COASTER INTERNATIONAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2020 AND 2019

(Stock code: 2936)

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For the convenience of readers and for information purpose only, the independent 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 independent auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of COASTER INTERNATIONAL CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of COASTER INTERNATIONAL CO., LTD. and its subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's consolidated financial statements in the current period are stated as follows:

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(11) for accounting policies on inventory assessment, Note 5(2) for accounting estimates and assumptions applied on inventory assessment, and Note 6(5) for details of allowance for inventory valuation losses. As of December 31, 2020, the balance of inventory amounted to NT$1,590,795 thousand, constituting 29% of total consolidated assets.

The Group is primarily engaged in the sales, import and wholesale of furniture. The Group mainly purchases merchandise from Asian suppliers and sells to American small and medium local retail stores, online shops and large chain stores. The Group has many warehouses in the United States and acts as a logistics center for the sellers to ensure instant and sufficient merchandise supply. As such, the balance of inventory accounts for a significant part of the consolidated assets. The Group measures inventories at the lower of cost and net realisable value. For inventories aged over a certain period and for items individually identified as obsolete inventories, the net realisable value is calculated based on historical data of the degree of discounts required for inventory clearance. As the changes in net realisable value of inventory would have an impact on inventory value, and the net realisable value which was used in obsolete inventory valuation involves significant judgment, and considering that the inventory is material, we identified the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. We assessed the reasonableness of policies on loss for market value decline and obsolete and slow-moving inventories, including the determination basis of net realisable value, the source of historical data of discounts, and the reasonableness of the basis of individually identified obsolete inventories.

B. We obtained an understanding of the inventory management process and observed the annual stock take to assess the effectiveness of management's classification and controls over obsolete and slow-moving inventory.
C. We obtained an understanding of the appropriateness of the logic of the inventory aging statements, and randomly checked the accuracy of inventory aging statements to confirm that the information on the statements is consistent with its policies.
D. We tested the appropriateness of the net realisable value as shown in the inventory list.
E. We verified certain samples of separately numbered inventories against the historical data of discounts, compared the samples to prior allowance for inventory valuation losses and referred to subsequent transactions to assess the reasonableness of allowance for inventory valuation losses.
F. We assessed the reasonableness of loss on decline in market value based on the evaluation of the inventory aging and the net realisable value.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

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

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

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

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

Penny Pan   David Teng

For and on behalf of PricewaterhouseCoopers, Taiwan
March 23,2021

The accompanying 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 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.

COASTER INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,077,127	20	$ 447,213	7
1136	Financial assets at amortised cost - current	6(2)	8,424	-	-	-
1170	Accounts receivable, net	6(3)	338,098	6	670,796	11
1200	Other receivables	6(4)	246,725	5	135,923	2
1220	Current income tax assets	6(21)	81,798	2	25,662	-
130X	Inventories, net	6(5)	1,590,795	29	2,483,028	41
1410	Prepayments		113,294	2	96,344	2
11XX	**Total current assets**		3,456,261	64	3,858,966	63
	Non-current assets					
1535	Financial assets at amortised cost - non-current	6(2), 8 and 9	85,644	2	-	-
1600	Property, plant and equipment	6(6)	102,858	2	104,505	2
1755	Right-of-use assets	6(7)	1,444,764	27	1,708,453	28
1780	Intangible assets		21,548	-	37,298	-
1840	Deferred income tax assets	6(21)	240,440	4	370,106	6
1920	Refundable deposits		41,115	1	44,054	1
15XX	**Total non-current assets**		1,936,369	36	2,264,416	37
1XXX	**Total assets**		$ 5,392,630	100	$ 6,123,382	100

