

**CHLITINA HOLDING LIMITED AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
MARCH 31, 2021 AND 2020**

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chlitina Holding Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Chlitina Holding Limited and its subsidiaries (the "Group") as at March 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion for the first quarter of 2020

As explained in Note 6(6), the financial statements of an investment accounted for using equity method included in the consolidated financial statements in the first quarter of 2020 were not reviewed by independent auditors. The balance of this investment accounted for using the equity method amounted to CNY \$23,319 thousand (TWD \$99,222 thousand), constituting 1% of the consolidated total assets as at March 31, 2020, and total comprehensive loss amounted to CNY \$255 thousand (TWD \$1,098 thousand), constituting 1% of the consolidated total comprehensive income for the three months then ended.

Unqualified and qualified conclusion

Except for the adjustments to the consolidated financial statements as of and for the three months ended March 31, 2020, if any, as might have been determined to be necessary had the financial statements of an investment accounted for using the equity method been reviewed by independent auditors as described in the *Basis for qualified conclusion for the first quarter of 2020* section above, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

Lin, Chun-Yao

Chang, Shu-Chiung

For and on behalf of PricewaterhouseCoopers, Taiwan

May 11, 2021

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

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of dollars)

(The consolidated balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

Asset	Notes	March 31, 2021			December 31, 2020			March 31, 2020			
		CNY	TWD	%	CNY	TWD	%	CNY	TWD	%	
Current Assets											
1100	Cash and cash equivalents	6(1)	\$ 1,305,076	\$ 5,669,250	61	\$ 1,221,784	\$ 5,347,749	60	\$ 1,213,422	\$ 5,163,111	65
1136	Financial assets at amortized cost - current	6(1)(3)	1,750	7,602	-	-	-	-	1	4	-
1150	Notes receivable, net		6	26	-	-	-	-	7	30	-
1170	Accounts receivable, net	6(4)	406	1,764	-	792	3,467	-	96	408	-
1180	Accounts receivable - related parties, net	6(4)and7	84	366	-	502	2,195	-	184	783	-
1200	Other receivables		23,735	103,105	1	6,459	28,273	-	3,199	13,612	-
1210	Other receivables - related parties	7	202	877	-	194	849	-	202	860	-
130X	Inventories	6(5)	100,920	438,396	5	106,782	467,385	5	103,584	440,750	6
1410	Prepayments		16,694	72,519	1	15,676	68,613	1	31,804	135,326	2
11XX	Total current assets		<u>1,448,873</u>	<u>6,293,905</u>	<u>68</u>	<u>1,352,189</u>	<u>5,918,531</u>	<u>66</u>	<u>1,352,499</u>	<u>5,754,884</u>	<u>73</u>
Non-current assets											
1510	Financial assets at fair value through profit or loss - non current	6(2)	21,762	94,534	1	21,618	94,622	1	-	-	-
1535	Financial assets at amortized cost - non current	6(1)(3)	112,000	486,528	5	112,000	490,224	6	-	-	-
1550	Investments accounted for using equity method	6(6)	50,566	219,659	2	49,824	218,080	2	27,262	116,000	1
1600	Property, plant and equipment, net	6(7)	308,910	1,341,905	14	314,456	1,376,374	15	323,076	1,374,688	17
1755	Right-of-use assets	6(8)and7	122,434	531,853	6	131,519	575,659	6	107,032	455,421	6
1760	Investment property, net		17,482	75,942	1	17,731	77,609	1	18,476	78,615	1
1780	Intangible assets, net	6(9)	17,026	73,961	1	18,001	78,790	1	22,016	93,678	1
1840	Deferred income tax assets		12,748	55,377	1	12,018	52,603	1	6,060	25,785	-
1990	Other non-current assets		17,269	75,017	1	18,573	81,294	1	21,495	91,461	1
15XX	Total non-current assets		<u>680,197</u>	<u>2,954,776</u>	<u>32</u>	<u>695,740</u>	<u>3,045,255</u>	<u>34</u>	<u>525,417</u>	<u>2,235,648</u>	<u>27</u>
1XXX	Total assets		<u>\$ 2,129,070</u>	<u>\$ 9,248,681</u>	<u>100</u>	<u>\$ 2,047,929</u>	<u>\$ 8,963,786</u>	<u>100</u>	<u>\$ 1,877,916</u>	<u>\$ 7,990,532</u>	<u>100</u>

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CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of dollars)

(The consolidated balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

Liabilities and Equity	Notes	March 31, 2021			December 31, 2020			March 31, 2020		
		CNY	TWD	%	CNY	TWD	%	CNY	TWD	%
Current liabilities										
2100 Short-term loans	6(10)	\$ 151,083	\$ 656,305	7	\$ 150,956	\$ 660,734	7	\$ 396,020	\$ 1,685,065	20
2130 Current contract liabilities	6(17)	100,471	436,446	5	82,207	359,820	4	66,271	281,983	4
2170 Accounts payable		14,108	61,285	1	13,177	57,676	1	21,038	89,517	1
2180 Accounts payable - related parties	7	5,393	23,429	-	3,194	13,978	-	7,944	33,801	-
2200 Other payables	6(11)	155,946	677,429	7	178,549	781,509	9	84,647	360,173	5
2220 Other payables - related parties	7	1,410	6,125	-	2,646	11,582	-	2,059	8,761	-
2230 Current income tax liabilities		50,206	218,095	2	47,356	207,277	2	21,325	90,738	1
2280 Lease liabilities - current	7	31,414	136,462	1	31,197	136,549	2	24,946	106,145	1
2320 Long-term borrowings - current portion	6(12)	157,652	684,840	8	58,561	256,321	3	-	-	-
2645 Guarantee deposits		84,612	367,555	4	76,134	333,241	4	68,674	292,208	4
21XX Total current liabilities		<u>752,295</u>	<u>3,267,971</u>	<u>35</u>	<u>643,977</u>	<u>2,818,687</u>	<u>32</u>	<u>692,924</u>	<u>2,948,391</u>	<u>36</u>
Non-current liabilities										
2540 Long-term borrowings	6(12)	197,065	856,050	9	291,502	1,275,904	14	63,931	272,026	3
2570 Deferred income tax liabilities		10,797	46,902	1	5,331	23,334	-	9,451	40,214	1
2580 Lease liabilities - non-current	7	92,951	403,779	4	99,314	434,697	5	80,191	341,213	4
2640 Net defined benefit liabilities		656	2,850	-	651	2,849	-	1,061	4,515	-
25XX Total non-current liabilities		<u>301,469</u>	<u>1,309,581</u>	<u>14</u>	<u>396,798</u>	<u>1,736,784</u>	<u>19</u>	<u>154,634</u>	<u>657,968</u>	<u>8</u>
2XXX Total liabilities		<u>1,053,764</u>	<u>4,577,552</u>	<u>49</u>	<u>1,040,775</u>	<u>4,555,471</u>	<u>51</u>	<u>847,558</u>	<u>3,606,359</u>	<u>44</u>
Equity attributable to shareholders of the parent										
Share capital	6(14)									
3110 Common stock		161,772	794,924	9	161,772	794,924	9	161,772	794,924	10
Capital surplus	6(15)									
3200 Capital surplus		276,621	1,372,879	15	277,143	1,375,164	15	271,792	1,351,934	18
Retained earnings	6(16)									
3310 Legal reserve		150,794	691,593	8	150,794	691,593	8	116,727	548,377	7
3320 Special reserve		123,415	549,959	6	123,415	549,959	6	73,482	340,039	4
3350 Unappropriated retained earnings		354,996	1,780,112	19	283,991	1,469,479	16	412,070	1,992,920	25
Other equity										
3410 Financial statements translation differences of foreign operations		7,279	(520,203)	(6)	9,928	(473,279)	(5)	3,313	(606,585)	(8)
3420 Unrealised gains (losses) from financial assets at fair value through other comprehensive income		429	1,865	-	111	475	-	-	-	-
3500 Treasury stocks	6(14)	-	-	-	-	-	-	(8,798)	(37,436)	-
3XXX Total equity		<u>1,075,306</u>	<u>4,671,129</u>	<u>51</u>	<u>1,007,154</u>	<u>4,408,315</u>	<u>49</u>	<u>1,030,358</u>	<u>4,384,173</u>	<u>56</u>
Significant contingent liabilities and unrecognised contract commitments	9									
Significant events after the balance sheet date	11									
3X2X Total liabilities and equity		<u>\$ 2,129,070</u>	<u>\$ 9,248,681</u>	<u>100</u>	<u>\$ 2,047,929</u>	<u>\$ 8,963,786</u>	<u>100</u>	<u>\$ 1,877,916</u>	<u>\$ 7,990,532</u>	<u>100</u>

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of dollars, except earnings per share data)
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended March 31, 2021			Three months ended March 31, 2020		
		CNY	TWD	%	CNY	TWD	%
4000 Operating revenue	6(17)and7	\$ 253,310	\$ 1,108,178	100	\$ 152,095	\$ 655,179	100
5000 Operating costs	6(5)(22)and7	(39,856)	(174,363)	(16)	(27,759)	(119,577)	(18)
5900 Gross profit		<u>213,454</u>	<u>933,815</u>	<u>84</u>	<u>124,336</u>	<u>535,602</u>	<u>82</u>
Operating expenses	6(22)						
6100 Selling expenses		(91,483)	(400,216)	(36)	(62,002)	(267,086)	(41)
6200 Administrative expenses		(32,583)	(142,544)	(13)	(31,807)	(137,015)	(21)
6000 Total operating expenses		<u>(124,066)</u>	<u>(542,760)</u>	<u>(49)</u>	<u>(93,809)</u>	<u>(404,101)</u>	<u>(62)</u>
6900 Operating profit		<u>89,388</u>	<u>391,055</u>	<u>35</u>	<u>30,527</u>	<u>131,501</u>	<u>20</u>
Non-operating income and expenses							
7100 Interest income	6(18)	5,965	26,096	2	4,666	20,099	3
7010 Other income	6(19)	14,970	65,491	6	26,350	113,509	17
7020 Other gains and losses	6(20)	(650)	(2,844)	-	(4,994)	(21,513)	(3)
7050 Finance costs	6(21)and7	(2,155)	(9,428)	(1)	(3,966)	(17,084)	(3)
7060 Share of profit (loss) of associates and joint ventures accounted for using equity method	6(6)	<u>880</u>	<u>3,850</u>	<u>-</u>	<u>(855)</u>	<u>(3,683)</u>	<u>(1)</u>
7000 Total non-operating income and expenses		<u>19,010</u>	<u>83,165</u>	<u>7</u>	<u>21,201</u>	<u>91,328</u>	<u>13</u>
7900 Profit before tax		<u>108,398</u>	<u>474,220</u>	<u>42</u>	<u>51,728</u>	<u>222,829</u>	<u>33</u>
7950 Income tax expense	6(23)	<u>(37,393)</u>	<u>(163,587)</u>	<u>(15)</u>	<u>(29,342)</u>	<u>(126,397)</u>	<u>(19)</u>
8200 Profit for the period		<u>\$ 71,005</u>	<u>\$ 310,633</u>	<u>27</u>	<u>\$ 22,386</u>	<u>\$ 96,432</u>	<u>14</u>
Other comprehensive income (loss)							
Components of other comprehensive income (loss) that will not be reclassified to profit or loss							
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method		<u>\$ 318</u>	<u>\$ 1,390</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
8310 Total components of other comprehensive income that will not be reclassified to profit or loss		<u>318</u>	<u>1,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss							
8361 Financial statements translation differences of foreign operations		303	(34,010)	(3)	(1,070)	(56,626)	(9)
8370 Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(6)	<u>(2,952)</u>	<u>(12,914)</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>
8360 Total comprehensive loss that will be reclassified to profit or loss		<u>(2,649)</u>	<u>(46,924)</u>	<u>(4)</u>	<u>(1,070)</u>	<u>(56,626)</u>	<u>(9)</u>
Other comprehensive loss for the period		<u>(2,331)</u>	<u>(45,534)</u>	<u>(4)</u>	<u>(1,070)</u>	<u>(56,626)</u>	<u>(9)</u>
8500 Total comprehensive income for the period		<u>\$ 68,674</u>	<u>\$ 265,099</u>	<u>23</u>	<u>\$ 21,316</u>	<u>\$ 39,806</u>	<u>5</u>
Earnings per share (in dollars)	6(24)						
9750 Basic earnings per share		<u>\$ 0.89</u>	<u>\$ 3.91</u>		<u>\$ 0.28</u>	<u>\$ 1.21</u>	
9850 Diluted earnings per share		<u>\$ 0.89</u>	<u>\$ 3.90</u>		<u>\$ 0.28</u>	<u>\$ 1.21</u>	

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of dollars)
(REVIEWED, NOT AUDITED)

