiaries
Information of the investee companies, locations, etc.
FOR THE YEAR ENDED DECEMBER 31, 2020

Schedule 7

(In thousands of New Taiwan Dollars)
(except in USD)

Investment Company Name	Investee Company Name	Location	Major Business Scope	Original Investment		Held at period-end			Investee company (Loss) income	Recognized Investment (loss) income(Note 1)	Note
				End of current period	End of last year	Shares	Percentage(%)	Book value amount			
The Company	De LicacySamoa Company	Samoa	General Investment	$ 1,622,785	$ 1,302,544	52,604,382	100	$ 3,393,211	($ 1,033)	($ 188)	Unrecognized gain on disposal of investment property and unrealized gain on disposal of property, plant and equipment
The Company	Tung Ming Company	Taiwan	Manufacture, processing and trading of chemical fibers	-	100,193	-	-	-	20,095	7,020	
The Company	Lucky Unique EnterpriseCompany	Taiwan	Manufacture and processing of various fiber textile products	102,588	243,524	9,936,207	24.98	111,412	15,285	7,549	Affiliated companies, subsidiaries of the Company prior to July 8, 2020)/unrealized gain or loss on sales difference.
The Company	De Fa Company	Taiwan	General Import and Export Trade	59,878	59,878	5,500,000	100	49,709	(15,763)	(15,753)	Recognized difference of inter-group lease gains or losses.
The Company	Chadtex Company	Taiwan	Textile manufacturing, dyeing and finishing, and trading of various textile products	177,335	156,006	18,931,098	55.06	239,702	6,424	3,893	Recognized difference of realized and unrealized gain or loss on sales and disposal of property, plant and equipment.
The Company	De LicacyBVI Holding Company	British Virgin Islands	General Investment	USD 108,040,000	USD 108,040,000	27,010	100	3,012,615	104,327	107,012	Recognized difference of realized gain on disposal of fixed assets.
The Company	View Best Global Company	Samoa	General Investment	USD 2,475,000	USD 1,935,000	2,475,000	100	41,053	(14,797)	(14,796)	
The Company	De Kao Company	Taiwan	General Import and Export Trade	-	12,000	-	-	-	(14,799)	(850)	
Tung Ming Company	Lucky Unique EnterpriseCompany	Taiwan	Manufacture and processing of various fiber textile products	-	4,856	-	-	-	15,285		
Tung Ming Company	Bright Wisdom Ltd.	Samoa	General Investment	-	35,400	-	-	-	9,523		
De LicacySamoa Company	Best Alliance International Limited	British Virgin Islands	General Investment	1,397,855	1,256,409	37,900,000	100	2,377,922	95,803		
De LicacySamoa Company	Bao Li Company	Samoa	General Investment	USD 6,501,742	USD 6,342,469	6,501,742	73.33	154,512	(10,153)		
De LicacySamoa Company	Hao Wang Company	Samoa	General Investment	-	USD 2,500,000	-	-	-	(13,062)		
De LicacySamoa Company	De LicacyAnguilla Company	Anguilla	General Investment	USD 5,005,000	USD 5,005,000	5,005,000	100	46,474	(46,468)		
De LicacySamoa Company	De Hong Company	Samoa	General Investment	USD 1,500,000	USD 1,500,000	1,500,000	50	33,793	(9,606)		
De LicacySamoa Company	New Lake Ltd.	Anguilla	General Import and Export Trade	USD 6,100,000	USD 100,000	6,100,000	100	296,860	1,452		
De LicacySamoa Company	Mei Chia Venture Capital Company	British Virgin Islands	General Investment	USD 11,920,238	USD 11,920,238	11,920,238	85	338,315	(14,638)		
De Hong Company	De Hong(Vietnam) Company	Vietnam	Printing and finishing of various types of garments and cloths	USD 2,500,000	USD 2,500,000	-	100	61,043	(3,026)		
Best Alliance Limited	Eden Road Compan	British Virgin Islands	General Import and Export Trade	1,700	1,700	50,000	100	411	6,438		
Best Alliance Limited	Bright Wisdom Ltd.	Samoa	General Investment	USD 14,902,500	USD 9,582,533	14,902,500	53.22	474,038	9,523		
Best Alliance Limited	Hong Kong Eden Road Compan	Hong Kong	General Import and Export Trade	USD 50,000	-	50,000	100	70,029	68,457		
Eden Road Compan	Bright Wisdom Ltd.	Samoa	General Investment	-	USD 4,228,300	-	-	-	9,523		
Lucky Unique EnterpriseCompany	De Sin Company	Samoa	General Investment	USD 6,190,000	USD 5,630,000	6,190,000	100	218,141	21,708		Note3
Lucky Unique EnterpriseCompany	Jie Sen Company	Taiwan	Manufacture, processing and trading of various fiber textile products	5,000	5,000	500,000	80	5,623	(3,375)		Note3
Lucky Unique EnterpriseCompany	De Kao Company	Taiwan	General Import and Export Trade	12,000	-	1,200,000	60	417	(14,799)		Note3
Lucky Unique EnterpriseCompany	Tung Ming Company	Taiwan	Manufacture and processing of chemical fibers and international trading business	258,989	-	15,279,600	91.28	190,124	20,095		Note3
Bright Wisdom Ltd.	Total Express Ltd.	Seychelles	Manufacture and processing of chemical fibers and international trade	USD 1	USD 1	1	100	62,615	30,565		
Bright Wisdom Ltd.	Lucky Apex Ventures Ltd.	Samoa	General Investment	USD 14,655,000	USD 10,400,000	14,655,000	100	429,371	(4,360)		
Bright Wisdom Ltd.	Jon Da Company	Taiwan	General Import and Export Trade	10,000	-	1,000,000	100	11,369	1,369		
De Licacy Holding Company	Der Sheng Cayman Company	Cayman Islands	General Investment	USD 108,032,701	USD 108,032,701	108,032,700,860	100	3,020,787	104,372		
De Shen (Cayman) Holdings Co., Ltd.	Vietnam De LicacyCompany	Vietnam	Printing, dyeing, finishing, garment manufacturing and trading of various textile and yarn materials	USD 114,660,489.5	USD 114,660,489.5	-	100	3,149,085	91,331		
Vantage Gain Limited	Perfect Step Ltd.	British Virgin Islands	General Investment	USD 8,862,037	USD 8,644,837	8,862,037	20	210,718	(50,482)		
De LicacyAnguilla Company	Era Nouveau International Co., Ltd.	Samoa	General Investment	USD 5,000,000	USD 5,000,000	5,000,000	50	46,459	(53,282)		
View Best Global Company	Vietnam ATAGO Company	Vietnam	Garment manufacturing and trading	USD 1,915,070	USD 1,915,070	-	30	25,314	(48,437)		
Beauty Plus Limited	Sung Yu Company	British Virgin Islands	General Investment	USD 14,023,848	USD 14,023,848	38	38	399,151	(38,283)		

Note 1: Only the amount of profit or loss recognized for each subsidiary directly invested by the Company and each investee company using the equity method should be shown.
Note 2: Please refer to Schedule 8 (attached) for the information about China investee companies.
Note 3: Subsidiary of Lucky Unique Enterprise Company (a subsidiary of the Company before July 8, 2020).

De Licacy Industrial Co., Ltd.and Subsidiaries

Investment Information on investment in China

For the year ended December 31, 2020.

Schedule 8

In thousand in NTD
(except in US dollars)

China reinvestment Company Names	Major Business Scope	Paid-in Capital. (Note 3)	Investment Method (Note 7)	Accumulated investment amount remitted from Taiwan at initial period (Note 3)	Investment amount remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period (Note 3)	The investee companies for the period income (Loss)	The Company's direct or indirect investment (%)	Recognized Investment (loss) (Note 1)	Year-end Investment Carrying Amoount (Note 1)	Remitted Investment income for the year end
					Remitted	Recovery						
Hangzhou Der Li Company	Production and sales of long and short fiber fabric processing and finishing	$ 1,196,160 (USD 42,000,000)	3.Der Yi Company	$ 1,301,643 (Note 4) (USD 18,289,091 And $ 780,770)	$ -	$ -	$ 1,301,643 (Note 4) (USD 18,289,091 And $ 780,770)	$ 25,885	100	$ 27,000 (Note 6)	$ 1,730,774	$ -
Apex Textile Co., Ltd	Manufacture and sale of textile products and dyeing and finishing	370,240 (USD 13,000,000)	3.Bright Wisdom Ltd.	120,840 (USD 3,000,000 And $ 35,400)	-	-	120,840 (USD 3,000,000 And $ 35,400)	(18,042)	53.22	(10,951)	193,570	-
Chang Sin Lucky Unique EnterpriseCompany (Note 5)	Manufacture, dyeing and sales of various high-quality fabrics and textiles	-	3.Hao Wan Company	71,200 (USD 2,500,000)	-	71,200 (USD 2,500,000)	-	(244)	-	(244)	-	-
Apex (Shanghai) Textile co., Ltd	General Investment	1,573,520 (USD 55,250,000)	3.Sin Hao Company、Samoa Sin Young International Limited	58,384 (USD 2,050,000)	-	-	58,384 (USD 2,050,000)	-	14.67	-	38,339	-
Apex (Anqing) Textile Co., Ltd	Manufacture and sale of various high-quality fabrics and textiles	296,192 (USD 10,400,000)	3.Lucky Apex Ventures Ltd.	296,192 (USD 10,400,000)	-	-	296,192 (USD 10,400,000)	(4,361)	53.22	(1,692)	164,027	-

Company Names	Accumulated remittance of investments from Taiwan to China at the end of the period (Note 3	Investmen Commission, MOEA approved investment amount (Note 3)	Investment quota in China according to the Investment Commission, MOEA
Hangzhou De Licacy Textile Co., Ltd.	$ 1,301,643 (USD 18,289,091 and $ 780,770)	$ 1,301,643 (USD 18,289,091and $ 780,770)	(Note 2)
Apex Textile Co., Ltd	$ 120,840 (USD 3,000,000 and $ 35,400)	$ 120,840 (USD 3,000,000and$ 35,400)	(Note 2)
Apex (Shanghai) Textile co., Ltd	$ 58,384 (USD 2,050,000)	$ 357,424 (USD 12,550,000)	(Note 2)
Apex (Anqing) Textile Co., Ltd	$ 296,192 (USD 10,400,000)	$ 455,680 (USD 16,000,000)	(Note 2)

Note 1: Recognized based on the financial statements of the investee company audited by the parent company's certified public accountants in Taiwan during the same period.

Note 2: In accordance with the newly revised "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" dated August 29, 2018, the Company obtained the certification document issued by the Industrial Development Bureau, Ministry of Economic Affairs on August 28, 2017, which conforms to the scope of operation of the Ministry of Manufacturing Operations, so the calculation of investment limit is not required.

Note 3: The related amount was translated at the Foreign Exchange Rate of NT$28.48 per USD at the end of the period.

Note 4: Including the recognition of Best Alliance International Limited investment of NT$111,616 (US$3,919,091) in Hangzhou Deli by way of debt in proportion to its shareholding.

Note 5: Changxin Lucky Unique Enterprise Company was liquidated on October 31, 2009 and remitted USD 2,706,075.53 (including capital stock of USD 2,500,000 and investment income of 206,075.53) to Hao Wan on November 30, 2020 The Company then remitted to De Licacy Samoa Company.

Note 6: The difference is the unrealized gain or loss on disposal of fixed assets and investment fixed assets.

Note 7: (1) Investment in Mainland China through third-party remittance.

(2) Investment in China through a third-party company.

(3) Reinvestment in Mainland China through re-investment in an existing company in a third region.

De Licacy Industrial Co., Ltd.and Subsidiaries
Significant transactions with China investees directly or indirectly through third regions, the prices, payment terms, and unrealized gains or losses
For year ended 31 December 2020

Schedule 9

(In thousands of New Taiwan Dollars)

Company	Transaction Partner	The relationship with transaction partner	Transaction Type	Amount	Trading Terms			Notes, Accounts Receivable (Payable)		Unrealized Income (loss)
					Price	Payment Terms	Comparison with general transactions	Balance	Percentage(%)	
Der Fa Company	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Sales	$ 60,260	Trade at general price	Open Account 120 days	No general customers to compare	$ 8,982	58	$ -
Eden Road Company	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Sales	5,457	Trade at general price	Open Account 90 days	General customer open account 45-120 days	-	-	-
Eden Road International Ltd.(H.K.)	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Sales	6,745	Trade at general price	Open Account 90 days	General customer open account 45-120 days	3,400	2	-
Eden Road International Ltd.(H.K.)	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	13,231	Trade at general price	Open Account 90 days	General customer open account 45-120 days	(12,975)	14	-
Thousand Well International Limted	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	332,601	Trade at general price	Open Account 90 days	No general customers to compare	-	-	-
Fastpower Limited	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	34,064	Trade at general price	Open Account 90 days	No general customers to compare	-	-	-
Thousand Well (Samoa) International Limted	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	105,665	Trade at general price	Open Account 90 days	No general customers to compare	(5,935)	100	-
Fastpower (Samoa) Limited	Hangzhou De Licacy Textile Co., Ltd.	affiliated company	Purchase	8,347	Trade at general price	Open Account 90 days	No general customers to compare	(8,344)	100	-
Futures co., Ltd	A Apex (Anqing) Textile Co., Ltd pex Textile Co., Ltd	affiliated company	Sales	5,885	Trade at general price	Open Account 90 days	No general customers to compare	4,253	62	-
Futures co., Ltd		affiliated company	Sales	15,119	Trade at general price	Open Account 90 days	No general customers to compare	2,575	38	-
Total Express Ltd.	Apex Textile Co., Ltd	affiliated company	Purchase	915,988	Trade at general price	Open Account 90 days	No general customers to compare	(45,499)	100	-

De Licacy Industrial Co., Ltd.and Subsidiaries

Business relationships between parent-subsidiaries and subsidiaries and significant transactions and amount

For year ended December 31, 2020.