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COASTER INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(8)	$ 26,869	1	$ 910,743	15
2130	Contract liabilities - current		75,082	1	56,374	1
2150	Notes payable		4,600	-	6,505	-
2170	Accounts payable		321,656	6	227,051	4
2200	Other payables	6(9)	297,204	6	289,596	5
2220	Other payables - related parties	7	213,601	4	-	-
2230	Current income tax liabilities		9,978	-	4,235	-
2250	Provisions - current		53,413	1	61,254	1
2280	Lease liabilities - current	7	480,984	9	541,195	9
2365	Refund liabilities - current	6(10)	106,075	2	75,895	1
2399	Other current liabilities		614	-	1,615	-
21XX	**Total current liabilities**		1,590,076	30	2,174,463	36
	Non-current liabilities					
2570	Deferred income tax liabilities	6(21)	4,321	-	4,234	-
2580	Lease liabilities - non-current	7	1,117,067	21	1,334,690	22
2640	Net defined benefit liability, non-current	6(11)	28,446	-	26,243	-
2670	Other non-current liabilities		8,327	-	8,164	-
25XX	**Total non-current liabilities**		1,158,161	21	1,373,331	22
2XXX	**Total liabilities**		2,748,237	51	3,547,794	58
	Equity					
3110	Ordinary shares	6(13)	765,557	14	765,557	12
3200	Capital surplus		1,791,308	33	1,791,308	29
	Retained earnings	6(14)				
3310	Legal reserve		55,493	1	55,493	1
3350	Unappropriated retained earnings		354,246	7	109,520	2
3400	Other equity interest		(309,363)	(6)	(133,442)	(2)
3500	Treasury shares	6(13)	(12,848)	-	(12,848)	-
3XXX	**Total equity**		2,644,393	49	2,575,588	42
	Significant contingent liabilities and unrecorded contract commitments	9				
3X2X	**Total liabilities and equity**		$ 5,392,630	100	$ 6,123,382	100

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

COASTER INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amount)

			Year ended December 31			
			2020		2019	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(15)	$ 10,314,597	100	$ 11,737,383	100
5000	Operating costs	6(5)(11)(19)(20)	(7,141,190)	(69)	(8,374,047)	(71)
5900	Gross profit		3,173,407	31	3,363,336	29
	Operating expenses	6(11)(19)(20)				
6100	Selling expenses		(1,932,621)	(19)	(2,322,701)	(20)
6200	General and administrative expenses		(869,670)	(9)	(1,037,748)	(9)
6450	Expected credit losses	12(2)	(36,368)	-	(307)	-
6000	Total operating expenses		(2,838,659)	(28)	(3,360,756)	(29)
6900	Operating profit		334,748	3	2,580	-
	Non-operating income and expenses					
7100	Interest income	6(2)	444	-	1,606	-
7010	Other income	6(16)	6,572	-	22,819	-
7020	Other gains and losses	6(17)	(6,784)	-	(9,201)	-
7050	Finance cost	6(18) and 7	(103,643)	(1)	(137,412)	(1)
7000	Total non-operating income and expenses		(103,411)	(1)	(122,188)	(1)
7900	**Profit (loss) before income tax**		231,337	2	(119,608)	(1)
7950	Income tax benefit	6(21)	14,995	-	47,382	-
8200	**Profit (loss) for the year**		$ 246,332	2	($ 72,226)	(1)
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans	6(11)	($ 2,008)	-	($ 952)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		402	-	190	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		(175,921)	(2)	(37,690)	-
8300	**Other comprehensive loss, net for tax**		($ 177,527)	(2)	($ 38,452)	-
8500	**Total comprehensive income (loss)**		$ 68,805	-	($ 110,678)	(1)
	Profit (loss) attributable to:					
8610	Owners of the parent		$ 246,332	2	($ 72,226)	(1)
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 68,805	-	($ 110,678)	(1)
	Earnings (loss) per share					
9750	Basic earnings (loss) per share	6(22)	$ 3.24		($ 0.95)	
9850	Diluted earnings (loss) per share	6(22)	$ 3.10		($ 0.95)	

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

COASTER INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent							
			Capital Reserves		Retained Earnings				
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Employee stock warrants	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Treasury stocks	Total equity
Year ended December 31, 2019									
Balance at January 1, 2019		$ 765,557	$ 1,764,524	$ 25,060	$ 55,493	$ 260,690	($ 95,752)	($ 12,848)	$ 2,762,724
Retrospective application impact		-	-	-	-	(78,182)	-	-	(78,182)
Balance at January 1, 2019 adjusted		765,557	1,764,524	25,060	55,493	182,508	(95,752)	(12,848)	2,684,542
Loss for the year		-	-	-	-	(72,226)	-	-	(72,226)
Other comprehensive loss for the year		-	-	-	-	(762)	(37,690)	-	(38,452)
Total comprehensive loss		-	-	-	-	(72,988)	(37,690)	-	(110,678)
Compensation cost of employee stock options	6(12)	-	-	1,724	-	-	-	-	1,724
Balance at December 31, 2019		$ 765,557	$ 1,764,524	$ 26,784	$ 55,493	$ 109,520	($ 133,442)	($ 12,848)	$ 2,575,588
Year ended December 31, 2020									
Balance at January 1, 2020		$ 765,557	$ 1,764,524	$ 26,784	$ 55,493	$ 109,520	($ 133,442)	($ 12,848)	$ 2,575,588
Profit for the year		-	-	-	-	246,332	-	-	246,332
Other comprehensive loss for the year		-	-	-	-	(1,606)	(175,921)	-	(177,527)
Total comprehensive income (loss)		-	-	-	-	244,726	(175,921)	-	68,805
Balance at December 31, 2020		$ 765,557	$ 1,764,524	$ 26,784	$ 55,493	$ 354,246	($ 309,363)	($ 12,848)	$ 2,644,393