Notes	Equity attributable to shareholders of the parent										Other equity							
	Retained earnings					Unappropriated retained earnings					Financial statements translation differences of foreign operations		Unrealised gains (losses) from financial assets at fair value through other comprehensive income		Treasury stocks		Total equity	
	Common stock		Capital surplus		Legal reserve		Special reserve		Unappropriated retained earnings		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
<u>Three months ended March 31, 2020</u>																		
Balance at January 1, 2020	\$ 161,772	\$ 794,924	\$ 271,792	\$ 1,351,932	\$ 116,727	\$ 548,377	\$ 73,482	\$ 340,039	\$ 389,684	\$ 1,896,488	\$ 4,383	(\$ 549,959)	\$ -	\$ -	\$ -	\$ -	\$ 1,017,840	\$ 4,381,801
Profit for the period	-	-	-	-	-	-	-	-	22,386	96,432	-	-	-	-	-	-	22,386	96,432
Other comprehensive loss for the period	-	-	-	-	-	-	-	-	-	-	(1,070)	(56,626)	-	-	-	-	(1,070)	(56,626)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	22,386	96,432	(1,070)	(56,626)	-	-	-	-	21,316	39,806
Other additional paid-in capital	6(15)	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	2
Purchase of treasury stocks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,798)	(37,436)	(8,798)	(37,436)
Balance at March 31, 2020	\$ 161,772	\$ 794,924	\$ 271,792	\$ 1,351,934	\$ 116,727	\$ 548,377	\$ 73,482	\$ 340,039	\$ 412,070	\$ 1,992,920	\$ 3,313	(\$ 606,585)	\$ -	\$ -	(\$ 8,798)	(\$ 37,436)	\$ 1,030,358	\$ 4,384,173
<u>Three months ended March 31, 2021</u>																		
Balance at January 1, 2021	\$ 161,772	\$ 794,924	\$ 277,143	\$ 1,375,164	\$ 150,794	\$ 691,593	\$ 123,415	\$ 549,959	\$ 283,991	\$ 1,469,479	\$ 9,928	(\$ 473,279)	\$ 111	\$ 475	\$ -	\$ -	\$ 1,007,154	\$ 4,408,315
Profit for the period	-	-	-	-	-	-	-	-	71,005	310,633	-	-	-	-	-	-	71,005	310,633
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	-	-	(2,649)	(46,924)	318	1,390	-	-	(2,331)	(45,534)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	71,005	310,633	(2,649)	(46,924)	318	1,390	-	-	68,674	265,099
Change in capital surplus accounted for using equity methods	6(15)	-	(522)	(2,285)	-	-	-	-	-	-	-	-	-	-	-	-	(522)	(2,285)
Balance at March 31, 2021	\$ 161,772	\$ 794,924	\$ 276,621	\$ 1,372,879	\$ 150,794	\$ 691,593	\$ 123,415	\$ 549,959	\$ 354,996	\$ 1,780,112	\$ 7,279	(\$ 520,203)	\$ 429	\$ 1,865	\$ -	\$ -	\$ 1,075,306	\$ 4,671,129

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of dollars)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31, 2021		Three months ended March 31, 2020	
		CNY	TWD	CNY	TWD
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		\$ 108,398	\$ 474,220	\$ 51,728	\$ 222,829
Adjustments					
Adjustment to reconcile profit (loss)					
Depreciation	6(7)(8)(20)(22)	17,429	76,249	15,171	65,352
Amortization	6(9)(22)	846	3,700	1,133	4,880
Net gain on financial assets at fair value through profit or loss	6(2)(20)	(836)	(3,657)	(821)	(3,537)
Interest expense	6(21)	2,155	9,428	3,966	17,084
Interest income	6(18)	(5,965)	(26,096)	(4,666)	(20,099)
Share of profit (loss) of associates and joint venture accounted for using equity method	6(6)	(880)	(3,850)	855	3,683
Gains(losses) on disposal of property, plant and equipment	6(20)	26	114	(39)	(168)
Gains(losses) from lease modifications	6(8)(20)	(5)	(22)	60	258
Changes in operating assets and liabilities relating to operating activities					
Changes in operating assets					
Financial assets and liabilities at fair value through profit or loss		836	3,657	821	3,537
Notes receivable		(6)	(26)	(4)	(17)
Accounts receivable		386	1,689	(38)	(164)
Accounts receivable - related parties		418	1,829	(21)	(90)
Other receivables		(15,722)	(68,781)	751	3,235
Other receivables - related parties		(8)	(35)	(4)	(17)
Inventories		5,862	25,645	(14,714)	(63,383)
Prepayments		43	188	(10,593)	(45,631)
Changes in operating liabilities					
Contract liabilities		18,264	79,901	10,264	44,214
Accounts payable		931	4,073	5,731	24,687
Accounts payable - related parties		2,199	9,620	2,080	8,960
Other payables		(22,562)	(98,704)	(40,465)	(174,311)
Other payables - related parties		178	779	(737)	(3,175)
Guarantee deposits		8,478	37,090	(1,672)	(7,202)
Cash provided by operating activities		120,465	527,011	18,786	80,925
Interest paid		(2,196)	(9,607)	(4,056)	(17,472)
Income tax paid		(29,807)	(130,400)	(34,728)	(149,598)
Net cash provided by (used in) operating activities		88,462	387,004	(19,998)	(86,145)

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CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of dollars)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31, 2021		Three months ended March 31, 2020	
		CNY	TWD	CNY	TWD
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Acquisition of financial assets at amortised cost		(\$ 1,750)	(\$ 7,656)	\$ -	\$ -
Decrease in other current assets		-	-	123	530
Increase in investments accounted for using equity method		-	-	(23,574)	(100,000)
Acquisition of property, plant and equipment	6(7)	(2,275)	(9,953)	(6,253)	(26,935)
Proceeds from disposal of property, plant and equipment		-	-	47	202
Acquisition of intangible assets	6(9)	-	-	(36)	(155)
Proceeds from disposal of intangible assets	6(9)	138	604	-	-
Decrease in other non-current assets		1,003	4,388	188	810
Interest received		4,411	19,297	4,049	17,442
Net cash provided by (used in) investing activities		<u>1,527</u>	<u>6,680</u>	<u>(25,456)</u>	<u>(108,106)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Repayment of the principal portion of lease liabilities	6(25)	(8,410)	(36,792)	(7,440)	(32,049)
(Decrease) increase in short-term borrowings	6(25)	(1,313)	(5,743)	314	1,351
Proceeds from long-term borrowings	6(25)	1,295	5,665	-	-
Purchase of treasury stocks		-	-	(8,798)	(37,436)
Net cash flows used in financing activities		<u>(8,428)</u>	<u>(36,870)</u>	<u>(15,924)</u>	<u>(68,134)</u>
Effects due to changes in exchange rates		1,731	(35,313)	7,324	(30,988)
Increase (decrease) in cash and cash equivalents		83,292	321,501	(54,054)	(293,373)
Cash and cash equivalents at beginning of period		1,221,784	5,347,749	1,267,476	5,456,484
Cash and cash equivalents at end of period		<u>\$ 1,305,076</u>	<u>\$ 5,669,250</u>	<u>\$ 1,213,422</u>	<u>\$ 5,163,111</u>

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2021 AND 2020

(Expressed in thousands of CNY dollars, except as otherwise indicated)

(REVIEWED, NOT AUDITED)

1. HISTORY AND ORGANISATION

Chlitina Holding Limited (the “Company”) was incorporated in the Cayman Islands on July 3, 2012, as a company limited by shares in accordance with Article 22 of the Company Act of the Cayman Islands. In order to issue the Company’s common stock in the Taiwan Stock Exchange, the subsidiaries were reorganised by share exchange. The Company is a holding company which is not subject to corporate income tax under the local laws and has limited liability. The Company and its subsidiaries (collectively referred herein as the “Group”) are mainly engaged in the development, manufacture and sale of cosmetics. On November 27, 2013, the Company was approved and listed on the Taiwan Stock Exchange.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were reported to the Board of Directors on May 11, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021 (Note)

Note: Earlier application from January 1, 2021 is allowed by the FSC.

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

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

None.

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

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2020, except for the compliance statement, basis of preparation, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Accounting Standard 34, ‘Interim financial reporting’ as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
- (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
Basis for preparation of these consolidated financial statements is the same as that for the preparation of the consolidated financial statements as of and for the year ended December 31, 2020.
- B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
The Company	Chlitina Group Limited (Chlitina Group)	Investing	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
Chlitina Group	Chlitina International Limited (Chlitina International)	Investing	100.00	100.00	100.00	
Chlitina Group	Chlitina Intelligence Limited (Chlitina Intelligence)	Investing and research and development	100.00	100.00	100.00	Note 1
Chlitina Group	W-Amber International Limited (W-Amber International)	Investing	100.00	100.00	100.00	
Chlitina Group	W-Champion International Limited (W-Champion International)	Investing	100.00	100.00	100.00	
Chlitina Group	C-Asia International Limited (C-Asia International)	Investing	100.00	100.00	100.00	
Chlitina International	Hong Kong Chlitina International Limited (Hong Kong Chlitina)	Investing and trading of skincare products	100.00	100.00	100.00	
Chlitina International	Chlitina Marketing Limited (Chlitina Marketing)	Investing and trading of skincare products	100.00	100.00	100.00	Note 2
Chlitina International	Centre de Recherche et de Developpement de CHLITINA FRANCE EURL (Chlitina France EURL)	Research and development center	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
Hong Kong Chlitina	Chlitina (China) Trade Limited (Chlitina China)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong Chlitina	Weishuo (Shanghai) Daily Product Limited (Weishuo)	Production and trading of skincare products	100.00	100.00	100.00	
Hong Kong Chlitina	Yong Li Trading Company Limited (Yong Li)	Dealer of skincare products	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong W-Amber International Limited (Hong Kong W-Amber)	Investing	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong W-Champion International Limited (Hong Kong W-Champion)	Investing	100.00	100.00	100.00	
Hong Kong Chlitina	Hong Kong Crystal Asia International Limited (Hong Kong Crystal Asia)	Investing	100.00	100.00	100.00	
Hong Kong Chlitina	Hua Pao Sdn. Bhd. (Hua Pao)	Dealer of skincare products	100.00	100.00	100.00	
Hong Kong Chlitina	PT PINING BEAUTY INDONESIA(PINING)	Importing trade goods and management consulting	100.00	-	-	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
Hong Kong Chlitina	Hong Kong Jing Tai International Investment Limited (Hong Kong Jing Tai)	Investment consulting and general trade	100.00	-	-	
Hong Kong W-Amber	Weihu (Shanghai) Trade Limited (Weihu Shanghai)	Investing, dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong W-Amber	Crystal Asia (Shanghai) Limited (Crystal Asia Shanghai)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong W-Amber	Hong Kong Crystal International Services Limited (Hong Kong Crystal International)	Investing, dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Hong Kong Crystal Asia	Cui Jie (Shanghai) Trading Co. Ltd. (Cui Jie Shanhai)	Dealer of health food and daily necessities	100.00	100.00	100.00	
Hong Kong W-Champion	Wuguan (Shanghai) Trade Limited (Wuguan Shanghai)	Dealer of skincare products and supplementary health care products	100.00	100.00	100.00	
Chlitina China	Shanghai Zhe Mei Technology Training Co., Ltd. (Shanghai Zhe Mei)	Cosmetology training services	100.00	100.00	100.00	
Shanghai Li Shuo	He Deng Clinic (Shanghai) Co., Ltd. (He Deng Shanghai)	Dealer of general practice	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
Weihu Shanghai	Shanghai Yuanshuo Management Consulting Limited (Shanghai Yuanshuo)	Enterprise management consulting and investing	100.00	100.00	100.00	
Shanghai Yuanshuo	Beijing YaPulide Medical Beauty Treatment Clinic Co., Ltd. (Beijing YaPulide)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd. (Shanghai Yapu)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Shanghai Lunxin Medical Beauty Clinic Co., Ltd. (Shanghai Lunxin)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd. (Nanjing Yapu Lide)	Medical cosmetology services	100.00	100.00	100.00	
Shanghai Yuanshuo	Jinghe Clinic (Nanjing) Co., Ltd. (Nanjing Jinghe)	Dealer of general practice and foods	100.00	100.00	100.00	
W-Amber International	W-Amber Marketing Limited (W-Amber Marketing)	Investing	100.00	100.00	100.00	
Crystal Asia Shanghai	Li Shuo Biotechnology (Shanghai) Co., Ltd. (Shanghai Li Shuo)	Enterprise management consulting and investing	100.00	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			March 31, 2021	December 31, 2020	March 31, 2020	
W-Champion International	W-Champion Marketing Limited (W-Champion Marketing)	Investing	100.00	100.00	100.00	
Yong Li	Vinh Le Company Limited (Vinh Le)	Dealer of skincare products	100.00	100.00	-	Note 3

Note 1: Chlitina Intelligence established British Virgin Is. Chlitina Intelligence Limited Taiwan Branch (Chlitina Intelligence Taiwan Branch) which is primarily engaged in the management of intellectual property and functions as a research and development center.

Note 2: Chlitina Marketing established British Virgin Is. Chlitina Marketing Limited Taiwan Branch (Chlitina Marketing Taiwan Branch) which is primarily engaged in the trading of skincare products.

Note 3: Yong Li holds a 100% equity interest in Vinh Le through the name of other individuals due to the restriction of local regulations, and has 100% substantial control over the investee.

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

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

E. Significant restrictions: None.

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

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Both of the Company's functional and presentation currency are TWD, however, the functional currency of the significant operating components of the Group is CNY, thus the consolidated financial statements are presented in CNY.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- (c) All resulting exchange differences are recognised in other comprehensive income.