Schedule 10

(In thousands of New Taiwan Dollars)

No.	Trader's Name	Trading Partners	The relationship with traders (Note 1)	Transaction Situation			
				Item	Amount	Trading Terms	Consolidated Total Revenue or Total Assets (%)
0	The company	Tung Ming Company (Note3)	(1)	Operation Income	$ 6,750	Trade at general price，open account 60days receipt	-
				Operation cost	127,247	Trade at general price，open account 30-90days payment。	1
		Chadtex Company	(1)	Operation Income	79,158	Trade at general price，open account 60days receipt	1
				Operating cost (purchase and processing fee)	121,353	Trade at general price，open account 30days payment。	1
				Operation cost(manufacturing expense)	6,322		-
				Accounts Receivable - Related parties	8,627		-
				Other payable - related parties	16,098		-
		Lucky Unique Enterprise Company (Note3)	(1)	Operation Income	17,591	Trade at general price，open account 60days receipt	-
				Operation cost	45,420	Trade at general price，open account 60days payment。	1
		E Textile Co .,Ltd. (Note3)	(1)	Operation Income	6,744	Trade at general price，open account 60days receipt	-
		New Lake Ltd.	(1)	Operation Income	123,106	Trade at general price，open account 30-60days receipt	1
				Operation cost	451,073	Trade at general price，open account 30-90 days payment。	5
				Accounts Receivable - Related parties	13,947		-
				Accounts Payable - related parties	43,685		-
		Vietnam De Licacy Company	(1)	Interest income	6,589		-
				Other receivable - related parties	348,276		2
		Best Alliance International Limited	(1)	Other receivable - related parties	74,585		-
		Total Express Ltd.	(1)	Other receivable - related parties	129,089		1
1	Hangzhou De Licacy Textile Co., Ltd.	Thousand Well International Limted	(3)	Operation Income	332,601	Trade at general price，open account 90 days receipt	4
		Thousand Well (Samoa) International Limted	(3)	Operation Income	105,665	Trade at general price，open account 90 days receipt	1
				Accounts Receivable - Related parties	5,935		-
		Fastpower Limited	(3)	Operation Income	34,064	Trade at general price，open account 90 days receipt	-
		Fastpower (Samoa) Limited	(3)	Operation Income	8,347	Trade at general price，open account 90 days receipt	-
				Accounts Receivable - Related parties	8,344		-
		De Fa Company	(3)	Operation cost	60,260	Trade at general price，open account 120 days payment。	1
				Accounts Payable - related parties	8,982		-
		Apex Textile Co., Ltd	(3)	Operation Income	8,710	Trade at general price，open account 30至90 days receipt	-
				Other income	9,241		-
				Other receivable - related parties	420,161		2
		Eden Road Company	(3)	Operation cost	5,457	Trade at general price，open account 90 days payment。	-
			(3)	Operation Income	13,231	Trade at general price，open account 90 days receipt	-
		Eden Road International Ltd.(H.K.)					
				Operation cost	6,745	Trade at general price，open account 90 days payment。	-
				Accounts Receivable - Related parties	12,975		-
		Apex (Anqing) Textile Co., Ltd	(3)	Operation Income	7,296	Trade at general price，open account 30-90 days receipt	-
				Accounts Receivable - Related parties	7,880		-
		Best Alliance International Limited	(3)	Other payable - related parties	68,352		-

(continued)

(continued from pervious page)

No.	Trader's Name	Trading Partners	The relationship with traders (Note 1)	Transaction Situation			
				Item	Amount	Trading Terms	Consolidated Total Revenue or Total Assets (%)
2	Thousand Well International Limted	Eden Road Company	(3)	Operation Income	$ 178,950	Trade at general price，open account 90 days receipt	2
		Hong Kong Eden Road Company	(3)	Operation Income	153,651	Trade at general price，open account 90 days receipt	2
3	Thousand Well (Samoa) International Limted	Hong Kong Eden Road Company	(3)	Operation Income	105,665	Trade at general price，open account 90 days receipt	1
				Accounts Receivable - Related parties	67,647		-
				temporary receipts	61,366		-
4	Fastpower Limited	Eden Road Company	(3)	Operation Income	21,427	Trade at general price，open account 90 days receipt	-
		Hong Kong Eden Road Company	(3)	Operation Income	12,637	Trade at general price，open account 90 days receipt	-
5	Fastpower (Samoa) Limited	Hong Kong Eden Road Company	(3)	Operation Income	6,659	Trade at general price，open account 90 days receipt	-
				Accounts Receivable - Related parties	6,655		-
6	Eden Road Company	De Licacy Samoa Company	(3)	Other receivable - related parties	13,667		-
7	Hong Kong Eden Road Company	New Lake Ltd.	(3)	Operation Income	13,802	Trade at general price，open account 90 days receipt	-
				Accounts Receivable - Related parties	13,622		-
		Best Alliance International Limited	(3)	Other payable - related parties	68,352		-
8	Lucky Unique Enterprise Company (Note3)	E Textile Co .,Ltd. (Note3)	(3)	Operation Income	14,815	Trade at general price，open account 90 days receipt	-
		Gain Faith Investments Ltd (Note3)	(3)	Operation expense	5,773		-
9	Apex Textile Co., Ltd	Total Express Ltd.	(3)	Operation Income	915,988	Trade at general price，open account 90 days receipt	11
				Accounts Receivable - Related parties	45,499		-
				Other payable - related parties	48,627		-
		Apex (Anqing) Textile Co., Ltd	(3)	Operation Income	100,262	Trade at general price，open account 90 days receipt	1
				Operation cost	192,039	Trade at general price，open account 90 days payment。	2
				Sales of property, plant, and equipment	99,835		1
				Accounts Receivable - Related parties	86,811		-
				Accounts Payable - related parties	33,223		-
				Other receivable - related parties	76,772		-
				prepayment for purchases	242,600		1
		De Licacy Samoa Company	(3)	Other payable - related parties	76,896		-
		Futures co., Ltd	(3)	Operation cost	5,885	Trade at general price，open account 90 days payment。	-
10	De Shen (Cayman) Holdings Co., Ltd.	Vietnam De Licacy Company	(3)	Interest income	7,089		-
				Other receivable - related parties	226,105		1
11	Vietnam De Licacy Company	New Lake Ltd.	(3)	Operation Income	905,378	Trade at general price，open account 120 days receipt	11
				Operation cost	627,275	Trade at general price，open account 90 days payment。	7
				Interest expenditure	9,753		-
				Purchase of property, plant and equipment	28,133		-
				Accounts Receivable - Related parties	285,483		2
				Accounts Payable - related parties	520,823		3
				Other payable - related parties	26,037		-
		De Hong(Vietnam) Company	(3)	Operation cost	20,199	Trade at general price，open account 30 days payment。	-
				R&D expense	5,085		-
		De Licacy Samoa Company	(3)	Other payable - related parties	116,440		1

(continued)

(continued from pervious page)

No.	Traders' Name	Trading partners	Trader's relationship (Note 1)	Transactions			
				Item	Amount	Trading terms	Consolidated Total Revenue or Total Assets (%)
12	De Hong Company	De Hong (Vietnam)Company	(3)	Operating Income	$ 8,188	Transactions at general price, Open Account 90 days.	-
				Other Accounts receivable- related parties	6,589		-
13	Lucky Apex Ventures Limited	Apex (Anqing) Textile Co., Ltd	(3)	Other receivable- related parties	121,154		1
14	Futures co., Ltd	Apex (Anqing) Textile Co., Ltd	(3)	Operating income	15,119	Transactions at general price, Open Account 90 days.	-

Note 1: The three types of trader's relationship are as follows:
(1) Parent company to subsidiary
(2) subsidiary to parent company。
(3) subsidiary to subsidiary
Note 2: Written off at the time of the preparation of the consolidated financial statements.
Note 3: The subsidiary belonged to the Company before July 8, 2020.

De Licacy Industrial Co., Ltd.
Major Shareholders' Information
December 31, 2020

Schedule 11

Names of Major Shareholders	No. of Shares	
	Number of shares held(shares)	shareholding ratio
Fu-Fa International Investment Co. Ltd.	32,928,067	8.56%
Fu-Hwa Investment Co. Ltd.	30,000,994	7.8%
Fuson International Trade Co. Ltd.	30,000,443	7.8%

Note1: The information on major shareholders in this Schedule is based on the last business day of the quarter in which the shareholders held 5% or more of the Company's total common shares (including treasury stock) that have been delivered without physical registration. The equity in the consolidated financial statements may differ from the actual number of shares delivered without physical registration due to differences in the basis of computation.

Note2: The above information is revealed by the trustee's individual subaccount of the trust account opened by the trustee if the shareholder has delivered the shares to the trust. As for the shareholder's shareholding of more than 10% of insider shares reported under the Securities and Exchange Act, the shareholdings include the shareholdings of the shareholders plus the shares delivered to the trust and the shareholder has the right to decide the use of the trust property, etc. Please refer to the Market Observation Post System for the information on insiders' shareholding report.

De Licacy Industrial Co., Ltd.and Subsidiaries
Property, Plant and Equipment
For the years ended December 31 of 2020 and 2019

Schedule 12

(In thousands of New Taiwan Dollars)

	Owned Land	Land and Improvements	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Real Estate under construction	Total
Cost								
Balance as of January 1, 2019	$ 405,335	$ 41,570	$ 1,873,814	$ 6,080,122	$ 77,181	$ 1,648,812	$ 550,945	$ 10,677,779
Additions	-	-	28,294	747,235	9,434	87,418	228,088	1,100,469
Disposal	-	-	-	(706,370)	(11,785)	(34,355)	(2,559)	(755,069)
Reclassification	-	28,305	378,068	170,283	-	82,802	(474,435)	185,023
Net exchange difference	-	(1,456)	(41,835)	(148,498)	(1,608)	(41,669)	(8,269)	(243,335)
Balance on December 31, 2019	$ 405,335	68,419	2,238,341	6,142,772	73,222	1,743,008	293,770	10,964,867
Accumulated depreciation and impairment								
Balance as of January 1, 2019	$ -	$ 12,028	$ 869,684	$ 2,741,542	$ 44,344	$ 974,799	$ -	$ 4,642,397
Depreciation expense	-	4,756	54,245	286,581	6,744	133,577	-	485,903
Disposal	-	-	-	(320,172)	(9,992)	(30,602)	-	(360,766)
Net exchange differences	-	(168)	(13,576)	(44,336)	(767)	(23,656)	-	(82,503)
Balance on December 31, 2019	$ -	$ 16,616	$ 910,353	$ 2,663,615	$ 40,329	$ 1,054,118	$ -	$ 4,685,031
Net amount on December 31, 2019	$ 405,335	$ 51,803	$ 1,327,980	$ 3,479,157	$ 32,893	$ 688,890	$ 293,770	$ 6,279,836
Costs								
Balance on January 1, 2020	$ 405,335	$ 68,419	$ 2,238,341	$ 6,142,772	$ 73,222	$ 1,743,008	$ 293,770	$ 10,964,867
Additions	4,022	-	2,795	136,246	2,429	79,674	213,706	438,872
Disposal	-	-	-	(50,858)	(9,233)	(23,938)	-	(84,029)
Reclassification	-	-	39,454	175,774	92	33,879	(113,432)	135,767
Acquired through business combinations	-	-	-	-	-	375	-	375
Disposal of subsidiaries	(115,382)	(1,706)	(105,307)	(460,696)	(10,011)	(206,696)	-	(899,798)
Net exchange differences	-	(2,571)	(33,422)	(80,012)	(826)	5,478	3,938	(107,415)
Balance on December 31, 2020	$ 293,975	$ 64,142	$ 2,141,861	$ 5,863,226	$ 55,673	$ 1,631,780	$ 397,982	$ 10,448,639
Accumulated depreciation and impairment								
Balance as of January 1, 2020	$ -	$ 16,616	$ 910,353	$ 2,663,615	$ 40,329	$ 1,054,118	$ -	$ 4,685,031
Depreciation expense	-	5,909	53,179	361,131	5,566	130,978	-	556,763
Disposal	-	-	-	(32,476)	(8,266)	(15,574)	-	(56,316)
Acquired by business combination	-	-	-	-	-	19	-	19
Disposal of subsidiaries	-	(1,659)	(69,810)	(429,660)	(7,617)	(171,634)	-	(680,380)
Net exchange differences	-	(447)	2,849	3,734	(97)	15,327	-	21,366
Balance on December 31, 2020	$ -	$ 20,419	$ 896,571	$ 2,566,344	$ 29,915	$ 1,013,234	$ -	$ 4,526,483
Net amount on December 31, 2020	$ 293,975	$ 43,723	$ 1,245,290	$ 3,296,882	$ 25,758	$ 618,546	$ 397,982	$ 5,922,156