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

COASTER INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax		$ 231,337	($ 119,608)
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit losses	12(2)	36,368	307
Gains on write-off of past due payable	6(16)	-	(15,631)
Depreciation	6(19)	555,284	583,170
Amortization	6(19)	10,296	11,478
Gains on disposals of property, plant and equipment	6(17)	(103)	(352)
Interest expense	6(18)	79,897	120,276
Interest income		(444)	(1,606)
Compensation cost of employee stock options	6(12)	-	1,724
Gain on lease modification	6(17)	(4,981)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		296,330	(68,961)
Other receivables		(110,802)	87,752
Prepayments		(16,950)	23,290
Inventories		892,233	520,466
Changes in operating liabilities			
Contract liabilities-current		18,708	5,469
Notes payable		(1,905)	5,014
Accounts payable		94,605	(435,186)
Other payables		7,608	(41,284)
Other payables-related parties		-	(1,734)
Provisions-current		(3,932)	(981)
Refund liabilities-current		36,978	5,379
Other current liabilities		(1,001)	396
Net defined benefit liability, non-current		194	247
Other non-current liabilities		163	(18,183)
Cash inflow generated from operations		2,119,883	661,442
Interest received		444	1,606
Interest paid		(79,897)	(120,276)
Income tax paid		(6,988)	(27,149)
Income tax refund received		78,095	-
Net cash flows from operating activities		2,111,537	515,623

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COASTER INTERNATIONAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortised cost - current		($ 8,424)	$ -
Increase in financial assets at amortised cost - non-current		(85,644)	-
Proceeds from disposal of property, plant and equipment		584	544
Acquisition of property, plant and equipment	6(6)	(39,272)	(48,953)
Acquisition of intangible assets		-	(6,182)
Decrease in refundable deposits		2,939	501
Net cash flows used in investing activities		(129,817)	(54,090)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(23)	14,728	788,266
Decrease in short-term borrowings	6(23)	(839,362)	(737,903)
Lease payments	6(23)	(518,637)	(526,080)
Increase in other payables - related parties	6(23)	213,601	-
Net cash flows used in financing activities		(1,129,670)	(475,717)
Effect of exchange rate changes on cash and cash equivalents		(180,622)	(30,899)
Net increase (decrease) in cash and cash equivalents		671,428	(45,083)
Cash and cash equivalents at beginning of year		378,830	423,913
Cash and cash equivalents at end of year		$ 1,050,258	$ 378,830
The components of cash and cash equivalents			
Cash and cash equivalents reported in the statement of financial position	6(1)	$ 1,077,127	$ 447,213
Other items qualifying for cash and cash equivalents under the definition of IAS 7	6(8)	(26,869)	(68,383)
Cash and cash equivalents at end of reporting period		$ 1,050,258	$ 378,830

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

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANIZATION

Coaster International Co., Ltd. (the "Company") was incorporated in the Cayman Islands in August 2013. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in wholesale of furniture. The Company's shares were permitted to be publicly traded on August 4, 2016, and listed in the Taiwan Stock Exchange on September 26, 2016.

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

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

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments endorsed by the FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective Date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, 'Disclosure initiative-definition of material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interest rate benchmark reform'	January 1, 2020
Amendment to IFRS 16, 'Covid-19-related rent concessions'	June 1, 2020 (Note)

Note: Earlier application from January 1, 2020 is allowed by the FSC.