C. On March 31, 2021 and 2020, the spot exchange rates of CNY to TWD were CNY \$1=TWD \$4.3440 and CNY \$1=TWD \$4.2550, respectively, and for the three months ended March 31, 2021 and 2020, the average exchange rates of CNY to TWD were CNY \$1=TWD \$4.3748 and CNY \$1=TWD \$4.3077, respectively. Additionally, on December 31, 2020, the spot exchange rate of CYN to TWD was CNY \$1=TWD \$4.3770.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There was no significant change in the reporting period. Please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2020.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Cash on hand	\$ 368	\$ 1,599	\$ 379	\$ 1,659	\$ 341	\$ 1,451
Check deposits and demand deposits	500,918	2,175,987	614,322	2,688,887	566,918	2,412,236
Time deposits	171,419	744,644	176,149	771,004	145,771	620,256
Cash equivalents	632,371	2,747,020	430,934	1,886,199	500,392	2,129,168
	<u>\$ 1,305,076</u>	<u>\$ 5,669,250</u>	<u>\$ 1,221,784</u>	<u>\$ 5,347,749</u>	<u>\$ 1,213,422</u>	<u>\$ 5,163,111</u>

A. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group's cash equivalents pertain to fixed rate financial instruments registered with the Shanghai Stock Exchange with maturities of 7 to 28 days.

B. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group's time deposits with maturity term of over three months amounted to CNY \$113,750 (TWD \$494,130), CNY \$112,000 (TWD \$490,224) and CNY \$1 (TWD \$4), respectively, which were reclassified as financial assets at amortised cost.

C. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

D. The Group has no cash and cash equivalents pledged to others.

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

Items	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Non-current items:						
Financial assets mandatorily measured at fair value through profit or loss						
Unlisted stocks	<u>\$ 21,762</u>	<u>\$ 94,534</u>	<u>\$ 21,618</u>	<u>\$ 94,622</u>	<u>\$ -</u>	<u>\$ -</u>

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss for the three months ended March 31, 2021 and 2020 are listed below:

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Financial assets mandatorily measured at fair value through profit or loss				
Beneficiary certificates	\$ 836	\$ 3,657	\$ 821	\$ 3,537
Unlisted stocks	-	-	-	-
	<u>\$ 836</u>	<u>\$ 3,657</u>	<u>\$ 821</u>	<u>\$ 3,537</u>

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Financial assets at amortised cost

Items	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Current items:						
Time deposits with maturity term of over three months	<u>\$ 1,750</u>	<u>\$ 7,602</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 4</u>
Non-current items:						
Time deposits with maturity over one year	<u>\$ 112,000</u>	<u>\$ 486,528</u>	<u>\$ 112,000</u>	<u>\$ 490,224</u>	<u>\$ -</u>	<u>\$ -</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Interest income	<u>\$ 839</u>	<u>\$ 3,670</u>	<u>\$ -</u>	<u>\$ -</u>

B. As at March 31, 2021, December 31, 2020 and March 31, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group were CNY \$113,750 (TWD \$494,130), CNY \$112,000 (TWD \$490,224) and CNY \$1 (TWD \$4), respectively.

C. The Group has no financial assets at amortised cost pledged to others as collateral.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(4) Accounts receivable

	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Accounts receivable	\$ 406	\$ 1,764	\$ 792	\$ 3,467	\$ 96	\$ 408
Accounts receivable -related parties	84	366	502	2,195	184	783
	<u>\$ 490</u>	<u>\$ 2,130</u>	<u>\$ 1,294</u>	<u>\$ 5,662</u>	<u>\$ 280</u>	<u>\$ 1,191</u>

A. As of March 31, 2021, December 31, 2020 and March 31, 2020, all the Group's accounts receivable arose from contracts with customers. In addition, on January 1, 2020, accounts receivable arising from contracts with customers amounted to CNY \$221 (TWD \$954).

B. The Group does not hold any collateral as security and has no accounts receivable pledged to others.

C. As at March 31, 2021, December 31, 2020 and March 31, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's accounts receivable were CNY \$490 (TWD \$2,130), CNY \$1,294 (TWD \$5,662) and CNY \$280 (TWD \$1,191), respectively.

D. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

	March 31, 2021					
	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	\$ 62,337	\$ 270,792	(\$ 1,056)	(\$ 4,587)	\$ 61,281	\$ 266,205
Work in progress	17,570	76,324	(1,706)	(7,412)	15,864	68,912
Raw materials	26,096	113,361	(2,321)	(10,082)	23,775	103,279
	<u>\$ 106,003</u>	<u>\$ 460,477</u>	<u>(\$ 5,083)</u>	<u>(\$ 22,081)</u>	<u>\$ 100,920</u>	<u>\$ 438,396</u>

	December 31, 2020					
	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	\$ 60,341	\$ 264,113	(\$ 1,428)	(\$ 6,250)	\$ 58,913	\$ 257,862
Work in progress	18,043	78,974	(1,700)	(7,441)	16,343	71,533
Raw materials	34,270	150,000	(2,744)	(12,010)	31,526	137,990
	<u>\$ 112,654</u>	<u>\$ 493,087</u>	<u>(\$ 5,872)</u>	<u>(\$ 25,701)</u>	<u>\$ 106,782</u>	<u>\$ 467,385</u>

	March 31, 2020					
	Cost		Allowance for inventory valuation losses		Book value	
	CNY	TWD	CNY	TWD	CNY	TWD
Finished goods	\$ 52,751	\$ 224,456	(\$ 363)	(\$ 1,545)	\$ 52,388	\$ 222,911
Work in progress	18,306	77,892	(1,470)	(6,255)	16,836	71,637
Raw materials	37,085	157,797	(2,725)	(11,595)	34,360	146,202
	<u>\$ 108,142</u>	<u>\$ 460,145</u>	<u>(\$ 4,558)</u>	<u>(\$ 19,395)</u>	<u>\$ 103,584</u>	<u>\$ 440,750</u>

A. For the three months ended March 31, 2021 and 2020, the cost of inventories recognised as expenses are as follows:

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Cost of goods sold	\$ 40,638	\$ 177,784	\$ 27,043	\$ 116,493
(Gain on reversal of) loss on decline in market value	(782)	(3,421)	716	3,084
	<u>\$ 39,856</u>	<u>\$ 174,363</u>	<u>\$ 27,759</u>	<u>\$ 119,577</u>

B. The Group reversed a previous inventory write-down because obsolete and slow-moving inventories were actively sold by the Group during the three months ended March 31, 2021.

C. The Group has no inventories pledged to others.

(6) Investments accounted for using equity method

	<u>March 31, 2021</u>		<u>December 31, 2020</u>		<u>March 31, 2020</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Associates						
General						
Biologicals						
Corp.	\$ 48,105	\$ 208,968	\$ 46,881	\$ 205,198	\$ 23,319	\$ 99,222
Shanghai						
Zhongye Trade						
Co., Ltd.	<u>2,461</u>	<u>10,691</u>	<u>2,943</u>	<u>12,882</u>	<u>3,943</u>	<u>16,778</u>
	<u>\$ 50,566</u>	<u>\$ 219,659</u>	<u>\$ 49,824</u>	<u>\$ 218,080</u>	<u>\$ 27,262</u>	<u>\$ 116,000</u>

A. Associates using the equity method are all individually immaterial and the Group's share of the operating results are summarised below:

	<u>Three months ended March 31</u>			
	<u>2021</u>		<u>2020</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Profit (loss) for the period	\$ 880	\$ 3,850	(\$ 855)	(\$ 3,683)
Other comprehensive loss	(2,634)	(11,524)	-	-
Total comprehensive loss for the period	<u>(\$ 1,754)</u>	<u>(\$ 7,674)</u>	<u>(\$ 855)</u>	<u>(\$ 3,683)</u>

B. The Group has no investments accounted for using the equity method pledged to others.

C. The Group's associate, General Biologicals Corp., has quoted market prices. As of March 31, 2021, the fair value was CNY \$107,861 (TWD \$468,549).

D. The Group is the single largest shareholder of General Biologicals Corp. with a 19.71% equity interest. Given the participation extent of other shareholders in the previous shareholders' meeting and the record of voting shares on significant issues, which indicates that the Group has no current ability to direct the relevant activities of General Biologicals Corp., the Group has no control, but only has significant influence, over the investee

(7) Property, plant and equipment

(In thousands of CNY)

2021

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 24,148	\$ 294,166	\$ 5,864	\$ 16,170	\$ 134,711	\$ 4,089	\$ 479,148
Accumulated depreciation and impairment	-	(83,666)	(4,609)	(9,130)	(67,287)	-	(164,692)
	<u>\$ 24,148</u>	<u>\$ 210,500</u>	<u>\$ 1,255</u>	<u>\$ 7,040</u>	<u>\$ 67,424</u>	<u>\$ 4,089</u>	<u>\$ 314,456</u>
Balance at January 1	\$ 24,148	\$ 210,500	\$ 1,255	\$ 7,040	\$ 67,424	\$ 4,089	\$ 314,456
Additions	-	-	529	-	1,219	527	2,275
Disposals	-	-	-	(2)	(24)	-	(26)
Reclassifications	-	-	1,219	-	1,013	(1,931)	301
Depreciation charge	-	(3,339)	(157)	(298)	(4,569)	-	(8,363)
Net exchange differences	183	1	2	-	81	-	267
Balance at March 31	<u>\$ 24,331</u>	<u>\$ 207,162</u>	<u>\$ 2,848</u>	<u>\$ 6,740</u>	<u>\$ 65,144</u>	<u>\$ 2,685</u>	<u>\$ 308,910</u>
<u>At March 31</u>							
Cost	24,331	294,166	7,618	16,159	136,627	2,685	481,586
Accumulated depreciation and impairment	-	(87,004)	(4,770)	(9,419)	(71,483)	-	(172,676)
	<u>\$ 24,331</u>	<u>\$ 207,162</u>	<u>\$ 2,848</u>	<u>\$ 6,740</u>	<u>\$ 65,144</u>	<u>\$ 2,685</u>	<u>\$ 308,910</u>

(In thousands of CNY)

2020

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 24,552	\$ 294,166	\$ 5,975	\$ 16,107	\$ 108,668	\$ 4,299	\$ 453,767
Accumulated depreciation and impairment	-	(70,311)	(4,411)	(7,919)	(53,421)	-	(136,062)
	<u>\$ 24,552</u>	<u>\$ 223,855</u>	<u>\$ 1,564</u>	<u>\$ 8,188</u>	<u>\$ 55,247</u>	<u>\$ 4,299</u>	<u>\$ 317,705</u>
Balance at January 1	\$ 24,552	\$ 223,855	\$ 1,564	\$ 8,188	\$ 55,247	\$ 4,299	\$ 317,705
Additions	-	-	-	11	5,737	505	6,253
Disposals	-	-	-	-	(8)	-	(8)
Reclassifications	-	-	-	-	9,883	(4,055)	5,828
Depreciation charge	-	(3,339)	(79)	(309)	(3,371)	-	(7,098)
Net exchange differences	288	-	5	-	329	(226)	396
Balance at March 31	<u>\$ 24,840</u>	<u>\$ 220,516</u>	<u>\$ 1,490</u>	<u>\$ 7,890</u>	<u>\$ 67,817</u>	<u>\$ 523</u>	<u>\$ 323,076</u>
<u>At March 31</u>							
Cost	\$ 24,840	\$ 294,166	\$ 5,985	\$ 16,118	\$ 124,325	\$ 523	\$ 465,957
Accumulated depreciation and impairment	-	(73,650)	(4,495)	(8,228)	(56,508)	-	(142,881)
	<u>\$ 24,840</u>	<u>\$ 220,516</u>	<u>\$ 1,490</u>	<u>\$ 7,890</u>	<u>\$ 67,817</u>	<u>\$ 523</u>	<u>\$ 323,076</u>

(In thousands of TWD)

2021

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 105,696	\$ 1,287,565	\$ 25,667	\$ 70,776	\$ 589,630	\$ 17,898	\$ 2,097,232
Accumulated depreciation and impairment	-	(366,206)	(20,174)	(39,962)	(294,516)	-	(720,858)
	<u>\$ 105,696</u>	<u>\$ 921,359</u>	<u>\$ 5,493</u>	<u>\$ 30,814</u>	<u>\$ 295,114</u>	<u>\$ 17,898</u>	<u>\$ 1,376,374</u>
Balance at January 1	105,696	921,359	5,493	30,814	295,114	17,898	1,376,374
Additions	-	-	2,314	-	5,333	2,306	9,953
Disposals	-	-	-	(9)	(105)	-	(114)
Reclassifications	-	-	5,333	-	4,432	(8,448)	1,317
Depreciation charge	-	(14,607)	(687)	(1,304)	(19,988)	-	(36,586)
Net exchange differences	(2)	(6,840)	(81)	(223)	(1,801)	(92)	(9,039)
Balance at March 31	<u>\$ 105,694</u>	<u>\$ 899,912</u>	<u>\$ 12,372</u>	<u>\$ 29,278</u>	<u>\$ 282,985</u>	<u>\$ 11,664</u>	<u>\$ 1,341,905</u>
<u>At March 31</u>							
Cost	105,694	1,277,857	33,093	70,195	593,507	11,664	2,092,010
Accumulated depreciation and impairment	-	(377,945)	(20,721)	(40,917)	(310,522)	-	(750,105)
	<u>\$ 105,694</u>	<u>\$ 899,912</u>	<u>\$ 12,372</u>	<u>\$ 29,278</u>	<u>\$ 282,985</u>	<u>\$ 11,664</u>	<u>\$ 1,341,905</u>