6. The impact on the financial position of the Company and its affiliates in the event of financial difficulties in the most recent year and as of the printing date of the annual report: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

1. Financial Status:

Comparative analysis of consolidated financial status (IFRS applicable)

Unit: NT$1000

Item \ Year	2019	2020	Difference	
			Amount	%
Current assets	10,734,417	10,170,682	(563,735)	(5.25)
Property, Plant and Equipment	6,279,836	5,922,156	(357,680)	(5.70)
Investment real estate	64,716	65,071	355	0.55
Intangible assets	29,738	28,419	(1,319)	(4.44)
Equity-method investments	727,795	793,054	65,259	8.97
Right-of-use assets	451,968	370,567	(81,401)	(18.01)
Other assets	495,178	497,481	2,303	0.47
Total assets	18,783,648	17,847,430	(936,218)	(4.98)
Current liabilities	8,936,691	9,108,544	171,853	1.92
Non-current liabilities	3,578,776	3,284,103	(294,673)	(8.23)
Total liabilities	12,515,467	12,392,647	(122,820)	(0.98)
Capital stock	3,845,657	3,845,657	--	--
Capital surplus	942,169	791,558	(150,611)	(15.99)
Retained earnings	1,099,925	523,605	(576,320)	(52.40)
Other interests	(401,956)	(456,503)	(54,547)	(13.57)
Treasury stock	(12,681)	--	12,681	100.00
Non-controlling interests	795,067	750,466	(44,601)	(5.61)
Total shareholders' equity	6,268,181	5,454,783	(813,398)	(12.98)

The changes in assets, liabilities and shareholders' equity of 20% or more for the years 2020 and 2019 are described below:

1.The decrease in retained earnings was due to the net loss for the period.

2. Increase in shareholders' equity was due to the loss from the epidemic.

Comparative analysis of individual financial status (IFRS applicable)

Unit: NT$1000

Item \ Year	2019	2020	Difference	
			Amount	%
Current assets	4,924,060	5,564,991	(640,931)	(13.02)
Equity-method investments	6,917,644	6,847,702	(69,942)	(1.01)
Property, Plant and Equipment	909,783	904,882	(4,901)	(0.54)
Intangible assets	93	--	(93)	(100.00)
Other assets	295,440	372,165	76,725	25.97
Total assets	13,047,020	13,689,740	642,720	4.93
Current liabilities	4,937,223	6,129,952	1,192,729	24.16
Non-current liabilities	2,636,683	2,855,471	218,788	8.30
Total liabilities	7,573,906	8,985,423	1,411,517	18.64
Capital stock	3,845,657	3,845,657	--	--
Capital surplus	942,169	791,558	(150,611)	(15.99)
Retained earnings	1,099,925	523,605	(576,320)	(52.40)
Other interests	(401,956)	(456,503)	(54,547)	(13.57)
Treasury stock	(12,681)	--	12,681	100.00
Total shareholders' equity	5,473,114	4,704,317	(768,797)	(14.05)

Analysis of changes in the percentage of increase or decrease:

1.The increase in current assets was mainly due to the increase in capital loans to subsidiaries and the increase in foreign currency pledged loans of New Taiwan Dollars.

2.The increase in other assets is due to the provision and credit of deferred tax assets for the loss during this year.

3.Increase in current liabilities was due to the epidemic in order to increase short-term borrowings for the requirement of operation.

4.The decrease in retained earnings was due to the net loss for the period.

2. Financial Performance:

(1) Comparative analysis of consolidated financial performance (IFRS applicable)

Unit: NT$1,000,
Earnings per share (NT$)

Item \ Year	2019	2020	Increase (decrease) Amount	Changes ratio(%)
Operating revenue	10,919,724	8,594,659	(2,325,065)	(21.29)
Operating costs	8,865,307	7,350,952	(1,514,355)	(17.08)
Gross profit	2,054,417	1,243,707	(810,710)	(39.46)
Unrealized sales benefits (Note 4)	-	(26)	(26))	(100.00)
Gross realized operating income	2,054,417	1,243,681	(810,736)	(39.46)
Operating expenses	1,308,274	1,231,143	(77,131)	(5.90)
Net other income and expenses (notes 29 and 37)	55,618	(9,383)	(65,001)	(116.87)
Operating income (loss)	801,761	3,155	(798,606)	(99.61)
Non-operating income and expenses	(134,874)	(294,957)	(160,083)	(118.69)
Net income (loss) before income tax	666,887	(291,802)	(958,689)	(143.76)
Net income (loss) of continuing business units	666,887	(291,802)	(958,689)	(143.76)
Total income tax expense (income)	52,424	(85,169)	(137,593)	(262.46)
Net income (loss)	614,463	(206,633)	(821,096)	(133.63)
Other comprehensive income (Income after tax)	(113,896)	(17,771)	96,125	84.40
Total comprehensive income	500,567	(224,404)	(724,971)	(144.77)
Net income attributable to shareholders of the parent company	558,021	(207,286)	(765,307)	(137.15)
Net income (loss) attributable to noncontrolling interests	56,442	653	(55,789)	(98.84)
Total comprehensive income attributable to stockholders of the parent	444,877	(241,385)	(686,262)	(154.26)
Total comprehensive income attributable to non-controlling interests	55,690	16,981	(38,709)	(69.51)
Earnings (net loss) per share	1.61	(0.54)	(2.15)	(133.54)

Analysis of changes in the percentage of increase or decrease:

1. Decrease in operating income, costs and gross margin: Due to the impact of COVID-19, the appointed company has reduced orders and shifts since April, resulting in fewer shipments and lower costs. On the price side, the depreciation of the U.S. dollar has lowered the unit price of sales in Taiwan dollars. The gross margin decreased due to the above reasons.
2. Other gains and losses decreased: This is due to the profit from the sale of 80 machines and equipment to non-affiliated weaving mills, Mai Hong and NIRVANA, in the previous year, and the loss from the retirement of more old equipment in the current year.
3. Decrease in non-operating income and expenses: (1) The exchange loss increased by $158,297 thousand compared to last year due to the decline in the U.S. dollar exchange rate and the excess of U.S. dollar assets over U.S. dollar liabilities. (2) Last year, a subsidiary, Changxing Fufa, made a profit of $14,409 thousand on disposal of investment properties. (3) The subsidiary, Fu Fa Group, made a profit of $9,154 thousand for the year. As a result of the above, non-operating income and expenses decreased compared to the same period last year.
4. Increase in income tax benefit: This was due to the provision and credit of deferred tax assets for the loss during this year.
5. Decrease in other comprehensive income: The decrease was mainly due to the appreciation of Renminbi (4.30→4.36), which resulted in the decrease in the difference of exchange loss recognized in the financial statements of foreign operating companies.

(2) Comparative analysis of individual operating results (IFRS applicable)

Unit: NT$1,000,
Earnings per share (NT$)

Item \ Year	2019	2020	Increase (decrease) Amount	Changes ratio(%)
Operating revenue	4,269,376	3,005,640	(1,263,736)	(29.60)
Operating costs	3,681,229	2,807,286	(873,943)	(23.74)
Gross profit	588,147	198,354	(389,793)	(66.27)
Unrealized losses with subsidiaries and affiliates	3,815	6,405	2,590	67.89
Realized losses with subsidiaries and affiliates	(6,909)	(3,815)	3,094	44.78
Realized operating margin	585,053	200,944	(384,109)	(65.65)
Operating expenses	478,198	437655	(40,543)	(8.48)
Net other income and expenses (Notes 26 and 33)	31,392	6	(31,386))	(99.98)
Operating net profit	138,247	(236,705)	(374,952)	(271.22)
Non-operating income and expenses	454,641	(61,479)	(526,120)	(115.52)
Net income before income tax	592,888	(298,184)	(891,072)	(150.29)
Net income (loss) of continuing business units	592,888	(298,184)	(891,072)	(150.29)
Loss of suspended business unit	--	--	--	--
Total income tax expense	34,867	(90,898)	(125,765)	(360.70)
Net income	558,021	(207,286)	(765,307)	(137.15)
Other comprehensive income (Income after tax)	(113,144)	(34,099)	79,045	(69.86)
Total comprehensive income	444,877	(241,385)	(686,262)	(154.26)

Analysis of changes in the percentage of increase or decrease:

1. Decrease in operating revenues, costs and gross profit, and decrease in gross profit margin: This was mainly due to the impact of the epidemic, the decrease in orders and the reduction of shifts since April, the increase in unallocated manufacturing costs due to the lack of production capacity, the depreciation of the U.S. dollar, which lowered the unit price of sales in Taiwan dollars, and the shift in the Group's pricing policy, which resulted in a higher unit price of incoming fabric to the related parties.
2. The decrease in other gains and losses was mainly due to the higher profit from the sale of non-related party's looms in the previous year, but there was no such profit in the current year.
3. Decrease in non-operating income and expenses: This was mainly due to the profit of overseas subsidiaries decreased because of the epidemic, investment income decreased, and the foreign currency assets exceeded the foreign currency liabilities due to the appointment of customers to borrow Taiwan dollars with pledges of U.S. dollar time deposits, and the sharp depreciation of the U.S. dollar (29.98→28.48) increased the exchange loss.
4. Increase in income tax benefit: This was due to the provision and credit of deferred tax assets for the loss during this year.
5. Increase in other comprehensive income: The decrease was mainly due to the appreciation of Renminbi (4.30→4.36), which resulted in the decrease in the difference of exchange loss recognized in the financial statements of foreign operating companies.

(3) Analysis of Changes in Operating Profit

Unit: NT$1000

Item	The number of changes in the previous and subsequent periods	Reasons of the Difference			
		Difference in the Selling Price	Difference in the Cost Price	Sales Combination Differences	Difference in the Amount
Gross profit	$ (810,710)	$ (215,441)	$ (866,368)	$ (11,986)	$ 283,085
Explanation	1.The price difference is due to the depreciation of the U.S. dollar, which resulted in a decrease in the unit sales price in Taiwan dollars. 2.The difference in cost price is due to the decrease in production quantity due to the impact of the epidemic and the increase in unit cost due to fixed cost sharing. 3.The difference in volume is due to the decline in orders as a result of the epidemic.				

3. Cash Flow

(1) Cash flow analysis for the most recent year (IFRS applicable)

Item \ Year	2020	2019	Increase (decrease) percentage(%)
Cash flow ratio	6.62	6.76	(2.07)
Cash flow adequacy ratio	11.07	6.97	58.82
Cash reinvestment ratio	(0.16)	0.44	(136.36)
Analysis of changes in the percentage of increase or decrease: 1. The increase in cash flow fair ratio was due to higher capital expenditures for investment in Vietnam and Anqing plants in previous years and lower inventory in the current year due to the decline in the epidemic. 2. The current negative investment ratio is due to the increase in dividends paid during the year.			

(2) Cash flow analysis for the coming year

Unit: NT$1000

Beginning balance of prepaid rent	Estimation from the business activities of the whole year Net cash flow	Estimated annual cash inflow (outflow)	Estimated surplus (shortfall) of cash	Remedial measures for estimated cash deficit	
				Investment plans	Financing plans
$ 1,223,480	$ 750,432	($ 908,655)	$ 1,065,257	-	-
1.Analysis on cash flow situation for the coming year (1) Operating activities: In 2021, the net cash inflow was generated due to the restart of the pulling momentum and the addition of new customers. (2) Investing activities: The increase in cash outflow was mainly due to the purchase of additional equipment and investment in a new plant in Jiangsu. (3) Financing activities: The net cash inflow resulted from borrowings from banks. 2. Analysis on the remedial measures for estimated cash deficit: Not applicable.					