(In thousands of TWD)

2020

	Land	Buildings and structures	Transportation equipment	Machinery equipment	Office and other equipment	Construction in progress and equipment to be inspected	Total
<u>At January 1</u>							
Cost	\$ 105,696	\$ 1,266,385	\$ 25,722	\$ 69,341	\$ 467,816	\$ 18,507	\$ 1,953,467
Accumulated depreciation and impairment	-	(302,689)	(18,989)	(34,092)	(229,977)	-	(585,747)
	<u>\$ 105,696</u>	<u>\$ 963,696</u>	<u>\$ 6,733</u>	<u>\$ 35,249</u>	<u>\$ 237,839</u>	<u>\$ 18,507</u>	<u>\$ 1,367,720</u>
Balance at January 1	\$ 105,696	\$ 963,696	\$ 6,733	\$ 35,249	\$ 237,839	\$ 18,507	\$ 1,367,720
Additions	-	-	-	47	24,713	2,175	26,935
Disposals	-	-	-	-	(34)	-	(34)
Reclassifications	-	-	-	-	42,573	(17,468)	25,105
Depreciation charge	-	(14,383)	(340)	(1,331)	(14,521)	-	(30,575)
Net exchange differences	(2)	(11,017)	(53)	(393)	(2,009)	(989)	(14,463)
Balance at March 31	<u>\$ 105,694</u>	<u>\$ 938,296</u>	<u>\$ 6,340</u>	<u>\$ 33,572</u>	<u>\$ 288,561</u>	<u>\$ 2,225</u>	<u>\$ 1,374,688</u>
<u>At March 31</u>							
Cost	105,694	1,251,676	25,466	68,582	529,003	2,225	1,982,646
Accumulated depreciation and impairment	-	(313,380)	(19,126)	(35,010)	(240,442)	-	(607,958)
	<u>\$ 105,694</u>	<u>\$ 938,296</u>	<u>\$ 6,340</u>	<u>\$ 33,572</u>	<u>\$ 288,561</u>	<u>\$ 2,225</u>	<u>\$ 1,374,688</u>

A. The aforementioned property, plant and equipment are all for the Group's own use.

B. The Group has no property, plant and equipment pledged to others.

(8) Leasing arrangements - lessee

A. The Group leases various assets including buildings and office equipment. Rental contracts are typically made for periods of 1 to 14 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise parking lots. Low-value assets comprise copying machines.

C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	<u>March 31, 2021</u>		<u>December 31, 2020</u>		<u>March 31, 2020</u>	
	Carrying amount		Carrying amount		Carrying amount	
	CNY	TWD	CNY	TWD	CNY	TWD
Buildings	\$ 122,426	\$ 531,819	\$ 131,509	\$ 575,615	\$ 107,018	\$ 455,361
Office equipment	8	34	10	44	14	60
	<u>\$ 122,434</u>	<u>\$ 531,853</u>	<u>\$ 131,519</u>	<u>\$ 575,659</u>	<u>\$ 107,032</u>	<u>\$ 455,421</u>

	<u>Three months ended March 31</u>			
	2021		2020	
	Depreciation charge		Depreciation charge	
	CNY	TWD	CNY	TWD
Buildings	\$ 8,817	\$ 38,573	\$ 7,823	\$ 33,699
Office equipment	1	4	1	4
	<u>\$ 8,818</u>	<u>\$ 38,577</u>	<u>\$ 7,824</u>	<u>\$ 33,703</u>

D. For the three months ended March 31, 2021 and 2020, the additions to right-of-use assets were CNY \$324 (TWD \$1,417) and CNY \$6,280 (TWD \$27,052), respectively.

E. Information on income and expense relating to lease contracts is as follows:

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
<u>Items affecting profit or loss</u>				
Interest expense on lease liabilities	\$ 1,003	\$ 4,388	\$ 1,001	\$ 4,312
Expense on short-term lease contracts	372	1,627	442	1,904
Expense on leases of low-value assets	1	4	1	4
Losses (gains) from lease modification	5	22	(60)	(258)

F. For the three months ended March 31, 2021 and 2020, the Group's total cash outflow for leases were CNY \$9,786 (TWD \$42,811) and CNY \$8,884 (TWD \$38,269), respectively.

(9) Intangible assets

	2021									
	Goodwill		Licences		Software		Others		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1										
Cost	\$ 3,213	\$ 14,063	\$ 10,162	\$ 44,479	\$ 28,785	\$ 125,992	\$ 9,372	\$ 41,021	\$ 51,532	\$ 225,555
Accumulated amortisation and impairment	-	-	(1,936)	(8,474)	(25,457)	(111,425)	(6,138)	(26,866)	(33,531)	(146,765)
	<u>\$ 3,213</u>	<u>\$ 14,063</u>	<u>\$ 8,226</u>	<u>\$ 36,005</u>	<u>\$ 3,328</u>	<u>\$ 14,567</u>	<u>\$ 3,234</u>	<u>\$ 14,155</u>	<u>\$ 18,001</u>	<u>\$ 78,790</u>
Balance at January 1	\$ 3,213	\$ 14,063	\$ 8,226	\$ 36,005	\$ 3,328	\$ 14,567	\$ 3,234	\$ 14,155	\$ 18,001	\$ 78,790
Disposal	-	-	-	-	(138)	(604)	-	-	(138)	(604)
Amortisation charge	-	-	(180)	(787)	(569)	(2,489)	(97)	(424)	(846)	(3,700)
Net exchange differences	-	(106)	-	(266)	-	(88)	9	(65)	9	(525)
Balance at March 31	<u>\$ 3,213</u>	<u>\$ 13,957</u>	<u>\$ 8,046</u>	<u>\$ 34,952</u>	<u>\$ 2,621</u>	<u>\$ 11,386</u>	<u>\$ 3,146</u>	<u>\$ 13,666</u>	<u>\$ 17,026</u>	<u>\$ 73,961</u>
At March 31										
Cost	\$ 3,213	\$ 13,957	\$ 10,162	\$ 44,144	\$ 28,647	\$ 124,443	\$ 9,418	\$ 40,912	\$ 51,440	\$ 223,456
Accumulated amortisation and impairment	-	-	(2,116)	(9,192)	(26,026)	(113,057)	(6,272)	(27,246)	(34,414)	(149,495)
	<u>\$ 3,213</u>	<u>\$ 13,957</u>	<u>\$ 8,046</u>	<u>\$ 34,952</u>	<u>\$ 2,621</u>	<u>\$ 11,386</u>	<u>\$ 3,146</u>	<u>\$ 13,666</u>	<u>\$ 17,026</u>	<u>\$ 73,961</u>

	2020									
	Goodwill		Licences		Software		Others		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1										
Cost	\$ 3,213	\$ 13,832	\$ 10,162	\$ 43,748	\$ 31,171	\$ 134,191	\$ 6,677	\$ 28,744	\$ 51,223	\$ 220,515
Accumulated amortisation and impairment	-	-	(1,216)	(5,235)	(22,186)	(95,510)	(4,733)	(20,376)	(28,135)	(121,121)
	<u>\$ 3,213</u>	<u>\$ 13,832</u>	<u>\$ 8,946</u>	<u>\$ 38,513</u>	<u>\$ 8,985</u>	<u>\$ 38,681</u>	<u>\$ 1,944</u>	<u>\$ 8,368</u>	<u>\$ 23,088</u>	<u>\$ 99,394</u>
Balance at January 1	\$ 3,213	\$ 13,832	\$ 8,946	\$ 38,513	\$ 8,985	\$ 38,681	\$ 1,944	\$ 8,368	\$ 23,088	\$ 99,394
Additions - acquired separately	-	-	-	-	36	155	-	-	36	155
Amortisation charge	-	-	(180)	(775)	(765)	(3,295)	(188)	(810)	(1,133)	(4,880)
Net exchange differences	-	(161)	-	(439)	-	(411)	25	20	25	(991)
Balance at March 31	<u>\$ 3,213</u>	<u>\$ 13,671</u>	<u>\$ 8,766</u>	<u>\$ 37,299</u>	<u>\$ 8,256</u>	<u>\$ 35,130</u>	<u>\$ 1,781</u>	<u>\$ 7,578</u>	<u>\$ 22,016</u>	<u>\$ 93,678</u>
At March 31										
Cost	\$ 3,213	\$ 13,671	\$ 10,162	\$ 43,239	\$ 31,207	\$ 132,786	\$ 6,756	\$ 28,747	\$ 51,338	\$ 218,443
Accumulated amortisation and impairment	-	-	(1,396)	(5,940)	(22,951)	(97,657)	(4,975)	(21,168)	(29,322)	(124,765)
	<u>\$ 3,213</u>	<u>\$ 13,671</u>	<u>\$ 8,766</u>	<u>\$ 37,299</u>	<u>\$ 8,256</u>	<u>\$ 35,129</u>	<u>\$ 1,781</u>	<u>\$ 7,579</u>	<u>\$ 22,016</u>	<u>\$ 93,678</u>

- A. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management.
- B. Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risk relating to the relevant operating segments.

(10) Short-term borrowings

Type of borrowings	March 31, 2021		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Unsecured borrowings	<u>\$ 151,083</u>	<u>\$ 656,305</u>	1.04%~1.22%	-
Type of borrowings	December 31, 2020		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Unsecured borrowings	<u>\$ 150,956</u>	<u>\$ 660,734</u>	1.03%~1.23%	-
Type of borrowings	March 31, 2020		Interest rate range	Collateral
	CNY	TWD		
Bank borrowings				
Unsecured borrowings	<u>\$ 396,020</u>	<u>\$ 1,685,065</u>	2.56%~2.90%	-

- A. The Group recognised interest expense in profit or loss for the three months ended March 31, 2021 and 2020, from long-term and short-term borrowings, amounting to CNY \$1,152 (TWD \$5,040) and CNY \$2,965 (TWD \$12,772), respectively.
- B. The bank borrowing agreement specifies that the consolidated financial statements of the Group need to meet the criteria as agreed. During the period of the borrowings, the loan needs to be reviewed and maintained quarterly and semiannually and the bank will audit the covenants at any time when necessary. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group has not violated any of the loan covenants in the borrowing agreement.

(11) Other payables

	<u>March 31, 2021</u>		<u>December 31, 2020</u>		<u>March 31, 2020</u>	
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
Wages and salaries payable	\$ 10,678	\$ 46,385	\$ 29,615	\$ 129,625	\$ 11,651	\$ 49,575
Tax payable	55,179	239,698	45,718	200,108	8,350	35,529
Others	90,089	391,346	103,216	451,776	64,646	275,069
	<u>\$ 155,946</u>	<u>\$ 677,429</u>	<u>\$ 178,549</u>	<u>\$ 781,509</u>	<u>\$ 84,647</u>	<u>\$ 360,173</u>

(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate</u>	<u>Collateral</u>	<u>March 31, 2021</u>	
				<u>CNY</u>	<u>TWD</u>
Unsecured borrowings					
CTBC BANK	Borrowing period is from November 19, 2019 to August 19, 2021; interest is payable monthly; principal is payable at maturity	0.95%~ 0.98%	None	\$ 59,119	\$ 256,815
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 14, 2020 to September 3, 2022; interest is payable monthly; principal is payable at maturity	0.75%~ 0.78%	None	130,063	564,993

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2021	
				CNY	TWD
Unsecured borrowings					
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 26, 2020 to September 3, 2022; interest is payable monthly; principal is payable at maturity	0.74%~ 0.78%	None	\$ 65,688	\$ 285,350
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from March 29, 2021 to September 3, 2022; interest is payable monthly; principal is payable at maturity	0.74%	None	1,314	5,707
Fubon Bank	Borrowing period is from August 12, 2020 to February 13, 2022; interest is payable monthly; principal is payable at maturity	0.92%~ 0.98%	None	91,964	399,490
Fubon Bank	Borrowing period is from October 5, 2020 to February 13, 2022; interest is payable monthly; principal is payable at maturity	0.92%~ 0.98%	None	6,569	28,535
Less: Current portion				(157,652)	(684,840)
				<u>\$ 197,065</u>	<u>\$ 856,050</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2020	
				CNY	TWD
Unsecured borrowings					
CTBC BANK	Borrowing period is from November 19, 2019 to August 19, 2021; interest is payable monthly; principal is payable at maturity	0.95%~ 0.98%	None	\$ 58,561	\$ 256,321
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 14, 2020 to September 3, 2022; interest is payable monthly; principal is payable at maturity	0.78%~ 0.81%	None	128,834	563,904
Taiwan Shin Kong Commercial Bank Co., Ltd.	Borrowing period is from August 26, 2020 to September 3, 2022; interest is payable monthly; principal is payable at maturity	0.78%	None	65,067	284,800
Fubon Bank	Borrowing period is from August 12, 2020 to February 13, 2022; interest is payable monthly; principal is payable at maturity	0.92%~ 1.00%	None	91,094	398,720
Fubon Bank	Borrowing period is from October 5, 2020 to February 13, 2022; interest is payable monthly; principal is payable at maturity	0.98%	None	6,507	28,480
Less: Current portion				(58,561)	(256,321)
				<u>\$ 291,502</u>	<u>\$ 1,275,904</u>

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	March 31, 2020	
				CNY	TWD
Unsecured borrowings					
CTBC BANK	Borrowing period is from November 19, 2019 to August 19, 2021; interest is payable monthly; principal is payable at maturity	2.42%~ 2.48%	None	\$ 63,931	\$ 272,026
Less: Current portion				-	-
				<u>\$ 63,931</u>	<u>\$ 272,026</u>

The bank borrowing agreement specifies that the Group is required to meet certain criteria based on its consolidated financial statements. During the period of the borrowings, the loans need to be reviewed and maintained quarterly and semiannually and the bank will audit the covenants at any time when necessary. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group has not violated any of the loan covenants in the borrowing agreement.