4. The impact of major capital expenditure in the last year on the financial business:

(1) The use of significant capital expenditures and the source of funds:

Project Items	Actual or expected sources of funds	Actual or expected completion date	Total Funds Required	Actual or projected use of funds	
				2020	2021
Micro oil cylinder type automatic thread cutting and bandaging machine, etc.	Own funds	2020/ 2	1,034	1,034	
Garment proofing center cubicles, painting, etc.	Own funds	2020/ 2	1,143	1,143	
Dye dissolution conveying 30 dyeing machines pipeline piping project	Own funds	2020/ 9	2,079	1455	
Minsheng East Road Office Interior Design Project	Own funds	2020/ 7	4,819	4819	
Minsheng East Road office interior design related works, etc.	Own funds	2020/ 12	4,799	4,799	
Dye titration machine. Preparation machine. Experiment Machine	Own funds	2020/ 7	3,380	2,366	
High temperature and high pressure yarn dyeing machine TGCH-300	Own funds	2020/ 7	2,550	2,550	
Eight-chamber resin setting machine	Own funds	2020/ 9	8,280	5,796	
Dye dissolution and delivery unit. Hot Water Tank	Own funds	2020/ 8	4,772	3,340	
Professional version of the full-featured layout/scaling/marker software, etc.	Own funds	2020/ 2	1,195	1,195	
Grinding machine (airbag type) YB-099	Own funds	2020/ 11	2,700	2700	
Additional platform for shaping machine and other works	Own funds	2020/ 9	1,896	1896	
Garment proofing center water, electricity and fire protection projects	Own funds	2020/ 7	1,611	1,611	
ERP storage host redundancy. Computers, etc.	Own funds	2020/ 7	1,549	1,549	
Automatic drawing-in machine for electrical distribution and piping project. Washing and doup project. Inverter type air compressor, etc.	Own funds	2020/ 7	1,465	1465	
Firefighting deficiency improvement project	Own funds	2021/ 3	1,580		1,580
8 sets of fully computerized yarn covering machine. 2 sets of weft yarn machine	Own funds	2021/ 1	USD346	USD228	USD118

(2) Expected benefits: In response to the change in market demand for products other than apparel and furniture products, functional fabric products are popular in the market, so we have purchased additional equipment to develop new products and improve product quality, which will increase order intake, improve gross profit and increase market competitiveness.

5. Re-investment policy, major reason for profit/loss of the last year, improvement plan and the investment plan for the coming year:

(1) The Company's policy on re-investment

The Company has not engaged in investments in non-related industries. In addition to the investment cycle requirements of the internal control system, the Company also assists reinvestment companies in establishing appropriate internal control systems in accordance with the "Management of Related Party Transactions" and "Supervision and Management of Subsidiaries" regulations established by the Company, taking into account the local laws and regulations and the actual operating conditions of the reinvestment companies. Internal control system.

(2) Re-investment policy, major reason for profit/loss of the last year, improvement plan and the investment plan for the coming year:

As of Dec. 31, 2020; Unit: 1,000

Re-investment Company	Invested Amount	Recognized investment income or loss of the invested company for the most recent year	Main reasons for gains and losses	Improvement Plan
DE LICACY (SAMOA) HOLDINGS CO., LTD.	1,622,785	(188)	None	None
TUNG MING TEXTILE CO., LTD.(Note)	--	7,020	None	None
WELL UNIQUE ENTERPRISE CO., LTD.	102,588	7,549	None	None
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD	59,878	(15,753)	None	None
CHADTEX INDUSTRIAL CO., LTD.	177,335	3,893	None	None
BEST ALLIANCE INTERNATIONAL LIMITED	USD 108,040,000	107,012	None	None
VIEW BEST GLOBAL LIMITED	USD 2,475,000	(14,797)	None	None
De Kao Trading Co., Ltd.(Note)	--	(850)	None	None

Note: Prior to July 8, 2020, the Company was a subsidiary of the Company and is now a subsidiary of a related company, Fufa Company.

(3) Investment plans for the coming year: None.

6. Risk items, and the related analysis and evaluation of the recent years and as of the printing date of the annual report:

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures during the recent years and as of the printing date of the annual report:

1. Effects of Changes in Interest Rates, Foreign Exchange Rates and and Future Response Measures:

The Company and Subsidiaries's interest expense for the year 2019 and 2020 were NT$ 206,066 thousand and NT$177,717 thousand. The ratio of interest expense to net operating income was1.89% andand2.07% of net operating revenues.The Company's income was affected by the change in interest rate. Therefore, the Company also negotiates loan terms with various banks to obtain more favorable interest rates, and closely monitors the information on interest rate changes to evaluate and judge future interest rate trends. The Company also closely monitors the information on interest rate changes, evaluates the trend of future interest rates, and adjusts the short-, medium- and long-term financing limits according to the interest rate conditions in order to reduce the impact of interest rate changes on the Company's finances.

2. Effects of Changes in Interest Rates, Foreign Exchange Rates and and Future Response Measures:

(1) The Company is an export-oriented company, so changes in exchange rates have an impact on the Company's revenue and profitability. For the years 2019 and 2020, the Company and its subsidiaries recognized exchange gains (losses) of $(61,644,000) and (219,941,000).

(2) Since most of the Company's sales are denominated in U.S. dollars, exchange gains and losses are affected by fluctuations in the U.S. dollar. In order to effectively manage foreign currency positions, the Company and its subsidiaries have dedicated staff to observe exchange rate fluctuations at all times and refer to financial information provided by banks and investment institutions to keep abreast of exchange rate movements and trends. In addition, for the net position of foreign currency, we use pre-sales of U.S. dollar forward foreign exchange to reduce the impact of foreign currency exchange risk on the Company's operation.

3. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

The market prices of the Company and its subsidiaries' major raw materials, such as plastic and chemical materials, are affected by fluctuations in global oil and commodity prices. In times of rising raw material costs, the Company and its subsidiaries have

responded by increasing stockpiling to mitigate the impact of rising raw materials, continuously improving process capabilities to reduce production costs, and developing high value-added products to improve gross margins and reduce the impact of inflation. The Company and its subsidiaries keep an eye on the fluctuation of global oil and commodity market prices and provide relevant information to the management for decision making and review, so as to enhance the possibility of responding to cost changes and to avoid adverse effects on the Company due to 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 during the recent years and as of the printing date of the annual report:

1. The Company and its subsidiaries have always focused on their businesses and operated them in a pragmatic manner. The Company and its subsidiaries do not engage in high-risk, highly leveraged investments other than those focused on the respective business areas of the Company.
2. The Company and its subsidiaries have established the "Procedures for Lending Funds to Others" and "Procedures for Endorsements and Guarantees" as a management system to regulate the risks of lending funds and endorsements and guarantees to achieve the purpose of effectively controlling the operating risks of the Company and its subsidiaries.
3. In accordance with the amendment to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” on 2019.03.07 by the Securities and Futures Commission of the Ministry of Finance, the Company amended the Company’s “Procedure for Lending Funds to Others” , approved by 2020 Shareholders Meeting. The execution of the loan of funds to others must follow the "Procedures for Loan of Funds to Others".
4. In accordance with the amendment to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” on 2019.03.07 by the Securities and Futures Commission of the Ministry of Finance, the Company amended the Company’s “Procedure for Endorsements and guarantees” , approved by 2019 Shareholders Meeting. The execution of the endorsement guarantee operation must follow the “Procedure for Endorsements and guarantees”.
5. The Company and its subsidiaries have established “Procedures for the Acquisition or Disposal of Assets” as a basis for engaging in related transactions, approved by 2019 Shareholders Meeting. The Company and its subsidiaries entered into derivative financial instrument transactions primarily to hedge the risk of foreign currency assets and liabilities arising from fluctuations in exchange rates.108 and 109The financial assets and liabilities at fair value through profit or loss for the years 2019 and 2020, resulted in valuation (loss) gains and losses of34,715 thousand and($34,715 thousand) and(18,301) thousand.(18,301) thousand. The Company and its subsidiaries engage in the above-mentioned derivative instruments mainly for hedging purposes. Overall, the Company and its subsidiaries have not engaged in derivative transactions that have had a material adverse effect on the Company's financial position.

(3) Research and development expenses during the recent years and as of the printing date of the annual report:

1. Future R&D plans:

Since our company was established, we have been developing our own research and development, cultivating research and development professionals, grasping the pulse of global market trends and combining the needs of end customers to carry out project research and development, mainly to develop functional fabrics that meet health needs. The main products are long fiber post-dyed or first dyed functional sports fabrics, outdoor sports special functional laminated products, post-dyed long and short fibers interwoven popular or functional fabrics, long and short fibers post-dyed or first dyed popular fabrics for men and women.

The Company actively participates in government-assisted industrial project cooperation programs and government-organized textile training courses, and sends its R&D staff to participate in international fabric exhibitions to learn the fashionable information of the market, so as to enhance the fashion sensitivity and innovative technology capability of the R&D staff of the Company and its subsidiaries, and to meet the

customer's needs in the direction of R&D. In the future, the Company and its subsidiaries will continue to invest in research and development to improve the competitiveness and advantages of products. In the future, the Company and its subsidiaries will continue to invest in research and development to enhance the competitiveness and advantages of our products. New products planned to be developed are detailed in the operation profileP.61~62The new products will be developed by the company.

2. Estimated R&D expenses: The estimated R&D expenses for 2021 are NT$210,000 thousand.

(4) Effects and Response to Changes in Domestic and Foreign Policies and Regulations Relating to Corporate Finance and Sales during the recent years and as of the printing date of the annual report:

The Company has not been subject to any significant domestic or foreign policy or legal changes in recent years that would affect the Company's financial and business operations. The Company has always complied with the regulations of relevant domestic and foreign laws and regulations, and pays close attention to policies and laws that may affect the Company's operations to ensure normal operations, and communicates with its accountants and attorneys at all times to plan countermeasures.

(5) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales during the recent years and as of the printing date of the annual report: None

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures during the recent years and as of the printing date of the annual report: None

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans during the recent years and as of the printing date of the annual report: None

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans during the recent years and as of the printing date of the annual report: None

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration during the recent years and as of the printing date of the annual report: None

(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% during the recent years and as of the printing date of the annual report: None

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights during the recent years and as of the printing date of the annual report: None

(12) For the contentious or non-contentious events, it shall list the directors, general manager, substantial person in charge, and shareholders with more than 10% shareholding, as well as the major contentious and non continuous events or administrative litigation event related to the affiliates currently or in the past according to the judgment. For those that the result might show substantial influence on the shareholder’s equity or price of securities, it shall disclose its fact, target amount, start date of litigation, major involved parties and handling situation until the date of using the annual report: None

(13) Other significant risks and contingencies during the recent years and as of the printing date of the annual report: assessed to be free of information security risks.

7. Other important matters

1. Significant business events (last five years)

(1) Acquisition or merger of other companies

Our investment in Samoan Triad Holding Company (Samoan Triad Corporation) was mainly through re-investment of Somoa Victory Holdings (Victory Company, 100% shareholding) and indirect investment of British Virgin Islands Deyi International Co., Ltd. (Deyi Company, 100% shareholding); moreover, Deyi Company then make indirect investment of Hangzhou De Licacy Textile Company (Hangzhou De Licacy Company, 100% shareholding) and British Virgin Islands Eden Road International Company (Eden Road Company, 100% shareholding). The Board of Directors of the Company resolved on January 16, 2014 that Samoan De Licacy Company should make a direct investment in Deyi Company. Victory Company transferred the shares of its original investment in Deyi Company to Samoa De Licacy Company. This change in investment structure was approved by the Investment Review Committee of the Ministry of Economic Affairs on January 22, 2014. In 2014, the Company increased its investment in Somoa De Licacy Company by NT$123,488 thousand, which was approved by the Investment Commission of the Ministry of Economic Affairs on January 23, 2014. In 2017, 2018 and 2019, we increased our investment in Somoa De Licacy by US$1,345 thousand, US$4,301 thousand and US$4,440 thousand, and in 2018, we received US$9,230 thousand as a refund of capital reduction.

The investment in HSL China Metropolitan Fund I (GP) Ltd. (HSL Ltd., 16.67% shareholding) of US$297,155 thousand (US$5,000 thousand and RMB28,995 thousand) made by Somoa De Licacy, a subsidiary, in November 2014 was transferred to available-for-sale financial assets on December 31, 2015. (HSL Ltd., 16.67% shareholding) of $297,155 thousand (US$5,000 thousand and RMB28,995 thousand) was transferred to available-for-sale financial assets on December 31, 2015. The fund was resolved by the fund committee to distribute the earnings on September 28, 2017, and the Consolidated Company recognized dividend income of $82,069 thousand (RMB18,000 thousand) in proportion to its shareholding, and recovered the investment principal of $275,100 thousand (RMB60,000 thousand) on September 30, 2017. This fund completed the liquidation process and distributed the remaining surplus on December 29, 2017.

In September 2014, the Company subscribed for a cash capital increase of $21,150 thousand in proportion to its shareholding in Fufa Company, and in October 2014, some shareholders of Fufa Company renounced their share options. In addition, the Company increased its shareholding from 45.3% to 49.48% (including the 50.7% shareholding of the consolidated subsidiary) by subscribing for additional cash capital of NT$18,983 thousand, and the Company has the ability to control Since October 2014, Fufa Company and its reinvestment in E TEXTILE CO., LTD., FAITH GAIN INVESTMENT LIMITED, Bright Wisdom Holdings Ltd. and Zhejiang Fufa Textile Limited are all included as subsidiaries of the Company. The Company remeasured its previously held interest in Fufa Company at its acquisition date fair value, resulting in a bargain purchase gain of $19,960 thousand, which is presented separately in the consolidated statements of income. The fair value was valued as of September 30, 2014 by Fengyi Asset Consulting Co., Ltd., an independent consultant that is not a related party, using the income approach supplemented by the cost and market approaches. In November 2014, the Company acquired another 6.26% of shares of Fufa Company from an unrelated party for $24,890 thousand, increasing its shareholding from 49.48% to 55.74%. On December 30, 2014, Bright Wisdom Holdings Ltd. acquired 80.769% of the shares of Total Express Ltd. for US$0.80769. Total Express Ltd. is mainly engaged in international trading business. Fufa Company approved the sale of 53.62% equity interest in Bright Wisdom Ltd. by its subsidiary FAITH GAIN Company for USD 5,630,000 and the indirect sale of Zhejiang Fufa Company and Total Express Ltd. to Deyi Company. This equity transfer was approved by the Investment Review Committee of the Ministry of Economic Affairs on December 22, 2017 and the equity transfer agreement was signed on December 27, 2017. Therefore, the transfer of ownership is an organizational reorganization under common control. In June 2019, the Company acquired 3.96% of Fufa Company from an unrelated party for $21,664 thousand, resulting in an increase in shareholding from 55.74% to

59.7%. Bright Wisdom Ltd. acquired 19.231% equity interest in Zhejiang Fufa Company and Total Express Ltd. from key management at the end of 2019 for $74,950,000 (US$2,500,000) (recorded as other payables - related parties). resulting in an increase in shareholding from 80.769% to 100%. On January 14, 2020, the board of directors approved the purchase of 1.22% of Fufa Company from its subsidiary Tung Ming Company for $6,633,000, resulting in an increase in shareholding from 59.7% to 60.92%. On June 19, 2020, the board of directors approved the sale of 35.94% of Fufa Company's shares (14,293 thousand shares to unrelated parties) for $195,227 thousand ($13.7 per share, net of securities transaction tax of $587 thousand), resulting in a decrease in shareholding to 24.98%. The transaction price was determined by reference to the equity value valuation report of EVERMORE CONSULTING CO., LTD., an independent non-related party, as of March 31, 2020, using the net equity method and the cost-benefit ratio method. The closing of the equity transfer between the seller and the buyer was completed on July 8, 2020, which resulted in the Consolidated Company losing control of Fufa Company and its subsidiaries.

In April 2014, the Company invested $85,000 thousand to establish REMOTEK CORPORATION with an unrelated party, holding 53.125% of the shares. REMOTEK CORPORATION is mainly engaged in the textile manufacturing, dyeing and finishing, and trading of various textile products. However, in October 2015, the shareholding ratio was reduced from 53.125% to 51.306% due to the non-subscription of cash capital increase of $43,031 thousand for REMOTEK CORPORATION in accordance with the shareholding ratio. In June 2016, the Company's shareholding ratio was reduced from 51.306% to 50.41% because the Company did not subscribe to REMOTEK CORPORATION's cash capital increase of $27,705 thousand in accordance with its shareholding ratio. Acquired 4.65% of REMOTEK CORPORATION from an unrelated party for $21,329 thousand in fiscal 2020, resulting in an increase in shareholding from 50.41% to 55.06%.

On April 28, 2015, Somoa De Licacy established Hao Wang Company (100% shareholding) with a capital of US$2,500 thousand, mainly for indirect investment in Changxing Fufa Company (100% shareholding). Approved by the Investment Review Committee of the Ministry of Economic Affairs on September 4, 2015. Changxing Fufa Company was liquidated on October 31, 2020 and the liquidation amount of $77,739 thousand (US$2,706 thousand) was remitted to Hao Wang Company for remittance to De LicacySomoa Company on November 30, 2020.

On November 25, 2015, the Company established De LicacyBVI Holding Company (100% shareholding) with a capital of US$1,766 thousand and indirectly invested in Victory Cayman (100% shareholding), mainly for indirect investment in VietnamDe Licacy Company (100% shareholding). The investment was approved by the Investment Review Committee of the Ministry of Economic Affairs on January 7, 2016. In 2016, 2017, 2018 and 2019, the Company will invest an additional US$15,350,000, US$59,720,000, US$17,604,000 and US$13,600,000, respectively, to indirectly invest in VietnamDe Licacy. And on January 13, 2017 and April 18, 2017, the board of directors resolved to capitalize VietnamDe Licacy with US$39,680,000 in debt for the purchase of machinery and equipment from VietnamDe Licacy by Textron Cayman. Of the indirect investment in Vietnam De Licacy, US$29,660 thousand, US$36,720 thousand and US$39,680 thousand were approved by the Investment Review Committee of the Ministry of Economic Affairs on October 18, 2017, April 20, 2018, March 7, 2019 and December 31, 2020, respectively, for review.

On December 28, 2015, the Company invested $5,100 thousand to establish Nan De Company with an unrelated party, in which the Company holds 51% of the shares. Nan De Company was established as Nan De SAMOA Company on March 23, 2016. Nan De SAMOA Company applied to the SAMOA Government Company Registry for delisting on November 13, 2017 as it no longer has actual operating activities and was dissolved as of the delisting date. Nan De Company was liquidated on August 31, 2018 by the shareholders' provisional resolution due to the absence of actual operating activities in recent years, and the base date of liquidation was October 2, 2018, and the Consolidated Company has refunded liquidation amounts of $393 thousand and $85 thousand in fiscal 2018 and 2019, respectively.

Somoa De Licacy Company established De Licacy Anguilla Company (100% shareholding) with a capital of US$4,905 thousand on March 14, 2016, mainly for the

purpose of reinvesting in ERA NOUVEAU INTERNATIONAL CO. (ERA NOUVEAU Company, 49% shareholding), which was approved by the Investment Review Committee of the Ministry of Economic Affairs on November 18, 2016. International Co., LTD. (ERA NOUVEAU Company).

In 2016, 2017, 2018, 2019 and 2020, Somoa De Licacy increased its investment in Poly Corporation by US$264 thousand, US$262 thousand, US$257 thousand, US$532 thousand and US$159 thousand, respectively, mainly for indirect investment in Perfect Step Investments (Perfect Step Ltd., 20% shareholding).

In December 2017, the Company invested US$1,105 thousand to establish Jingda Global Company (100% shareholding), and in July 2018, the Company invested an additional US$830 thousand mainly for indirect investment in Vietnam ATAGO Company (30% shareholding). In fiscal 2020, the Company increased its investment in Jingda Company by $15,622 thousand ($540 thousand), which was mainly used to lend funds to Vietnam AGATO Company, an affiliate, for its operation.

In 2017, Somoa De Licacy invested US$1,000,000 to establish Nutransfer (50% shareholding) with an unrelated party, because Somoa De Licacy has the power to appoint and dismiss a majority of the members of the board of directors of Nutransfer and has the ability to direct its relevant activities. Since Somoa De Licacy has the authority to appoint and dismiss more than half of the members of the board of directors of Nutransfer and has the ability to direct its activities, it is classified as a subsidiary, mainly for indirect investment in Nutransfer (Vietnam) (100% shareholding). In fiscal 2019, Somoa De Licacy increased its investment in De Hong Company (50% shareholding) by $500 thousand, mainly for indirect investment in De Hong (Vietnam) Company (100% shareholding).

On September 6, 2017, Somoa De Licacy invested US$100 thousand to establish New Lake (100% shareholding), which is mainly engaged in import and export trade, De LicacySomoa will invest an additional $174,300 thousand ($6,000 thousand) in New Lake in 2020 to repay the loan in U.S. dollars.

Somoa De Licacy Inc. established Star De Licacy Inc. on August 16, 2017 with a capital of US$165,000 with an unrelated party (50% shareholding). Deli Star International Limited is engaged in the general investment business. The Consolidated Company is a subsidiary because its financial and operating policies are directed by the Consolidated Company. Deli Star International Limited is expected to be automatically delisted by the Government of Anguilla in six months' time as the Consolidated Company returned $5,200,000 in liquidation on August 16, 2019, as it no longer has actual operating activities.

In August 2018, Somoa De Licacy recovered US$5,630 thousand from Deyi Company's capital reduction.

In April 2018, Somoa De Licacy invested US$11,920,000 to establish GLORY WEALTHY CORPORATION LIMITED (GLORY WEALTHY Company, 38% shareholding), which is an indirect investment in GLORY WEALTHY CORPORATION LIMITED. Company, 38% shareholding).

In November 2018, Deyi Company and Eden Road Company increased their investments in Bright Wisdom Ltd. by US$2,151 thousand and US$416 thousand, respectively, mainly to reinvest in Lucky Apex Ventures Limited (100% shareholding) and indirectly in Anqing Defa Company (100% shareholding). The investment was approved by the Investment Review Committee of the Ministry of Economic Affairs on October 30, 2018. Cash capital increase to be processed in June 2019. However, Tung Ming Company, Deyi Company and Eden Road Company were not recognized in proportion to their shareholdings, resulting in changes in their shareholdings in Bright Wisdom Ltd. of 5.22%, 45.85% and 20.23%, respectively. On January 14, 2020, the board of directors approved the acquisition of 5.22% and 20.23% of the shares of Bright Wisdom Ltd. from subsidiaries Tung Ming Company and Eden Road Company at US$1.0376 per share, respectively, by Deyi Company to indirectly As a result, the shareholding ratio increased from 45.85% to 71.3%. Therefore, the transfer of shareholding was an organizational restructuring under common control.

On June 28, 2019, the Company established Deguo Company (60% shareholding) with an unrelated party at a capital of $12,000 thousand, and Deguo Company is mainly engaged in general import and export trade. On March 12, 2020, the board of directors approved the sale of 60% of Deguo Company's shares to Fufa Company for $12,000 thousand, thus the transfer of shares was an organizational restructuring under a jointly controlled entity.

On April 20, 2020, the board of directors approved the sale of 91.28% of the equity interest in Tung Ming Company to Fufa Company, a subsidiary, for $258,989 thousand, thus the transfer of equity interest was a reorganization under a jointly controlled entity.

Bright Wisdom Ltd. acquired 19.231% equity interest in Zhejiang Fufa Company and Total Express Ltd. from key management at the end of 2019 for $74,950,000 (US$2,500,000), increasing the shareholding ratio from 80.769% to 100%.

On September 24, 2020, Bright Wisdom Ltd. acquired 100% of the shares of PCL TECHNOLOGIES, INC. from key management for $3,000,000 ($103,000). PCL TECHNOLOGIES, INC. is mainly engaged in general import and export trade. The Consolidated Company recognized goodwill of $552 thousand for the difference between the transfer consideration and the fair value. The fair value was based on the appraisal report of Eternal Asset Consulting Co., Ltd., an independent appraiser of unrelated parties, on the apportionment of corporate equity and acquisition price as of September 30, 2020, and the valuation method was the discounted cash flow method. On September 24, 2020, Bright Wisdom Ltd. increased its investment in PCL TECHNOLOGIES, INC. by $7,000 thousand (US$239 thousand). The above investment was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 16, 2020, and was approved on October 27, 2020.

In March 2020, De Licacy Somoa Company indirectly invested $1,572,000 (US$50,000) in Hong Kong Eden Road Company, which is engaged in general import and export trade, through Deyi Company.

The Wanhao Company and Accuratech Company are companies to which the Consolidated Company has no material equity investment, but the Consolidated Company has control over the financial and operating policies of these companies, and therefore the Consolidated Company has control over them and they are included in the preparation of the consolidated financial statements. The Consolidated Company has established Wanhao (SAMOA) and Accuratech (SAMOA) Company in October 2020 to transfer the operating activities of the former Wanhao Company and Accuratech Company.

(2) demerger: None.