(13) Pensions

- A. (a) Taiwan branches have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. For employees eligible under the Labor Standards Law, pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement.
- (b) No pension cost was recognised under the defined benefit pension plan of the Group for the three months ended March 31, 2021 and 2020.
- B. (a) Effective July 1, 2005, Taiwan branches established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, Taiwan branches contribute monthly an amount based on not less than 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (b) The subsidiaries in Mainland China have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on a certain percentage of the employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations. The details of the defined contribution plans are as follows:

<u>Administration</u>	<u>Beneficiary</u>	<u>Pension appropriation</u>
Each municipal government in Mainland China	Employees of all subsidiaries in Mainland China	16%

- (c) The subsidiary-Hong Kong Chlitina established a compulsory pension program, which allocates a fixed amount of money for pension benefit, and is managed by an independent trustee based on Hong Kong Employee Act. In addition, according to the regulations of that program, both the employer and the employee have to contribute 5% of the employees' salary. From June 2014, the maximum relevant salary per month increased from HKD \$25,000 to HKD \$30,000. Other than the monthly contributions, the Group has no further obligations.
- (d) The pension costs under the defined contribution pension plans of the Group for the three months ended March 31, 2021 and 2020 were CNY \$3,436 (TWD \$15,032) and CNY \$3,199 (TWD \$13,781), respectively.

(14) Share capital

- A. As of March 31, 2021, the Company's authorized capital was TWD \$2,000,000, and the paid-in capital was CNY \$161,772 (TWD \$794,924), consisting of 79,492 thousand shares of ordinary stock, with a par value of TWD \$10 (in dollars) per share. All proceeds from shares issued have been collected.
- B. Movements in the number of the Company's ordinary shares (thousand shares) outstanding are as follows:

	<u>2021</u>	<u>2020</u>
At January 1	79,492	79,492
Purchase of treasury shares	-	(231)
At March 31	<u>79,492</u>	<u>79,261</u>

- C. On September 28, 2020, the Board of Directors of the Company resolved to increase capital by issuing a maximum of 3,000 thousand new shares with a par value of TWD \$10 (in dollars) per share at a maximum total issuance amount of TWD \$30,000. The capital increase was approved by the Financial Supervisory Commission on November 17, 2020.
- D. On September 28, 2020, the Board of Directors of the Company resolved to issue the second-time domestic unsecured convertible bonds of TWD \$1,000,000 at face value of 100%~100.5% with the coupon rate at 0%, with a par value of TWD \$100 per share. The bonds mature 3 years from the issue date. The issuance was approved by the Financial Supervisory Commission on November 17, 2020.

E. The chairman was authorised by the Board of Directors and under the approval of the Financial Supervisory Commission to extend the raising period for the aforementioned capital increase and unsecured convertible bonds issuance for 3 months until May 16, 2021 to seek a better timing for the issuance and complete the capital raising successfully to protect the interests of shareholders and investors as the share price of the Company has fluctuated sharply due to external factors such as the COVID-19 pandemic and the progress of vaccine development since the application became effective.

(15) Capital surplus

A summary of the Company's capital surplus is as follows:

2021												
	Share premium		Employee stock options		Stock options		Others		Net change in equity of associates		Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 263,560	\$ 1,288,068	\$ 809	\$ 3,924	\$ 15	\$ 78	\$ 9,941	\$ 70,759	\$ 2,818	\$ 12,335	\$ 277,143	\$ 1,375,164
Recognition of change in equity of associates in proportion to the Group's ownership	-	-	-	-	-	-	-	-	(522)	(2,285)	(522)	(2,285)
At March 31	\$ 263,560	\$ 1,288,068	\$ 809	\$ 3,924	\$ 15	\$ 78	\$ 9,941	\$ 70,759	\$ 2,296	\$ 10,050	\$ 276,621	\$ 1,372,879

2020												
	Share premium		Employee stock options		Stock options		Others				Total	
	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
At January 1	\$ 263,560	\$ 1,288,068	\$ 809	\$ 3,924	\$ 15	\$ 78	\$ 7,408	\$ 59,862			\$ 271,792	\$ 1,351,932
Other changes in capital surplus	-	-	-	-	-	-	-	2			-	2
At March 31	\$ 263,560	\$ 1,288,068	\$ 809	\$ 3,924	\$ 15	\$ 78	\$ 7,408	\$ 59,864			\$ 271,792	\$ 1,351,934

(16) Retained earnings

A. The Company's Articles of Incorporation require that the Company's net earnings from the current year shall be used to offset prior years' deficit, pay income tax, provide 10% as legal reserve, and provide or reverse a special reserve in accordance with applicable laws. After the abovementioned appropriations, the distribution of the remaining earnings, if any, should be proposed by the Board of Directors and is subject to the stockholders' approval.

B. The Company's business cycle is in the constant growth stage. In consideration of the Company's future capital requirements, its long-term financial plan and shareholders' satisfaction as to cash inflow, the Company's Articles of Incorporation stipulate that the Board of Directors may propose 10% or more of the distributable earnings as dividends, of which at least 10% should be distributed as cash dividends. However, such distribution depends on the current earnings and the capital condition, and is subject to the approval of stockholders.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included

in the distributable earnings.

- D. The appropriations of earnings for 2020 and 2019 as proposed by the Board of Directors and resolved by the shareholders at their meetings on April 20, 2021 and June 5, 2020, respectively, are as follows:

	2020			2019		
	CNY	TWD	Dividends per share (New Taiwan dollars)	CNY	TWD	Dividends per share (New Taiwan dollars)
Special reserve	\$ -	\$ -		\$ 49,933	\$ 209,920	
Legal reserve	21,922	95,953		34,067	143,216	
Cash dividends	154,372	675,685	\$ 8.50	245,814	1,033,401	\$ 13.00
	<u>\$ 176,294</u>	<u>\$ 771,638</u>		<u>\$ 329,814</u>	<u>\$ 1,386,537</u>	

Note: The retained earnings appropriations in relevant amounts of CNY for 2020 were presented at spot exchange rates prevailing at the end of the financial reporting period.

- (a) The abovementioned 2020 earnings appropriation has not yet been approved by the stockholders.
- (b) Information on the earnings distribution as resolved at the meeting of Board of Directors and shareholders will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange
- E. On April 20, 2020, the Company’s Board of Directors proposed to reverse special reserve amounting to CNY \$17,519 (TWD \$76,680), but has not yet been approved by the stockholders.
- F. For the information relating to employees’ compensation and directors’ remuneration, please refer to Note 6(22).

(17) Operating revenue

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Revenue from contracts with customers	<u>\$ 253,310</u>	<u>\$ 1,108,178</u>	<u>\$ 152,095</u>	<u>\$ 655,179</u>

- A. Disaggregation of revenue from contracts with customers

The Group’s revenue is disaggregated in the following major product lines:

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Net sales of goods	\$ 241,957	\$ 1,058,511	\$ 148,863	\$ 641,257
Special affiliate income	3,111	13,610	1,885	8,120
Skincare service from company-operated salon and other income	8,242	36,057	1,347	5,802
	<u>\$ 253,310</u>	<u>\$ 1,108,178</u>	<u>\$ 152,095</u>	<u>\$ 655,179</u>

The Group derives revenue from the transfer of goods at a point in time.

B. Contract liabilities

(a) The Group has recognised the following revenue-related contract liabilities:

	March 31, 2021		December 31, 2020	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers	<u>\$ 100,471</u>	<u>\$ 436,446</u>	<u>\$ 82,207</u>	<u>\$ 359,820</u>

	March 31, 2020		January 1, 2020	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers	<u>\$ 66,271</u>	<u>\$ 281,983</u>	<u>\$ 56,007</u>	<u>\$ 241,110</u>

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Contract liabilities - advance sales receipts from customers at the beginning of the period	<u>\$ 64,944</u>	<u>\$ 282,117</u>	<u>\$ 48,201</u>	<u>\$ 207,635</u>

(18) Interest income

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Interest income from bank deposits	\$ 1,819	\$ 7,959	\$ 1,935	\$ 8,335
Interest income from financial assets measured at amortised cost	839	3,670	-	-
Other interest income	3,307	14,467	2,731	11,764
	<u>\$ 5,965</u>	<u>\$ 26,096</u>	<u>\$ 4,666</u>	<u>\$ 20,099</u>

(19) Other income

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Government grants revenue	\$ 14,177	\$ 62,022	\$ 25,234	\$ 108,701
Others	793	3,469	1,116	4,808
	<u>\$ 14,970</u>	<u>\$ 65,491</u>	<u>\$ 26,350</u>	<u>\$ 113,509</u>

(20) Other gains and losses

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
(Losses) gains on disposal of property, plant and equipment	(\$ 26)	(\$ 114)	\$ 39	\$ 168
Foreign exchange losses	(1,215)	(5,315)	(5,987)	(25,790)
Net gains on financial assets at fair value through profit or loss	836	3,657	821	3,537
Gains (losses) from lease modification	5	22	(60)	(258)
Depreciation expense - investment property	(248)	(1,086)	-	-
Other (losses) gains	(2)	(8)	193	830
	<u>(\$ 650)</u>	<u>(\$ 2,844)</u>	<u>(\$ 4,994)</u>	<u>(\$ 21,513)</u>

(21) Finance cost

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Interest expense - Bank borrowings	\$ 1,152	\$ 5,040	\$ 2,965	\$ 12,772
Interest expense - Lease liability	1,003	4,388	1,001	4,312
	<u>\$ 2,155</u>	<u>\$ 9,428</u>	<u>\$ 3,966</u>	<u>\$ 17,084</u>

(22) Employee benefit expense, depreciation and amortisation

	Three months ended March 31, 2021					
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 2,248	\$ 9,835	\$ 27,695	\$ 121,160	\$ 29,943	\$ 130,995
Labour and health insurance fees	100	437	2,504	10,954	2,604	11,391
Pension costs	127	556	3,309	14,476	3,436	15,032
Other employee benefit expense	56	245	2,328	10,185	2,384	10,430
Depreciation	546	2,389	16,635	72,774	17,181	75,163
Amortisation	146	639	700	3,061	846	3,700

	Three months ended March 31, 2020					
	Operating costs		Operating expenses		Total	
	CNY	TWD	CNY	TWD	CNY	TWD
Employee benefit expense						
Wages and salaries	\$ 2,228	\$ 9,598	\$ 26,737	\$ 115,175	\$ 28,965	\$ 124,773
Labour and health insurance fees	144	620	2,314	9,968	2,458	10,588
Pension costs	187	806	3,012	12,975	3,199	13,781
Other employee benefit expense	98	422	2,032	8,753	2,130	9,175
Depreciation	947	4,079	14,224	61,273	15,171	65,352
Amortisation	-	-	1,133	4,880	1,133	4,880

A. In accordance with the Company’s Articles of Incorporation, the Company should distribute 1%~5% of the profit as employees’ compensation and less than 3% as directors’ remuneration when there is profit for the year. However, if the Company has accumulated deficit, the profit should be reserved to offset the deficit. Employees entitled to receive the abovementioned employees’ compensation, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirements.

B. For the three months ended March 31, 2021 and 2020, employees’ compensation was accrued at CNY \$1,650 (TWD \$7,219) and CNY \$783 (TWD \$3,373), respectively; directors’ remuneration was accrued at CNY \$825 (TWD \$3,609) and CNY \$391 (TWD \$1,684), respectively. These were estimated based on the net income before tax less employees’ compensation and directors’ remuneration and then multiplied by the distribution ratio as regulated in the Company’s Articles of Incorporation, and recognised as salary expenses.

The employees’ compensation and directors’ remuneration for 2020 as approved by the Board of Directors on March 11, 2021 amounted to CNY \$4,992 (TWD \$21,372) and CNY \$2,496 (TWD \$10,686), respectively, which were in agreement with the amounts recognised in the financial statements for the year ended December 31, 2020. Aforementioned employees’ compensation will be distributed in cash. As of May 11, 2021, the aforementioned employees’ compensation has not yet been distributed.

C. Information about employees’ compensation and directors’ remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

Components of income tax expense:

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Current tax:				
Current tax on profits for the period	\$ 32,750	\$ 143,274	\$ 25,352	\$ 109,209
Deferred tax:				
Origination and reversal of temporary differences	<u>4,643</u>	<u>20,313</u>	<u>3,990</u>	<u>17,188</u>
Income tax expense	<u>\$ 37,393</u>	<u>\$ 163,587</u>	<u>\$ 29,342</u>	<u>\$ 126,397</u>

B. Chlitina Marketing Taiwan Branch’s and Chlitina Intelligence Taiwan Branch’s income tax returns through 2019 have been assessed and approved by the Tax Authority.

(24) Earnings per share

Three months ended March 31, 2021					
	Amount after tax		Weighted average	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)	number of ordinary shares outstanding (shares in thousands)	(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 71,005	\$ 310,633	79,492	\$ 0.89	\$ 3.91
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 71,005	\$ 310,633	79,492		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation	-	-	105		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 71,005	\$ 310,633	79,597	\$ 0.89	\$ 3.90
Three months ended March 31, 2020					
	Amount after tax		Weighted average	Earnings per share	
	(In thousands of CNY)	(In thousands of TWD)	number of ordinary shares outstanding (shares in thousands)	(CNY dollars)	(TWD dollars)
<u>Basic earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 22,386	\$ 96,432	79,473	\$ 0.28	\$ 1.21
<u>Diluted earnings per share</u>					
Profit attributable to ordinary shareholders of the parent	\$ 22,386	\$ 96,432	79,473		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation	-	-	153		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 22,386	\$ 96,432	79,626	\$ 0.28	\$ 1.21

(25) Changes in liabilities from financing activities

	Short-term loans		Lease liabilities		Long-term borrowings	
	CNY	TWD	CNY	TWD	CNY	TWD
At January 1, 2021	\$ 150,956	\$ 660,734	\$ 130,511	\$ 571,246	\$ 350,063	\$ 1,532,225
Changes in cash flow from financing activities	(1,313)	(5,743)	(8,410)	(36,792)	-	-
Proceeds from long-term borrowings	-	-	-	-	1,295	5,665
Increase in lease liabilities	-	-	324	1,417	-	-
Decrease in lease liabilities	-	-	(128)	(560)	-	-
Interest paid on lease liabilities	-	-	(1,003)	(4,388)	-	-
Interest expense on lease liabilities	-	-	1,003	4,388	-	-
Lease liabilities reclassification	-	-	2,475	10,828	-	-
Impact of changes in foreign exchange rate	1,440	1,314	(407)	(5,898)	3,359	3,000
At March 31, 2021	<u>\$ 151,083</u>	<u>\$ 656,305</u>	<u>\$ 124,365</u>	<u>\$ 540,241</u>	<u>\$ 354,717</u>	<u>\$ 1,540,890</u>
	Short-term loans		Lease liabilities		Long-term borrowings	
	CNY	TWD	CNY	TWD	CNY	TWD
At January 1, 2020	\$ 388,162	\$ 1,671,037	\$ 111,730	\$ 480,998	\$ 62,676	\$ 269,820
Changes in cash flow from financing activities	314	1,351	(7,440)	(32,049)	-	-
Increase in lease liabilities	-	-	6,280	27,052	-	-
Decrease in lease liabilities	-	-	(6,272)	(27,018)	-	-
Interest paid on lease liabilities	-	-	(1,001)	(4,312)	-	-
Interest expense on lease liabilities	-	-	1,001	4,312	-	-
Lease liabilities reclassification	-	-	615	2,649	-	-
Impact of changes in foreign exchange rate	7,544	12,677	224	(4,274)	1,255	2,206
At March 31, 2020	<u>\$ 396,020</u>	<u>\$ 1,685,065</u>	<u>\$ 105,137</u>	<u>\$ 447,358</u>	<u>\$ 63,931</u>	<u>\$ 272,026</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Kelti International Trading Corp. (Kelti International)	Other related party
Kelti (China) Daily Product Co., Ltd. (Kelti China)	Other related party
Healthmate Biotech Co., Ltd. (Healthmate Biotech)	Other related party
Charming Biotech Corp., Ltd. (Charming Biotech)	Other related party
Sagittarius Life Science Corp. (Sagittarius Life)	Other related party
Lee, Tsai & Partners Attorneys-at-Law (Lee, Tsai & Partners)	Other related party
Modern Pearl Holdings Limited (Modern Pearl)	Other related party
Jing Yung Gi Co., Ltd. (Jing Yung Gi)	Other related party
Mc. Reese Co., Ltd. (Mc. Reese)	Other related party
Chen, Wu-Kang	Other related party
Zhaocang (Shanghai) Trading Co., Ltd. (Zhaocang Trading)	Other related party
Long Chuang (Guangzhou) Daily Product Co., Ltd. (Long Chuang Daily)	Other related party
BIODYNASTY CO., LTD. (Biodynasty)	Other related party
SHANGHAI ZHONGYE TRADE CO., LTD. (Shanghai Zhongye)	Associate
General Biologicals Corp. (General Biologicals)	Associate
Others (for insignificant related party transactions)	Other related party

(2) Significant related party transactions and balances

A. Operating revenue

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Sales of goods and OEM income:				
Associate	\$ 22	\$ 98	\$ 38	\$ 165
Other related parties (Note)	<u>105</u>	<u>460</u>	<u>(287)</u>	<u>(1,237)</u>
	<u>\$ 127</u>	<u>\$ 558</u>	<u>(\$ 249)</u>	<u>(\$ 1,072)</u>

There were no significant differences in the price between related parties and other customers. The collection term for related parties is two months. For other customers, advance payment is required.

Note: Operating revenue from other related parties was negative because certain goods sold during the year ended December 31, 2019 were returned in the first quarter of 2020.

B. Purchases

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Purchases of goods				
Associate	\$ 29	\$ 128	\$ 1	\$ 6
Other related parties				
Charming Biotech	3,295	14,414	3,380	14,560
Others	1,204	5,266	2,521	10,865
Processing fees				
Other related parties	155	678	-	-
	<u>\$ 4,683</u>	<u>\$ 20,486</u>	<u>\$ 5,902</u>	<u>\$ 25,431</u>

The purchase price from related parties was based on mutual agreement, and the credit term was 60 days after monthly billings. There was no significant difference when compared to transactions with non-related parties.

C. Receivables from related parties

	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Accounts receivable:						
Associate						
Shanghai Zhongye	\$ 15	\$ 64	\$ 435	\$ 1,904	\$ 41	\$ 174
Other related parties						
Kelti China	33	145	51	221	64	272
Mc.Reene	36	157	-	-	63	268
Others	-	-	16	70	16	69
	<u>\$ 84</u>	<u>\$ 366</u>	<u>\$ 502</u>	<u>\$ 2,195</u>	<u>\$ 184</u>	<u>\$ 783</u>
Other receivables:						
Other related parties	<u>\$ 202</u>	<u>\$ 877</u>	<u>\$ 194</u>	<u>\$ 849</u>	<u>\$ 202</u>	<u>\$ 860</u>

The receivables from related parties are unsecured in nature, bear no interest, and there are no allowances for receivables.

D. Payables to related parties

	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Accounts payable:						
Associate	\$ 46	\$ 204	\$ 252	\$ 1,102	\$ 2	\$ 6
Other related parties						
Kelti China	2,338	10,156	1,993	8,722	2,539	10,806
Charming Biotech	2,320	10,077	710	3,106	2,906	12,365
Others	689	2,992	239	1,048	2,497	10,624
	<u>\$ 5,393</u>	<u>\$ 23,429</u>	<u>\$ 3,194</u>	<u>\$ 13,978</u>	<u>\$ 7,944</u>	<u>\$ 33,801</u>
Other payables:						
Associate	\$ 8	\$ 35	\$ 8	\$ 35	\$ -	\$ -
Other related parties	1,402	6,090	2,638	11,547	2,059	8,761
	<u>\$ 1,410</u>	<u>\$ 6,125</u>	<u>\$ 2,646</u>	<u>\$ 11,582</u>	<u>\$ 2,059</u>	<u>\$ 8,761</u>

The payables to related parties have no collateral and bear no interest.

E. Leasing arrangements - lessee

(a) The Group leases offices and plant from related parties for periods of 2 to 10 years and rents are payable at the beginning of each month.

(b) Lease liability

i. Balance at end of the financial reporting period

	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Chen, Wu-Kang	\$ 16,612	\$ 72,163	\$ 16,889	\$ 73,923	\$ 8,666	\$ 36,874
Kelti China	14,941	64,904	15,205	66,552	2,181	9,282
Other related parties	10,924	47,454	12,231	53,535	7,558	32,157
	<u>\$ 42,477</u>	<u>\$ 184,521</u>	<u>\$ 44,325</u>	<u>\$ 194,010</u>	<u>\$ 18,405</u>	<u>\$ 78,313</u>

ii. Interest expense

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Other related parties	<u>\$ 376</u>	<u>\$ 1,645</u>	<u>\$ 145</u>	<u>\$ 625</u>

(3) Key management compensation

	Three months ended March 31			
	2021		2020	
	CNY	TWD	CNY	TWD
Salaries and other short-term employee benefits	\$ 2,174	\$ 9,511	\$ 2,276	\$ 9,804
Post-employment benefits	29	127	13	56
	<u>\$ 2,203</u>	<u>\$ 9,638</u>	<u>\$ 2,289</u>	<u>\$ 9,860</u>

8. PLEDGED ASSETS

None.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditures

	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
Contract signed	<u>\$ 18,455</u>	<u>\$ 80,169</u>	<u>\$ 17,530</u>	<u>\$ 76,729</u>	<u>\$ 2,931</u>	<u>\$ 12,471</u>

B. In June 2017, the Group had signed a donation agreement with Shanghai Tongji University Education Development Foundation, committing to donate CNY \$2,000 every year to reach the total amount of CNY \$10,000 from 2017 to 2021. This donation will be used to help to establish Shanghai Tongji University and Chlitina Holding Limited Education Foundation to support the School of Medicine's recruitment and the School of Economics and Management's development of scientific research. As of March 31, 2021, the Group has paid the aforementioned payment amounting to CNY \$2,000.

C. In September 2017, the Group had signed a collaboration agreement with Shanghai Tongji University Lifeng Institute of Regenerative Medicine, committing to pay for research expenses amounting to CNY \$10,000 every year to reach the total amount of CNY \$50,000 from 2017 to 2021. The funds of Tongji University Lifeng Institute of Regenerative Medicine will be used to help the establishment, operations and research expenses of Lifeng Institute of Regenerative Medicine. As of March 31, 2021, the Group has paid the aforementioned payment amounting to CNY \$20,500.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In order to expand the Group's aesthetic medicine business, the Group planned to invest CNY \$50,000 in the newly established subsidiary, Hainan Shoumao Investment Limited, through the subsidiary, Hong Kong W-Amber International Limited, and CNY \$30,000 in Enhance Biomedical (Hainan) Limited through Hainan Shoumao Investment Limited in May 2021 for a shareholding ratio of 5.42%.

12. OTHERS

(1) Capital management

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2020.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
<u>Financial assets</u>						
Financial assets at amortised cost						
Cash and cash equivalents	\$ 1,305,076	\$ 5,669,250	\$ 1,221,784	\$ 5,347,749	\$ 1,213,422	\$ 5,163,111
Financial assets at amortised cost (including current and non-current)						
Notes receivable	113,750	494,130	112,000	490,224	1	4
Accounts receivable (including related parties)	6	26	-	-	7	30
Other receivables (including related parties)	490	2,130	1,294	5,662	280	1,191
	23,937	103,982	6,653	29,122	3,401	14,472
	<u>\$ 1,443,259</u>	<u>\$ 6,269,518</u>	<u>\$ 1,341,731</u>	<u>\$ 5,872,757</u>	<u>\$ 1,217,111</u>	<u>\$ 5,178,808</u>
Financial assets at fair value through profit or loss						
Financial assets at fair value through profit or lost - current						
	<u>\$ 21,762</u>	<u>\$ 94,534</u>	<u>\$ 21,618</u>	<u>\$ 94,622</u>	<u>\$ -</u>	<u>\$ -</u>

	March 31, 2021		December 31, 2020		March 31, 2020	
	CNY	TWD	CNY	TWD	CNY	TWD
<u>Financial liabilities</u>						
Financial liabilities at amortised cost						
Short-term loans	\$ 151,083	\$ 656,305	\$ 150,956	\$ 660,734	\$ 396,020	\$ 1,685,065
Accounts payable (including related parties)	19,501	84,714	16,371	71,654	28,982	123,318
Other payables (including related parties)	157,356	683,554	181,195	793,091	86,706	368,934
Guarantee deposits received	84,612	367,555	76,134	333,241	68,674	292,208
Long-term borrowings (including current portion)	354,717	1,540,890	350,063	1,532,225	63,931	272,026
	<u>\$ 767,269</u>	<u>\$ 3,333,018</u>	<u>\$ 774,719</u>	<u>\$ 3,390,945</u>	<u>\$ 644,313</u>	<u>\$ 2,741,551</u>
Lease liabilities (including current and non-current)	<u>\$ 124,365</u>	<u>\$ 540,241</u>	<u>\$ 130,511</u>	<u>\$ 571,246</u>	<u>\$ 105,137</u>	<u>\$ 447,358</u>