(3) Re-invested affiliated companies

Unit: NT$1,000 (or USD)

Re-invested businesses	Main business	Investment Costs	Book Value	Number of Shares		Net value of the equity	Market price	Accounting Treatment	The recent year (2020) Return on Investment		Shareholdings
				Number of shares (1,000)	Equity Percentage				Investment income or loss	Distributed Dividends	
DE LICACY (SAMOA) HOLDINGS CO., LTD. (Note 1)	General Investment Industry	1,622,785	3,393,211	52,604	100	3,497,273	None	Equity-method	(188)	-	None
TUNG MING TEXTILE CO., LTD. (Note 1)	Manufacture, processing and trading of chemical fibers	-	-	-	-	208,2968	None	Equity-method	7,020-	-	None
Lucky Unique Enterprise Company. (Note 1)	Manufacture and processing of various fiber textile products	102,588	111,412	9,936	24.98	446,154	None	Equity-method	7,549	7,949	2,040
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD (Note 1)	General Import and Export Trade	59,878	49,709	5,500	100	49,665	None	Equity-method	(15,753)	-	None
CHADTEX INDUSTRIAL CO., LTD. (Note 1)	Textile manufacturing, dyeing and finishing, and trading of various textile	177,335	239,702	18,931	55.06	435,745	None	Equity-method	3,893	31,198	None

	products										
DE LICACY OLDINGS CO., LTD .(Note 1)	General Investment Industry	USD 108,040,000	3,012,615	27	100.00	3,020,823	None	Equity-method	107,012	-	None
VIEW BEST GLOBAL LIMITED (Note 1)	General Investment Industry	USD 2,475,000	41,053	2,745	100.00	41,053	None	Equity-method	(14,796)	-	None
De Kao Trading Co., Ltd. (Note 1)	General Import and Export Trade	-	-	-	-	695	None	Equity-method	(850)	-	None
Lucky Unique Enterprise Company (Note 2)	Manufacture and processing of various fiber textile products	-	-	-	-	446,154	None	Equity-method	87	-	None
Bright Wisdom Holdings Limited (Note 2)	General Investment Industry	-	-	-	-	867,281	None	Equity-method	101	-	None
BEST ALLIANCE INTERNATIONAL LIMITED. (Note 3)	General Investment Industry	1,397,855	2,377,922	37,900	100.00	2,341,572	None	Equity-method	94,631	-	None
Vantage Gain Holdings Limited. (Note 3)	General Investment Industry	USD 6,501,742	154,512	6,502	73.33	210,708	None	Equity-method	(7,455)	-	None
HAO WANG INVESTMENTS LIMITED.(Note 3)	General Investment Industry	-	-	-	-	-	None	Equity-method	(13,062)	-	None
DE LICACY (ANGUILLA) HOLDINGS CO., LTD. (Note 3)	General Investment Industry	USD 5,005,000	46,474	5,005	100.00	46,474	None	Equity-method	(46,468)	-	None
DE HONG HOLDINGS CO.,LTD.(Note 3)	General Investment Industry	USD 1,500,000	33,793	1,500	50.00	67,585	None	Equity-method	(4,803)	-	None
New Lake Ltd. (Note 3)	General Import and Export Trade	USD 6,100,000	296,860	6,100	100.00	296,860	None	Equity-method	1,452	-	None
Beauty Plus Ventures. Limited (Note 3)	General Investment Industry	USD 11,920,238	338,315	11,920	85.00	398,017	None	Equity-method	(12,443)	-	None
Eden Road International Co., Ltd. (Note 4)	General Import and Export Trade	1,700	411	50	100.00	8,391	None	Equity-method	7,889	-	None
Hangzhou Delicacy Textile Co., Ltd.(Note 4)	Production and sales of long and short fiber fabric processing and finishing	USD 18,289,091 780,770	1,730,774	42,000	100.00	1,782,461	None	Equity-method	27,000	-	None
Bright Wisdom Holdings Limited (Note 4)	General Investment Industry	USD 14,902,500	474,038	14,903	53.22	867,281	None	Equity-method	6,067	-	None
Hong Kong Eden Road International Co.,Ltd. (Note 4)	General Import and Export Trade	USD 50,000	70,029	50	100.00	70,029	None	Equity-method	68,457	-	None
Bright Wisdom Holdings Limited (Note 5)	General Investment Industry	-	-	-	-	867,281	None	Equity-method	393-	-	None
Gain Faith Investment Co., Ltd. (Note 6)	General Investment Industry	USD 6,190,000	218,141	6,190	100.00	218,141	None	Equity-method	21,708	-	None
E Textile Co .,Ltd. (Note 6)	Manufacture, processing and trading of various fiber textile products	5,000	5,623	500	80.00	6,591	None	Equity-method	(2,700)	-	None
De Kao Trading Co., Ltd. (Note 6)	General Import and Export Trade	12,000	417	1,200	60.00	695	None	Equity-method	(8,029)	-	None
TUNG MING TEXTILE CO., LTD. (Note 6)	Manufacture, processing and trading of chemical fibers	258,989	190,124-	15,280	91.28	208,296	None	Equity-method	11,323	-	None
Total Express Limited(Note 7)	International Trade Business	USD 1	62,615	-	100	62,615	None	Equity-method	30,565	-	None
APEX TEXTILE CO.,LTD (Note 7)	Manufacture and sale of textile products and dyeing and finishing	USD 3,000,000 35,400	193,570	13,000	53.22	363,695	None	Equity-method	(10,951)	-	None
LUCKY APEX VENTURES LIMITED (Note 7)	General Investment Industry	USD 14,655,000	429,371	14,655	100.00	429,371	None	Equity-method	(4,360)	-	None
Futures co., Ltd.(Note 7)	General Import and Export Trade	10,000	11,369	1,000	100.00	10,816	None	Equity-method	1,369	-	None
Changxing Fufa Textile Co., Ltd.(Note 8)	Manufacture, dyeing and sales of various high quality fabrics	-	-	-	-	-	None	Equity-method	(244)	-	None
DE SHEN (CAYMAN) HOLDINGS CO., LTD (Note 9)	General Investment Industry	USD 108,032,701	3,020,787	108,032.70	100.00	3,020,787	None	Equity-method	104,372	-	None
Vietnam DE LICACY Industrial Co., Ltd. (Note 10)	Printing, dyeing, finishing, garment manufacturing and trading of various textile and yarn materials	USD 114,660,489.5	3,149,085	-	100.00	3,290,223	None	Equity-method	102,598	-	None

Perfect Step Ltd.(Note 11)	General Investment Industry	USD 8,862,037	210,718	8,862	20.00	972,968	None	Equity-method	(10,096)	-	None
New Premium Enterprise Co.,Ltd. (Note 12)	General Investment Industry	USD 5,000,000	46,459	5,000	50.00	92,919	None	Equity-method	(464211)	-	None
DE HONG INTERNATIONAL CO.,LTD (DH). (Note 13)	Printing and finishing of various types of garments and cloths	USD 2,500,000	61,043	-	100.00	61,043	None	Equity-method	(3,026)	-	None
ATAGO GARMENT VIET NAM CO., LTD(Note 14)	Garment manufacturing and trading business	USD 1,915,070	25,314	-	30.00	84,380	None	Equity-method	(14,531)	-	None
Plentiful Praise Limited (Note 15)	General Investment Industry	USD 14,023,848	399,151	-	38.00	1,050,398	None	Equity-method	(14,548)	-	None
APEX (ANQING)TEXTILE CO.,LTD (Note 16)	Manufacture and sale of various high quality fabrics and textiles	USD 10,400,000	164,027	10,400	53.22	308,188	None	Equity-method	(1,692)	-	None

Note1: Invested by De Licacy Industrial Co., Ltd.

(1)On April 20, 2020, the board of directors approved the sale of 91.28% of the equity interest in Tung Ming Company to Fufa Company, a subsidiary, for $258,989 thousand, thus the transfer of equity interest was a reorganization under a jointly controlled entity.

(2)On March 12, 2020, the board of directors approved the sale of 60% of Deguo Company to Fufa Company, a subsidiary, for $12,000 thousand, thus the transfer of ownership was an organizational restructuring under a jointly controlled entity.

Note 2: It was invested by Tung Ming Textile Company

Note 3: It was invested by De Licacy Somoa Holdings Limited

Note 4: It was invested by British Virgin Islands Deyi International Co., Ltd.

Note 5: It was invested by Eden Road International Limited

Note 6: It was invested by Fufa Industrial Company. On January 14, 2020, the board of directors approved the purchase of 1.22% of Fufa Company from its subsidiary Tung Ming Company for $6,633,000, resulting in an increase in shareholding from 59.7% to 60.92%. On June 19, 2020, the Board of Directors approved the sale of 35.94% of Fufa Company's shareholding, resulting in a decrease in shareholding to 24.98%. The closing of the equity transfer between the seller and the buyer was completed on July 8, 2020, which resulted in the Consolidated Company losing control of Fufa Company and its subsidiaries.

Note 7: It was invested by Bright Wisdom Holdings Limited

Note 8: It was invested by Hao Wang Investment Co., Ltd. The liquidation of Changxing Fufa Company was completed on October 31, 2020.

Note 9: It was invested by De LicacyBVI Holdings Limited

Note 10: It was invested by Victory (Cayman) Holdings Limited

Note 11: It was invested by Poly Developments And Holdings Group Co.,Ltd.

Note 12: It was invested by De Licacy(Anguilla) Holdings Limited

Note 13: It was invested by DE HONG HOLDINGS CO.,LTD.

Note 14: It was invested byJingda Global Limited

Note 15: It was invested byMega Ventures Co., Ltd.

Note 16: It was invested by Lucky Apex Ventures Limited

(4) Reorganization: None.

(5) Acquisition or disposal of significant assets:

On January 16, 2014, the Board of Directors of the Company entered into an agreement to dispose of the shares of Victory Company and Xinhao Company for the indirect sale of the shares of Shanghai De Licacy Company. Victory Company and Xinhao Company are general investment companies and Shanghai De Licacy Company is responsible for the production and sale of finished long fiber fabrics of the consolidated company. The Consolidated Company completed the transfer of ownership in May 2014, and the transfer of ownership between the buyer and seller was completed in December 2014, thus the Consolidated Company lost control over it.

Deying Company was dissolved in liquidation on May 11, 2016 by resolution of the shareholders' meeting as it had no actual operating activities in recent years. The liquidation base date was May 27, 2016, and the Consolidated Company recovered $9,190 thousand in liquidation in June 2016.

Nan De Clothing Industrial (SAMOA) Company applied for delisting from the SAMOA Government Companies Registry on 13 November 2017 as it no longer has actual operating activities and was dissolved with effect from the date of delisting.

The foreign fund investment is a prepaid investment in HSL Metropolitan Fund I of $297,155 thousand (US$5,000 thousand and RMB28,995 thousand, representing 16.67% of the total capital contribution) by Somoa De Licacy, a subsidiary, in November 2014. The fund was resolved by the fund committee to distribute the earnings on September 28, 2017, and the Consolidated Company recognized dividend income of $82,069 thousand (RMB 18,000 thousand) in proportion to its shareholding. As of September 30, 2017, the principal amount of the investment was $275,100,000 (RMB60,000,000). This fund completed the liquidation process and distributed the remaining surplus on December 29, 2017, and the Consolidated Company recognized a gain of $20,878 thousand from the disposal of investment based on the distributable surplus.

Nan De Industrial Limited was liquidated on August 31, 2018 by the shareholders' provisional resolution due to the absence of actual operating activities in recent years, and the liquidation base date was October 2, 2018. The Consolidated Company has returned $393 thousand in liquidation payments for the year ended December 31, 2018.

Deli Star Company has returned the liquidation amount of $5,200 thousand on August 16, 2019 because there is no longer actual operating activity. It is expected to be automatically delisted by the Anguilla government in six months.

On January 14, 2020, the board of directors approved the purchase of 1.22% of Fufa Company from its subsidiary Tung Ming Company for $6,633,000, resulting in an increase in shareholding from 59.7% to 60.92%. On March 12, 2020, the board of directors approved the sale of 60% of the shares held by Deguo Company to Fufa Company for $12,000 thousand. On April 20, 2020, the board of directors approved the sale of 91.28% of the shares held by Tung Ming Company to Fufa Company for $258,989 thousand. On June 19, 2020, the Board of Directors approved the sale of 35.94% of Fufa Company to an unrelated party for $195,227 thousand, resulting in a decrease in shareholding to 24.98%. The transaction price was determined by reference to the equity value valuation report of EVERMORE CONSULTING CO., LTD., an independent non-related party, as of March 31, 2020, using the net equity method and the cost-benefit ratio method. The closing of the equity transfer between the seller and the buyer was completed on July 8, 2020, which resulted in the Consolidated Company losing control of Fufa Company and its subsidiaries.