B. Financial risk management policies

There was no significant change in the reporting period. Please refer to Note 12 in the consolidated financial statements for the year ended December 31, 2020.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and CNY. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group's treasury. Exchange rate risk is measured through a forecast of highly probable USD and CNY expenditures. Natural hedging are adopted to minimise the volatility of the exchange rate affecting cost of held foreign assets or liabilities.
- iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: TWD; other certain subsidiaries' functional currency: CNY, USD and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
March 31, 2021				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	\$ 11,510	28.5350	\$ 75,607	\$ 328,437
USD : HKD	4,191	7.7752	27,530	119,590
CNY : TWD	1,010	4.3440	1,010	4,387
CNY : HKD	3,649	1.1837	3,649	15,851
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : CNY	\$ 1,453	6.5688	\$ 9,544	\$ 41,459
USD : TWD	77,000	28.5350	505,800	2,197,195

(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	CNY	TWD
December 31, 2020				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : TWD	\$ 10,664	28.4800	\$ 69,387	\$ 303,707
USD : HKD	3,618	7.7539	23,541	103,039
CNY : TWD	1,292	4.3770	1,292	5,655
CNY : HKD	5,688	1.1917	5,688	24,896
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : CNY	\$ 1,318	6.5067	\$ 8,576	\$ 37,537
USD : TWD	77,000	28.4800	501,019	2,192,959
USD : VND	758	25,890.9091	4,932	21,587

(Foreign currency: functional currency)	Foreign currency amount	Exchange rate		
	(In thousands)		CNY	TWD
March 31, 2020				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : CNY	\$ 863	7.1034	\$ 6,130	\$ 26,083
USD : TWD	11,847	30.2250	84,154	358,075
USD : HKD	3,668	7.7540	26,055	110,864
CNY : TWD	9,633	4.2550	9,633	40,988
CNY : USD	44	0.1408	44	187
CNY : HKD	79,822	1.0916	79,822	339,643
EUR : USD	84	1.0998	656	2,791
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : CNY	\$ 1,895	7.1034	\$ 13,461	\$ 57,277
USD : TWD	64,751	30.2250	459,951	1,957,091
USD : HKD	545	7.7540	3,871	16,473

iv. The total exchange losses, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the three months ended March 31, 2021 and 2020, amounted to CNY \$1,215 (TWD \$5,315) and CNY \$5,987 (TWD \$25,790), respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Three months ended March 31, 2021				
	Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
		CNY	TWD	CNY	TWD
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : TWD	3%	\$ 2,268	\$ 9,853	\$ -	\$ -
USD : HKD	3%	826	3,588	-	-
CNY : TWD	3%	30	132	-	-
CNY : HKD	3%	109	476	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 286	\$ 1,244	\$ -	\$ -
USD : TWD	3%	15,174	65,916	-	-

Three months ended March 31, 2020					
Sensitivity analysis					
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
		CNY	TWD	CNY	TWD
<u>Financial assets</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 184	\$ 782	\$ -	\$ -
USD : TWD	3%	2,525	10,742	-	-
USD : HKD	3%	782	3,326	-	-
CNY : TWD	3%	289	1,230	-	-
CNY : USD	3%	1	6	-	-
CNY : HKD	3%	2,395	10,189	-	-
EUR : USD	3%	20	84	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD : CNY	3%	\$ 404	\$ 1,718	\$ -	\$ -
USD : TWD	3%	13,799	58,713	-	-
USD : HKD	3%	116	494	-	-

Price risk

The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from short-term borrowings and long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group's borrowings at variable rate were mainly denominated in US Dollars.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

- ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.
- iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vi. The Group classifies customers' accounts receivable in accordance with customer types. The Group applies the simplified approach to estimate expected credit loss under the provision matrix basis.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On March 31, 2021, December 31, 2020 and March 31, 2020, the Group has no written-off financial assets that are still under recourse procedures.

- viii. The Group's accounts receivable are with customers who have optimal credit rating, and the expected credit loss rate is 0.03%. As of March 31, 2021, December 31, 2020 and March 31, 2020, the carrying amount of accounts receivable (including related parties) amounted to CNY \$490 (TWD \$2,130), CNY \$1,294 (TWD \$5,662) and CNY \$280 (TWD \$1,191), respectively. Because the Group expects that the impairment from expected credit loss is insignificant, no loss allowance was recognised.
- ix. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

		March 31, 2021							
		Lifetime						Total	
		12 months		Significant increase in credit risk		Impairment of credit			
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Financial assets at amortised cost		<u>\$ 113,750</u>	<u>\$ 494,130</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,750</u>	<u>\$ 494,130</u>
		December 31, 2020							
		Lifetime						Total	
		12 months		Significant increase in credit risk		Impairment of credit			
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Financial assets at amortised cost		<u>\$ 112,000</u>	<u>\$ 490,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,000</u>	<u>\$ 490,224</u>
		March 31, 2020							
		Lifetime						Total	
		12 months		Significant increase in credit risk		Impairment of credit			
		CNY	TWD	CNY	TWD	CNY	TWD	CNY	TWD
Financial assets at amortised cost		<u>\$ 1</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 4</u>

The financial assets at amortised cost held by the Group are the time deposits with maturity term of over three months, and there were no material issues with respect to credit rating levels.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs on its mature liabilities on general and stressful conditions so that the Group approach the risk target that does not occur the unacceptable losses or breach their reputation.

- ii. Surplus cash held by the operating entities over and above balance required for working capital management are invested in interest bearing demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.
- iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>Non-derivative</u>		(In thousands of CNY)		
<u>financial liabilities:</u>			Between 1	
	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	
March 31, 2021				
Short-term loans	\$ 151,083	\$ -	\$ -	
Accounts payable				
(including related parties)	19,501	-	-	
Other payables				
(including related parties)	157,356	-	-	
Lease liabilities	32,762	29,189	75,428	
Guarantee deposits received	84,612	-	-	
Long-term borrowings				
(including current portion)	157,652	197,065	-	
<u>Non-derivative</u>				
<u>financial liabilities:</u>		Between 1		
	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	
December 31, 2020				
Short-term loans	\$ 150,956	\$ -	\$ -	
Accounts payable				
(including related parties)	16,371	-	-	
Other payables				
(including related parties)	181,195	-	-	
Lease liabilities	32,182	30,010	83,124	
Guarantee deposits received	76,134	-	-	
Long-term borrowings				
(including current portion)	58,561	291,502	-	
<u>Non-derivative</u>				
<u>financial liabilities:</u>		Between 1		
	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	
March 31, 2020				
Short-term loans	\$ 396,020	\$ -	\$ -	
Accounts payable				
(including related parties)	28,982	-	-	
Other payables				
(including related parties)	86,706	-	-	
Lease liabilities	26,417	19,140	73,054	
Guarantee deposits received	68,674	-	-	
Long-term borrowings	-	63,931	-	

<u>Non-derivative</u>		(In thousands of TWD)		
<u>financial liabilities:</u>			Between 1	
March 31, 2021	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	
Short-term loans	\$ 656,305	\$ -	\$ -	-
Accounts payable (including related parties)	84,714	-	-	-
Other payables (including related parties)	683,554	-	-	-
Lease liabilities	142,318	126,797		327,659
Guarantee deposits received	367,555	-	-	-
Long-term borrowings (including current portion)	684,840	856,050		-

<u>Non-derivative</u>				
<u>financial liabilities:</u>			Between 1	
December 31, 2020	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	
Short-term loans	\$ 660,734	\$ -	\$ -	-
Accounts payable (including related parties)	71,654	-	-	-
Other payables (including related parties)	793,091	-	-	-
Lease liabilities	140,861	131,354		363,834
Guarantee deposits received	333,241	-	-	-
Long-term borrowings (including current portion)	256,321	1,275,904		-

<u>Non-derivative</u>				
<u>financial liabilities:</u>			Between 1	
March 31, 2020	<u>Less than 1 year</u>	<u>and 2 years</u>	<u>Over 2 years</u>	
Short-term loans	\$ 1,685,065	\$ -	\$ -	-
Accounts payable (including related parties)	123,318	-	-	-
Other payables (including related parties)	368,934	-	-	-
Lease liabilities	112,404	81,441		310,854
Guarantee deposits received	292,208	-	-	-
Long-term borrowings	-	272,026		-

- iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the

Group's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets at amortised cost (including current and non-current), short-term loans, accounts payable (including related parties), other payables (including related parties), lease liabilities (including current and non-current), guarantee deposits received and long-term borrowings (including current portion) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at March 31, 2021, December 31, 2020 and March 31, 2020 is as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

	(In thousands of CNY)			
March 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - Equity securities	\$ -	\$ -	\$ 21,762	\$ 21,762

	(In thousands of CNY)			
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - Equity securities	\$ -	\$ -	\$ 21,618	\$ 21,618

	(In thousands of TWD)			
March 31, 2021	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - Equity securities	\$ -	\$ -	\$ 94,534	\$ 94,534

	(In thousands of TWD)			
December 31, 2020	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value</u>				
Financial assets at fair value through profit or loss - Equity securities	\$ -	\$ -	\$ 94,622	\$ 94,622

March 31, 2020: None.

- D. The following chart is the movement of Level 3 for the three months ended March 31, 2021 and 2020:

	<u>2021</u>		<u>2020</u>	
	<u>Equity instrument</u>	<u>Equity instrument</u>	<u>Equity instrument</u>	<u>Equity instrument</u>
	<u>CNY</u>	<u>TWD</u>	<u>CNY</u>	<u>TWD</u>
At January 1	\$ 21,618	\$ 94,622	\$ -	\$ -
Acquired in the period	-	-	21,618	94,622
Effect of foreign exchange	144	(88)	-	-
At March 31	<u>\$ 21,762</u>	<u>\$ 94,534</u>	<u>\$ 21,618</u>	<u>\$ 94,622</u>

- E. For the three months ended March 31, 2021 and 2020, there was no transfer into or out from Level 3.
- F. Investment strategies segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at		Fair value at		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
	March 31, 2021		December 31, 2020					
	CNY	TWD	CNY	TWD				
Non-derivative equity instrument:								
Unlisted shares	\$ 21,762	\$ 94,534	\$ 21,618	\$ 94,622	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	Not applicable	The higher the multiple and control premium, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 3.
- E. Acquisition of real estate reaching TWD \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching TWD \$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching TWD \$100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching TWD \$100 million or 20% of paid-in capital or more: Please refer to Table 5.

I. Trading in derivative instruments undertaken during the reporting period: None.

J. Significant inter-company transactions during the reporting period: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

(1) General information

The Group is engaged in the manufacture, distribution, and business operations of beauty products under the brand of Chlitina, company-operated salon business and aesthetic medicine clinic. For the three months ended March 31, 2021 and 2020, the operating revenue, net profit and assets of the company-operated salon business and aesthetic medicine clinic were all less than 10% of their respective totals in the consolidated financial statements. In addition, management considers that the separate disclosure of company-operated salon business and aesthetic medicine clinic have no reference value. Hence, the information on assets, liabilities and capital expenditures were not disclosed.

(2) Measurement of segment information

The reportable operating segment information provided to the Chief Operating Decision-Maker are operating revenue and profit or loss before tax of the segment.

Since the Group has only one reportable segment, please refer to the statement of comprehensive income.

(3) Reconciliation for segment income (loss)

The profit and loss before tax of the reportable operating segment provided to the Chief Operating Decision-Maker was the same with the statement of comprehensive income, so no reconciliation was needed.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Loans to others

Three months ended March 31, 2021

Table 1

Expressed in thousands of TWD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Related party	Maximum balance for the period	Ending balance	Amount actually drawn	Interest rate	Nature of loan (Note 2)	Transaction amounts	Reason for short- term financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company	Financing company's total financing amount limits	Footnote
													Item	Value			
1	Chlitina (China) Trade Limited	Wuguan (Shanghai) Trade Limited	Other receivables	Yes	\$ 87,540	\$ 86,880	\$ -	Lower 10% of loan market rate	2	\$ -	Operating capital	\$ -	None	-	\$ 4,207,181	\$ 4,207,181	Note 4, 5
2	Weishuo (Shanghai) Daily Product Limited	Wuguan (Shanghai) Trade Limited	Other receivables	Yes	87,540	86,880	-	Lower 10% of loan market rate	2	-	Operating capital	-	None	-	723,817	723,817	Note 4, 5
3	Hong Kong Chlitina International Limited	Yong Li Trading Company Limited	Other receivables	Yes	28,535	28,535	21,401	Lower 10% of loan market rate	2	-	Operating capital	-	None	-	6,360,546	6,360,546	Note 4, 6

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: The column of 'Nature of loan' shall fill in '1' as 'Business transaction' or '2' as 'Short-term financing'.

Note 3: The limit on total financing and financing to a single entity shall not be more than 40%, except for inter-company transaction, and 20% of the Company's stockholders' equity, respectively. In addition, if the Board of Directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines to the same counter party, the limit shall not be more than 10% of the Company's net asset.

Note 4: In accordance with the lending policies and procedures, total loan amount and individual loan amount cannot exceed 100% of the lender (the creditor)'s stockholders' equity between the subsidiaries, for which the ultimate parent company directly or indirectly holds 100% of voting shares.

Note 5: The line of credit to Wuguan (Shanghai) Trade Limited amounted to CNY\$20,000.