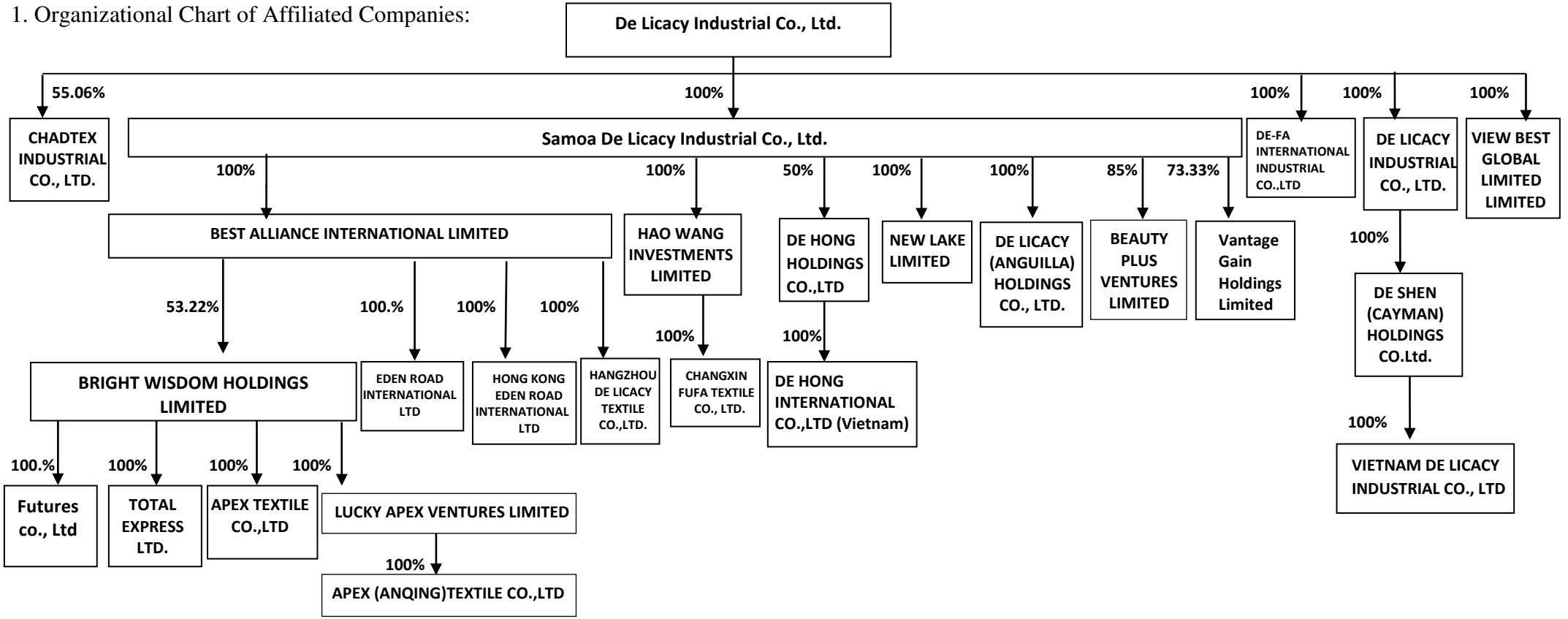
(6) Significant changes in the method of operation or business content: None.

VIII. Special Disclosure

(1) Summary of Affiliated Companies:

(一)Consolidated Business Reports of Affiliated Companies

1. Organizational Chart of Affiliated Companies:



2. Profile of each Affiliated Companies:

Unit: NT$1000

Enterprise Name	Date of Incorporation	Address	Paid-in Capital	Main business or production items
BEST ALLIANCE INTERNATIONAL LIMITED	1997/04/29	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	1,397,855	General Investment Industry
HANGZHOU DE LICACY TEXTILE CO.,LTD	1997/06/24	Xiasha Economic and Technological Development Zone, Hangzhou, Zhejiang, ChinaM-12-3-1	1,196,160	Production and sales of long and short fiber fabric processing and finishing
TUNG MING TEXTILE CO., LTD.	1968/02/01	Section 3, Changxing Road, Lujhu Township, Taoyuan County219LaneNo.13No. 13, Lane 219, Sec. 3, Chang Hsing Rd.	167,400	Manufacture, processing and trading of chemical fibers
DE LICACY (SAMOA) HOLDINGS CO., LTD	2002/06/24	P.O. Box 217, Apia, Samoa	1,622,785	General Investment Industry
DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	1997/12/01	10F,No.188,Sec.5,Nanjing East Road, Songshan District, Taipei City, Taiwan	55,000	General Import and Export Trade
EDEN ROAD INTERNATIONAL LTD.	1997/08/22	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	1,424	General Import and Export Trade
CHADTEX INDUSTRIAL CO., LTD.	2004/04/10	No. 240, Sanshe Village, Xinshi Dist., Tainan City	343,824	Textile manufacturing, dyeing and finishing, and trading of various textile products
Vantage Gain Holdings Limited	2004/04/14	P.O.BOX 1225 , Apia , Samoa	252,515	General Investment Industry
E TEXTILE CO., LTD.	2009/06/11	2F-1, No. 42, Lane 32, Lane 245, Sec. 4, Bade Road, Songshan District, Taipei City, Taiwan	6,250	Manufacture, processing and trading of various fiber textile products
Gain Faith Investments Ltd	2006/11/24	P.O.BOX 217, APIA, SAMOA	113,861	General Investment Industry
BRIGHT WISDOM HOLDINGS LIMITED	2003/12/23	P.O.BOX 217, APIA, SAMOA	797,440	General Investment Industry
APEX TEXTILE CO.,LTD	2006/12/21	167-171 WO YI HOP RD,7/F,FLAT A,KINGSWAY IND,BUILD	370,240	Manufacture and sale of textile products and dyeing and finishing
TOTAL EXPRESS LTD	2008/01/30	P.O. BOX 1239, OFFSHORE INCORPORATIONS CENTRE, VICTORIA, MAHE', REPUBLIC OF SEYCHELLES	--	International Trade Business
Lucky Unique Enterprise Company	1984/04/25	No. 17, Jianye Road, Erzhenli, Guantian District, Tainan City	397,692	Manufacture and processing of various fiber textile products
AO WANG NVESTMENTS LIMITED	2015/04/28	P.O. Box 217, Apia, Samoa	--	General Investment Industry
De Licacy (Anguilla) Holdings Co., Ltd.	2015/10/16	P.O.Box 850 Offshore Incorporations Centre The Valley Anguilla Vritish West Indies	142,542	General Investment Industry
Changxing Fufa Textile Co., Ltd.	2015/07/08	Industrial Park in Hongqiao Town, Changxing County	--	Manufacture, dyeing and sales of various high quality fabrics and textiles
DE LICACY OLDINGS CO., LTD.	2015/09/23	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Island	3,076,979	General Investment Industry
DE SHEN (CAYMAN) HOLDINGS CO., LTD.	2015/10/09	P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	3,076,771	General Investment Industry
VIETNAM DE LICACY INDUSTRIAL CO.,	2015/10/07	Plot A_10_CN, Bao Pang Industrial Zone, Bao Pang County, Binh Duong	3,265,531	Printing, dyeing, finishing, garment manufacturing

LTD		Province		and trading of various textile and yarn materials
DE HONG HOLDINGS CO.,LTD	2017/01/27	P.O. Box 217, Apia, Samoa	85,440	General Investment Industry
New Lake Ltd.	2017/02/15	Vistra Corporate Services Centre, Albert Lake Drive, The Valley, Anguilla, British West Indies.	173,728	General Import and Export Trade
Deli Star International Limited	2017/07/28	Vistra Corporate Services Centre, Albert Lake Drive, The Valley, Anguilla, British West Indies.	--	General Investment Industry
VIEW BEST GLOBAL LIMITED	2017/08/18	Ground Floor NPF Building, Beach Road, Apia, Samoa	70,488	General Investment Industry
DE HONG INTERNATIONAL CO.,LTD (DH)	2017/09/11	P.O. Box 217, Apia, Samoa	71,200	Printing and finishing of various types of garments and cloths
LUCKY APEX VENTURES LIMITED	2017/09/18	Ground Floor NPF Building, Beach Road, Apia, Samoa	417,374	General Investment Industry
APEX (ANQING)TEXTILE CO.,LTD	2018/01/08	No.6, Lianxing Village, Yingjiang District, Anqing City, Anhui Province, China	296,192	Manufacture and sale of various high quality fabrics and textiles
Beauty Plus Ventures. Limited	2018/03/26	Vistra Corporate Services Centre, Wickhams Cay II Road Town, Tortola, VG1110, British Virgin Islands	399,398	General Investment Industry
De Kao Trading Co., Ltd.	2019/07/11	10F, No. 188, Section 5, Nanjing East Road, Taipei City	20,000	Printing, dyeing, finishing, garment manufacturing and trading of various textile and yarn materials
Hong Kong Edin Roda International Co., Ltd.	2019/11/18	Room 1902, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	1,424	General Import and Export Trade
FUTURUS CO., LTD.	2020/04/22	5F-3, No. 188, Sec. 5, Nanjing East Road, Songshan District, Taipei City, Taiwan	10,000	General Import and Export Trade

3. Information on the same shareholders presumed to have a relationship of control and subordination: None.

4. The businesses covered by the affiliated companies are: plaid, blended, jacquard, bubble, stretch, chemical fiber, polyester cotton, silk, satin, etc. The Company is engaged in various textile, manufacturing, dyeing and finishing, trading, general import and export business, and general investment business, etc.

5. Information on directors, supervisors and general managers of affiliated companies

Name of the Company	Title(Note 1)	Name or representative	Shareholdings(Note 2)(Note 3)	
			Number of shares	Shareholding %
BEST ALLIANCE INTERNATIONAL LIMITED	Responsible person	YEH, FU-LIN	0 shares	0.00%
	Institutional Director	Samoa De Licacy Industrial Co., Ltd.	33,000,000 shares	100.00%
	Representative of Institutional Director	YEH, FU-LIN	0 shares	0.00%
HANGZHOU DE LICACY TEXTILE CO.,LTD	Responsible person	YEH, FU-LIN	0 shares	0.00%
	General Manager	SUN,TUNG-TUNG	0 shares	0.00%
	Institutional Director	Deyi International Co., Ltd.	33,000,000 shares	100.00%
	Representative of Institutional Director	YEH, FU-LIN	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%

	Representative of Institutional Director	YEH,CHIA-HAO	0 shares	0.00%
	Representative of Institutional Director	YEH,WEI-LI	0 shares	0.00%
	Representative of Institutional Director	SUN,TUNG-TUNG	0 shares	0.00%
	Institutional Supervisor	Deyi International Co., Ltd.	0 shares	0.00%
	Representative of Institutional Supervisor	KUO,CHUN-HSIUNG	0 shares	0.00%
	Representative of Institutional Supervisor	YU,I-NENG	0 shares	0.00%
	Representative of Institutional Supervisor	YEH,SHU-JEN	0 shares	0.00%
	Representative of Institutional Supervisor			
TUNG MING TEXTILE CO., LTD.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	General Manager	KUO,CHUN-HSIUNG	0 shares	0.00%
	Institutional Director	WELL UNIQUE ENTERPRISE CO., LTD.	15,279,600 shares	91.28%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-HAO	0 shares	0.00%
	Representative of Institutional Director	KUO,CHUN-HSIUNG	0 shares	0.00%
	Institutional Supervisor	YU,I-NENG	0 shares	0.00%
De Licacy Samoa Industrial Co., Ltd.	Responsible person	YEH, FU-LIN	--	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	52,604,382 shares	100.00%
	Representative of Institutional Director	YEH, FU-LIN	--	0.00%
DE-FA INTERNATIONAL INDUSTRIAL CO., LTD.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	5,500,000 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Representative of Institutional Director	YEH, FU-LIN	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-HAO	0 shares	0.00%
	Institutional Supervisor	DE LICACY INDUSTRIAL CO., LTD.	0 shares	0.00%
	Representative of Institutional Supervisor	YEH,WEI-LI	0 shares	0.00%
Edem Road International Co., Ltd.	Responsible person	YEH,CHIA-MING	--	0.00%
	Institutional Director	Deyi International Co., Ltd.	50,000 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	--	0.00%
CHADTEX INDUSTRIAL CO., LTD.	Responsible person	KUO,CHUN-HSIUNG	0 shares	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	18,931,098 shares	55.06%
	Representative of Institutional Director	KUO,CHUN-HSIUNG	0 shares	0.00%
	Representative of Institutional Director	YEH,WEI-LI	0 shares	0.00%
	Institutional Director	CHIA HER INDUSTRIAL CO., LTD.	11,540,337 shares	33.56%
	Representative of Institutional Director	WENG, MAO-CHUNG	0 shares	0.00%