Note 6: The line of credit to Yong Li Trading Company Limited amounted to USD\$1,000.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

March 31, 2021

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note)	Relationship with the securities issuer	General ledger account	As of March 31, 2021				
				Number of shares (in thousand shares/thousand unit)	Book value	Ownership (%)	Fair value	Footnote
Hong Kong Chlitina International Limited	Onward Therapeutics SA	None	Non-current financial assets at fair value through profit or loss	2,290	\$ 94,534	6.33%	\$ 94,534	Note

Note: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9 'Financial instruments'.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital

Three months ended March 31, 2021

Table 3

Expressed in thousands of TWD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note3)	Relationship with the investor (Note3)	Beginning Balance		Acquisition (Note4)		Disposal (Note4)			Ending Balance		Footnote	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value (Note2)	Gain (loss) on disposal	Number of shares		Amount
Weishuo (Shanghai) Daily Product Limited	Jun De-Li Fund	Financial assets at fair value through profit or loss-current	-	-	-	\$ -	101,840,000	\$ 445,530	101,840,000	\$ 445,867	\$ 445,530	\$ 337	-	\$ -	
Weishuo (Shanghai) Daily Product Limited	ICBC Credit Suisse Salary Monetary Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	60,000,000	262,488	60,000,000	262,921	262,488	433	-	-	
Chlitina (China) Trade Limited	ICBC Credit Suisse Salary Monetary Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	140,000,000	612,472	140,000,000	613,480	612,472	1,008	-	-	
Chlitina (China) Trade Limited	HFT Money Market Fund B	Financial assets at fair value through profit or loss-current	-	-	-	-	150,179,600	657,006	150,179,600	657,884	657,006	878	-	-	
Chlitina (China) Trade Limited	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	55,908,000	244,586	55,908,000	244,758	244,586	172	-	-	
Chlitina (China) Trade Limited	China Universal Cash Express Money Market Fund	Financial assets at fair value through profit or loss-current	-	-	-	-	99,999,992	437,480	99,999,992	438,106	437,480	626	-	-	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: The exchange difference of translating to presentation currency was included in book value.

Note 3: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 4: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT\$300 million or 20% of paid-in capital or more.

Note 5: Ending balance includes share of interest in the associate recognised for the period and the related valuation adjustments.

Note 6: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT\$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Three months ended March 31, 2021

Table 4 Expressed in thousands of TWD
(Except as otherwise indicated)

Purchaser/ seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction			Differences in transaction terms compared to third party transactions (Note1)		Notes/accounts receivable (payable)		Footnote
				Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Chlitina (China) Trade Limited	Weishuo (Shanghai) Daily Product Limited	Subsidiary	Purchases	\$ 153,411	80%	60 days after monthly billings	-	-	(\$ 103,617)	93%	Note 1

Note 1: The transactions have been eliminated upon consolidation.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 Three months ended March 31, 2021

Table 5

Expressed in thousands of TWD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at March 31, 2021	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	Subsidiaries	\$ 103,617	4.63	\$ -	-	\$ 32,800	\$ -	Note

Note: The transactions were eliminated when preparing the consolidated financial statements.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
Significant inter-company transactions during the reporting period
Three months ended March 31, 2021

Table 6

Expressed in thousands of TWD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			Percentage of consolidated total operating revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms	
1	Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	3	Sales	\$ 153,411	60 days after monthly billings	14%
1	Weishuo (Shanghai) Daily Product Limited	Chlitina (China) Trade Limited	3	Accounts receivable	103,617	60 days after monthly billings	1%
2	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	3	Trademark right income	59,758	In accordance with mutual agreements	1%
2	British Virgin IS. Chlitina Intelligence Limited Taiwan Branch	Chlitina (China) Trade Limited	3	Accounts receivable	53,958	60 days after monthly billings	5%
3	Hong Kong Chlitina International Limited	Yong Li Trading Company Limited	3	Other receivables	21,401	Loans	2%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Separate amounts lower than \$20,000 are not disclosed, so is its counter transaction.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
Information on investees
Three months ended March 31, 2021

Table 7

Expressed in thousands of TWD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as at March 31, 2021				Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				Balance as at March 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value				
Chlitina Holding Limited	Chlitina Group Limited	British Virgin Islands	Investing	\$ 651,928	\$ 631,539	2,078,707,348	100	\$ 6,734,176	\$ 330,497	\$ 330,497		
Chlitina Group Limited	Chlitina International Limited	British Virgin Islands	Investing	569,442	549,053	18,970,001	100	6,553,314	298,064	-	Note 1	
Chlitina Group Limited	Chlitina Intelligence Limited	British Virgin Islands	Investing and researching	-	-	1	100	179,857	32,414	-	Note 1	
Chlitina Group Limited	W-Amber International Limited	British Virgin Islands	Investing	50,880	50,880	1,150,000	100	76	1	-	Note 1	
Chlitina Group Limited	W-Champion International Limited	British Virgin Islands	Investing	34,518	34,518	930,000	100	90	1	-	Note 1	
Chlitina Group Limited	C-Asia International Limited	British Virgin Islands	Investing	920	920	20,000	100	147	1	-	Note 1	
Chlitina International Limited	Hong Kong Chlitina International Limited	Hong Kong	Investing and trading of skincare products	276,221	276,221	69,850,001	100	6,360,546	299,678	-	Note 1	
Chlitina International Limited	Chlitina Marketing Limited	British Virgin Islands	Investing and trading of skincare products	397,038	376,649	13,242,882	100	183,430	(1,600)	-	Note 1	
Chlitina International Limited	Centre de Recherche et de Developpement de CHLITINA FRANCE EURL	France	Research and development center	188	188	500	100	-	-	-	Note 1	
Hong Kong Chilitina International Limited	Hong Kong Crystal-Asia International Limited	Hong Kong	Investing	69,642	69,642	2,300,000	100	51,560	(2,010)	-	Note 1	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
Information on investees
Three months ended March 31, 2021

Table 7

Expressed in thousands of TWD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as at March 31, 2021				Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				Balance as at March 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value				
Hong Kong Chilitina International Limited	Hong Kong W-Champion International Limited	Hong Kong	Investing	\$ 61,865	\$ 61,865	2,950,000	100	\$ 67,217	\$ 730	\$ -	Note 1	
Hong Kong Chilitina International Limited	Hong Kong W-Amber International Limited	Hong Kong	Investing	587,086	587,086	128,603,060	100	314,991	(28,836)	-	Note 1	
Hong Kong Chilitina International Limited	Yong Li Trading Company Limited	Vietnam	Dealer of skincare products	17,373	17,373	-	100	6,063	(1,256)	-	Note 1	
Hong Kong Chilitina International Limited	HUAPAO SDN. BHD.	Malaysia	Dealer of skincare products	3,502	3,502	500,000	100	2,927	117	-	Note 1	
Hong Kong Chilitina International Limited	General Biologicals Corp.	Taiwan	Manufacturing of medical appliances	177,624	177,624	11,805,203	19.71	208,966	40,991	-	Note 1, 2	
Hong Kong Chilitina International Limited	Hong Kong Jing Tai International Investment Limited	Hong Kong	Investment consulting and general trade	4,392	-	1,000,000	100	4,239	(158)	-	Note 1	
Hong Kong Chilitina International Limited	PT PINING BEAUTY INDONESIA	Indonesia	Importing trade goods and management consulting	-	-	-	100	-	-	-	Note 1	
Yong Li Trading Company Limited	Vinh Le Company Limited	Vietnam	Dealer of skincare products	3,003	-	-	100	1,691	(814)	-	Note 1, 3	
Hong Kong W-Amber International Limited	Hong Kong Crystal International Services Limited	Hong Kong	Investing, dealer of skincare and supplementary health care products	3,050	3,050	100,000	100	2,777	6	-	Note 1	
W-Champion International Limited	W-Champion Marketing Limited	British Virgin Islands	Investing	31,783	31,783	930,000	100	90	1	-	Note 1	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
Information on investees
Three months ended March 31, 2021

Table 7 Expressed in thousands of TWD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Balance as at March 31, 2021				Net profit (loss) of the investee	Share of profit (loss) of investee	Footnote
				Balance as at March 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value				
W-Amber International Limited	W-Amber Marketing Limited	British Virgin Islands	Investing	\$ 56,280	\$ 56,280	1,150,000	100	\$ 44	\$ -	\$ -	Note 1	

Note 1: The 'share of profit (loss) of investee' column should fill in the Company recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period.

Note 2: For the three months ended March 31, 2021, the investment gain on General Biologicals Corp. was \$5,951.

Note 3: Yong Li holds a 100% equity interest in Vinh Le through the name of other individuals due to the restriction of local regulations, and has 100% substantial control over the investee.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Three months ended March 31, 2021

Table 8

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of March 31, 2021	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Chlitina (China) Trade Limited	Dealer of skincare products and health food	\$ 255,923	2	\$ -	\$ -	\$ -	\$ -	\$ 341,962	100	\$ 341,962	\$ 4,207,181	\$ -	
Shanghai Zhe Mei Technology Training Co., Ltd.	Cosmetology training services	78,302	2	-	-	-	-	(7,222)	100	(7,222)	30,367	-	
Weishuo (Shanghai) Daily Product Limited	Production and trading of skincare products	64,207	2	-	-	-	-	23,252	100	23,252	723,817	-	
Weihu (Shanghai) Trade Limited	Investing, dealer of skincare and supplementary health care products	605,565	2	-	-	-	-	(23,779)	100	(23,779)	288,523	-	
Crystal Asia Shanghai Limited	Dealer of skincare products and supplementary health care products	31,262	2	-	-	-	-	(5,031)	100	(5,031)	23,005	-	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Three months ended March 31, 2021

Table 8

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of March 31, 2021	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Li Shuo Biotechnology (Shanghai) Co., Ltd.	Enterprise management consulting and investing	\$ 8,148	2	\$ -	\$ -	\$ -	\$ -	(\$ 367)	100	(\$ 367)	\$ 6,434	\$ -	
Wuguan (Shanghai) Trade Limited	Dealer of skincare products and supplementary health care products	64,193	2	-	-	-	-	653	100	653	39,416	-	
Shanghai Yuanshuo Management Consulting Limited	Enterprise management consulting and investing	396,516	2	-	-	-	-	(17,910)	100	(17,910)	227,126	-	
Beijing YaPulide Medical Beauty Treatment Clinic Co., Ltd.	Medical cosmetology services	103,346	2	-	-	-	-	(4,090)	100	(4,090)	37,476	-	
Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd	Medical cosmetology services	29,810	2	-	-	-	-	(3,218)	100	(3,218)	24,642	-	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Three months ended March 31, 2021

Table 8

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of March 31, 2021	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Yapu Lide Medical Beauty Clinic (Nanjing) Co., Ltd.	Medical cosmetology services	\$ 43,374	2	\$ -	\$ -	\$ -	\$ -	(\$ 2,082)	100	(\$ 2,082)	\$ 32,930	\$ -	
Shanghai Lunxin Medical Beauty Clinic Co., Ltd.	Medical cosmetology services	17,219	2	-	-	-	-	(2,380)	100	(2,380)	11,059	-	
Jinghe Clinic (Nanjing) Co., Ltd	Dealer of general practice and foods	87	2	-	-	-	-	(22)	100	(22)	61	-	
He Deng Clinic (Shanghai) Co., Ltd	Dealer of general practice	738	2	-	-	-	-	(17)	100	(17)	656	-	
Cui Jei (Shanghai) Trading Co. Ltd.	Dealer of health food and daily necessities	6,055	2	-	-	-	-	29	100	29	5,374	-	

CHLITINA HOLDING LIMITED AND SUBSIDIARIES

Information on investments in Mainland China

Three months ended March 31, 2021

Table 8

Expressed in thousands of TWD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Beginning balance of accumulated amount of investment from Taiwan	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the period		Ending balance of accumulated amount of investment from Taiwan	Net income (loss) of the investee company	Ownership held by the Company (direct or indirect)	Investment income (loss) (Note 2(2)B)	Book value as of March 31, 2021	Accumulated amount of investment income remitted back to Taiwan	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Shanghai Zhongye Trade Co., Ltd.	Production and trading of cosmetics	\$ 29,258	2	\$ -	\$ -	\$ -	\$ -	(\$ 6,364)	30	(\$ 2,101)	\$ 10,691	\$ -	
<u>Company name</u>	<u>China</u>	<u>Investment amount authorized by the Investment Commission of the Ministry of Economic Affairs (MOEA)</u>	<u>Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA</u>										
Not applicable to foreign issuer.	\$ -	\$ -	Note 4										

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.(the investee in the third area is Chlitina Group Limited)
- (3) Others

Note 2: In the 'share of profit (loss)' column:

- (1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- (2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
 - A.The financial statements were reviewed by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
 - B.The financial statements were reviewed by R.O.C. parent company's CPA.
 - C.Others.

Note 3: The numbers in this table are expressed in New Taiwan Dollars.

Note 4: The Company was primary listing by foreign issuer and was not restricted to the ceiling of investment of investors in Mainland China regulated by Investment Commission, Ministry of Economic Affairs.

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
Information on investments in Mainland China
Three months ended March 31, 2021

Table 9

Name of major shareholders	Shares		Footnote
	No. of shares held	Ownership (%)	
Custody account Fu Yuan Investment Co. Ltd. entrusted under Cathay United Bank	28,056,000	35.29%	Note 1, 2

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in calculation basis.

Note 2: If the aforementioned data contains shares which were held in the trust by the shareholders, the data is disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio includes the self-owned shares and shares held in trust, at the same time, the shareholder has the power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.