	Supervisor	WENG, MAO-CHIN	0 shares	0.00%
Vantage Gain Holdings Limited	Responsible person	YEH, FU-LIN	0 shares	0.00%
	Institutional Director	Samoa De Licacy Industrial Co., Ltd.	0 shares	0.00%
	Representative of Institutional Director	YEH, FU-LIN	0 shares	0.00%
E TEXTILE CO., LTD.	Responsible person	KUO,CHUN-HSIUNG	0 shares	0.00%
	Institutional Director	WELL UNIQUE ENTERPRISE CO., LTD.	500,000 shares	80.00%
	Representative of Institutional Director	KUO,CHUN-HSIUNG	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Representative of Institutional Director	WU,HUI-CHEN	0 shares	0.00%
	Supervisor	TSAI,CHI-HSIU	0 shares	0.00%
Apex Textile Co.,Ltd.	Responsible person	YEH,CHIA-HAO	0 shares	0.00%
	Institutional Director	Budweiden Holdings Ltd.	10,500,000 shares	80.77%
	Representative of Institutional Director	YEH,CHIA-HAO	0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Representative of Institutional Director	YEH,WEI-LI	0 shares	0.00%
	Representative of Institutional Director	YEH,SHU-JEN	0 shares	0.00%
	Representative of Institutional	Budweiden Holdings Ltd.	0 shares	0.00%
	Supervisor	KUO,CHUN-HSIUNG	0 shares	0.00%
	Institutional Supervisor	TSAI,WEI-CHEN	0 shares	0.00%
	Institutional Supervisor			
Lucky Unique Enterprise Company	Responsible person	KUO,CHE-YU	0 shares	0%
	Institutional Director	CONHERB Investment Co.	14,2293,000 shares	35.94%
	Representative of Institutional Director	KUO,CHE-YU	0 shares	0%
	Representative of Institutional Director	WANG,KUO-TUNG	0 shares	0%
	Institutional Director	Yongyi Investment Co., Ltd.	10,704,541 shares	26.92%
	Representative of Institutional Director	KUO,CHUN-HSIUNG	0 shares	0%
	Representative of Institutional Director	SU,CHIN-WEN	0 shares	0%
	Directors	YEH,CHIA-MING	0 shares	0%
	Institutional Supervisor	DE LICACY INDUSTRIAL CO., LTD.	9,936,207 shares	24.98%
	Representative of Institutional	YU,I-NENG	0 shares	0%
	Supervisor	TSAI,CHI-HSIU	0 shares	0%
	Representative of Institutional Supervisor			
Gain Faith Investments Ltd	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Directors	YEH,CHIA-MING	0 shares	0.00%
	Directors	KUO,CHUN-HSIUNG	0 shares	0.00%
BRIGHT WISDOM HOLDINGS LIMITED	Responsible person	YEH,CHIA-HAO	0 shares	0.00%

	Directors	YEH,CHIA-HAO	0 shares	0.00%
	Directors	YEH,SHU-JEN	0 shares	0.00%
TOTAL EXPRESS LTD	Responsible person	YEH,CHIA-HAO	0 shares	0.00%
	Directors	YEH,CHIA-HAO	0 shares	0.00%
	Directors	YEH,SHU-JEN	0 shares	0.00%
De Licacy (Anguilla) Holdings Co., Ltd.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	Samoa De Licacy Industrial Co., Ltd.		100.00%
Hao Wang Investment Co., Ltd.	Responsible person	YEH, FU-LIN	0 shares	0.00%
	Institutional Director	Samoa De Licacy Industrial Co., Ltd.	USD2,500,000	100.00%
Changxing Apex Textile Co.,Ltd.	Responsible person	YEH,CHIA-HAO	0 shares	0.00%
	Institutional Director	Hao Wang Investment Co., Ltd.	USD2,500,000	100.00%
DE LICACY OLDINGS CO., LTD.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	USD108,040,000	100.00%
DE SHEN (CAYMAN) HOLDINGS CO., LTD	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	De Licacy BVI Holdings Limited	USD108,032,700,860 shares	100.00%
VIETNAM DE LICACY INDUSTRIAL CO., LTD	Responsible person	YEH,WEI-LI	0 shares	0.00%
	Institutional Director	Victory Cayman Holdings Co., Ltd.	USD106,060,489.50	100.00%
DE HONG HOLDINGS CO.,LTD.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	Samoa De Licacy Industrial Co., Ltd.	USD1,500,000 shares	50.00%
	Directors	HSIAO,YU-SHAN	0 shares	0.00%
	Directors	HSIAO,YIN-CHEN	0 shares	0.00%
	Directors	YEH,WEI-LI	0 shares	0.00%
New Lake Ltd.	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	Samoa De Licacy Industrial Co., Ltd.	USD100,000 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
Deli Star International Limited	Responsible person	KUO,CHUN-HSIUNG	0 shares	0.00%
	Institutional Director	Samoa De Licacy Industrial Co., Ltd.	USD0 shares	0.00%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0.00%
	Representative of Institutional Director	KUO,CHUN-HSIUNG	0 shares	0.00%
	Representative of Institutional Director	YEH, FU-LIN	0 shares	0.00%
VIEW BEST GLOBAL LIMITED	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Directors	YEH,CHIA-MING	0 shares	0.00%
	Institutional Director	DE LICACY INDUSTRIAL CO., LTD.	USD1,935,000 shares	100.00%
DE HONG INTERNATIONAL CO.,LTD (DH)	Responsible person	KUO,CHUN-HSIUNG	0 shares	0.00%
	Institutional Director	DE HONG HOLDINGS CO.,LTD.	USD2,500,000	100.00%

BEAUTY PLUS VENTURES LIMITED	Responsible person	YEH,CHIA-MING	0 shares	0.00%
	Directors	Samoa De Licacy Industrial Co., Ltd.	USD11,920,238 shares	85.00%
	Directors	CHO SIU KWAN	0 shares	0.00%
	Directors	YEH,CHIA-MING	0 shares	0.00%
	Directors	YEH,CHIA-HAO	0 shares	0.00%
	Directors	YEH,WEI-LI	0 shares	0.00%
LUCKY APEX VENTURES LIMITED	Responsible person	YEH,CHIA-HAO	0 shares	0.00%
	Institutional Director	Budweiden Holdings Ltd.	USD14,655,000 shares	100.00%
APEX (ANQING)TEXTILE CO.,LTD	Responsible person	YEH,CHIA-HAO	0 shares	0.00%
	Institutional Director	LUCKY APEX VENTURES LIMITED	USD14,655,000 shares	100.00%
De Kao Trading Co., Ltd.	Responsible person	KUO,CHUN-HSIUNG	0 shares	0.00%
	Institutional Director	WELL UNIQUE ENTERPRISE CO., LTD.	1,200,000 shares	60%
	Representative of Institutional Director	YEH,CHIA-MING	0 shares	0%
	Representative of Institutional Director	WANG,KUO-TUNG	200,000 shares	10%
	Supervisor	YU,I-NENG		0%
Hong Kong Edem Road International Co., Ltd.	Responsible person	YEH,CHIA-MING	--	0.00%
	Institutional Director	Deyi International Co., Ltd.	50,000 shares	100.00%
	Representative of Institutional Director	YEH,CHIA-MING	--	0.00%
FUTURUS CO., LTD.	Responsible person	YEH,CHIA-HAO	0 shares	0.00%
	Institutional Director	Samoa BRIGHT WISDOM HOLDINGS LOMITED	1,000,000 shares	100.00%

Note1: If the affiliated company is a foreign company, the position is listed as equivalent.

Note2: If the investee company is a limited company, please enter the number of shares and the percentage of shareholding; for others, please enter the amount of capital and the percentage of capital contribution and specify.

Note3: If the director or supervisor is a legal entity, the relevant information of the representative should be disclosed.

6. Business Overview of Affiliates

Unit: NT$1000

Name of the Company	Capital	Total assets	Total liabilities	Net Value	Operating revenue	Operating profit (losses)	Net income (loss) (after tax)	Net earnings per share (NT$)(after-tax)
BEST ALLIANCE INTERNATIONAL LIMITED	1,237,392	2,416,263	74,691	2,341,572	--	(107)	95,803	2.53
HANGZHOU DE LICACY TEXTILE CO.,LTD.	1,415,361	2,626,009	843,548	1,782,461	1,775,507	30,561	25,885	0.62
TUNG MING TEXTILE CO., LTD.	167,400	322,247	113,951	208,296	330,393	16,930	20,0950	1.20
De Licacy Samoa Industrial Co., Ltd.	1,622,785	3,514,357	17,084	3,497,273	--	(97)	(1,033)	(0.02)
DE-FA INTERNATIONAL INDUSTRIAL CO.,LTD	55,000	274,389	224,724	49,665	68,983	(9,650)	(15,763)	(2.87)
EDEN ROAD INTERNATIONAL LTD.	1,700	144,444	136,053	8,391	276,609	11,013	6,438	(128.76)
De Licacy (Anguilla) Holdings Co., Ltd.	164,083	46,474	--	46,474	--	(46)	(46,468)	(9.28)
CHADTEX INDUSTRIAL CO., LTD.	343,824	492,118	56,373	435,745	301,391	(30,162)	6,424	(0.19)
Vantage Gain Holdings Limited	273,907	210,725	17	210,708	--	(46)	(10,153)	(1.15)
E TEXTILE CO., LTD.	6,250	23,096	16,505	6,591	55,474	(3,936)	(3,375)	(5.40)
Gain Faith Investments Ltd	113,861	222,128	3,987	218,141	--	(1,205)	21,708	(3.51)
BRIGHT WISDOM HOLDINGS LIMITED	855,830	867,281	-	867,821	--	--	9,523	0.34
APEX TEXTILE CO.,LTD	425,846	1,588,567	1,224,872	363,695	1,401,011	2,040	(18,042)	(1.39)
TOTAL EXPRESS LTD.	--	256,986	194,371	62,615	985,530	30,565	29,687	--
Lucky Unique Enterprise Company	397,692	1,400,026	953,872	446,154	614,595	(4,016)	15,285	0.38
DE LICACY OLDINGS CO., LTD.	3,321,829	3,020,864	41	3,020,823	--	(43)	104,327	0.97
DE SHEN (CAYMAN) HOLDINGS CO., LTD	3,321,603	3,384,053	363,266	3,020,787	--	(2,029)	104,372	--
VIETNAM DE LICACY INDUSTRIAL CO., LTD	3,571,192	5,093,281	1,803,058	3,290,223	2,033,467	112,591	91,331	--
DE HONG HOLDINGS CO.,LTD.	91,305	81,566	13,981	67,585	8,188	(5,763)	(9,606)	(3.20)
NEW LAKE LTD	177,302	1,098,441	801,581	296,860	2,059,670	1,059	1,452	0.24
VIEW BEST GLOBAL LIMITED	74,168	41,056	3	41,053	--	(41)	(14,797)	(5.98)
DE HONG INTERNATIONAL CO.,LTD (DH)	76,195	88,384	27,341	61,043	22,611	(5,847)	(3,026)	--
BEAUTY PLUS VENTURES LIMITED	419,648	399,376	1,359	398,017	--	(91)	(14,638)	(1.04)
LUCKY APEX VENTURES LIMITED	417,374	429,371	--	429,371	--	--	(4,560)	(0.30)
APEX (ANQING)TEXTILE CO.,LTD	296,192	948,840	640,652	308,188	238,399	(10,766)	(4,361)	(0.42)
De Kao Trading Co., Ltd.	20,000	63,156	62,461	695	56,758	(4,782)	(14,799)	(7.40)
Futures co., Ltd.	10,000	13,868	3,052	10,816	21,040	1,871	816	0.82
Hong Kong Eden Road International Co., Ltd.	1,572	275,812	205,783	70,029	403,045	70,740	68,457	1,369.14
Hao Wang Investment Co., Ltd.	--	--	--	--	--	(9)	(13,062)	(5.22)
Changxing Apex Textile Co.,Ltd.	--	--	--	--	--	(103))	(244)	--

Note 1: All affiliated companies should be disclosed regardless of their size.

Note 2: If the related party is a foreign company, the relevant figures should be presented in New Taiwan dollars using the exchange rate as of the reporting date.

(二)Consolidated Financial Statements of Affiliated Companies:

For the year 2020 (from January 1, 2020 to December 31, 2020), the companies that should be included in the preparation of consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies, Consolidated Financial Statements of Affiliated Companies, and Related Party Reports" are the same as those that should be included in the preparation of consolidated financial statements of parent and subsidiary companies in accordance with SFAS No. 7. The information required to be disclosed in the consolidated financial statements of the related companies has been disclosed in the consolidated financial statements of the former parent and subsidiary. Hence, the Company will not prepare separate consolidated financial statements of affiliated companies.

(三) Affiliation Reports: Not applicable.

2. Private Placement Securities during the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report: None.

3. Holding or Disposal of the Company's Shares by Affiliated Companies during the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report: None.

4. Other Necessary Supplementary Notes: None

IX. In the event of any matter which has had a significant impact on shareholders rights or the price for the securities referred to Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act during the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report, items should be stated in order: None.

DE LICACY INDUSTRIAL CO., LTD.

Chairman YEH,CHIA-MING