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

Amendment to IFRS 16, 'Covid-19-related rent concessions'

This amendment provides a practical expedient for lessees from assessing whether a rent concession related to COVID-19, and that meets all of the following conditions, is a lease modification:

(a) Changes in lease payments result in the revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) Any reduction in lease payments affects only payments originally due on or before June 30, 2021; and

(c) There is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient and accordingly, the Group increased other gains by $985.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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

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

(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 IFRS as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following item, the consolidated financial statements have been prepared under the historical cost convention:

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 IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2020	Ownership (%) December 31, 2019	Description
The Company	COA, Inc.	Trading of furniture	100	100	
The Company	COA Asia, Inc.	Trading of furniture / purchasing service	100	100	
The Company	CFS Global, Inc.	Investment holding	100	100	
COA Inc.	Deliverall Logistics, Inc.	Transportation service	100	100	
COA Inc.	Kyanite Home, LLC	Trading of furniture	100	-	Note 1
COA Inc.	Kayeh Decor LLC	Trading of furniture	100	-	Note 2
COA Asia Inc.	Ye Hey (Malaysia) Logistics Service SDN BHD	Purchasing service	100	100	
COA Asia Inc.	Coaster Furniture (Asia) Service Holdings Ltd.	Investment holding / Warehouse and logistic service	100	100	
COA Asia Inc.	Ye Hey Taiwan Logistics Service Ltd.	Trading of furniture / purchasing service	100	100	
COA Asia Inc.	Ye Hey Holding Co., Ltd.	Investment holding	100	100	
Coaster Furniture (Asia) Service Holdings Ltd.	Coaster Furniture (KunShan) Advisory Ltd.	Purchasing service	100	100	
Ye Hey Holding Co., Ltd.	Ye Hey (ShenZhen) Logistics Service Company	Warehouse and logistic service	100	100	

Note 1: The entity started its operations in the 2nd quarter of 2020 and the Company was controlled by the Company.

Note 2: The company's funds are not yet in place. The entity started its operations in the 2nd quarter of 2020. The Company is the only registered shareholder and controlled the entity. As of December 31, 2020, the paid-in-capital has not yet been received.

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”). The Company’s functional currency is US Dollars. The consolidated financial statements are presented in New Taiwan Dollars.

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 re-translated 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, associates and jointly controlled entities 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.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading purposes;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.

(6) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

B. Bank overdrafts which are repayable on demand form an integral part of the Group’s cash management are included within cash and cash equivalents in the consolidated statement of cash flows. Bank overdrafts are shown within short-term borrowings in current liabilities in the balance sheet.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group’s business model is achieved by collecting contractual cash flows.

(b) The assets’ contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group’s time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost including accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(12) Property, plant and equipment

A. Equipment is initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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

C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of equipment with a cost that is significant in relation to the total cost must be depreciated separately.

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

Buildings and structures	50 years

Warehouse equipment	5~7 years
Transportation equipment	3~7 years
Office equipment	3~5 years
Leasehold improvements	3~7 years
Other equipment	3~9 years

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

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

(14) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(15) Impairment of non-financial assets

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

(16) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(17) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(19) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(20) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees' bonus and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(22) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings in Taiwan subsidiary.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred tax is not accounted for if an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company’s equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects is included in equity attributable to the Company’s equity holders.

(25) Revenue recognition

A. The Group sells furniture and related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. The furniture is often sold with volume discounts based on historical experience. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts, sales discounts and allowances. A refund liability is recognised for expected volume discounts, sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 30 days. As the time interval between the transfer of committed goods or services and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

C. The Group’s obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

D. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group’s Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories in the balance sheet using judgements and estimates. For inventories aged over a certain period, the net realisable value is calculated based on historical data of the degree of discounts required for inventory clearance. Therefore, there might be material changes to the evaluation.

As of December 31, 2020, the carrying amount of inventories was $1,590,795.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand and revolving funds	$ 1,090	$ 1,658
Checking accounts and demand deposits	1,076,037	445,555
	$ 1,077,127	$ 447,213

A. 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.

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

(2) Financial assets at amortised cost

	December 31, 2020	December 31, 2019
Current items:		
Certificate of deposit	$ 8,424	$ -
Non-current items:		
Certificate of deposit	85,644	-
Total	$ 94,068	$ -

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

	2020	2019
Interest income	$ 9	$ -

B. As at December 31, 2020 and 2019, 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 was $94,068 and $0, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(3) Accounts receivable

	December 31, 2020	December 31, 2019
Accounts receivable	$ 382,270	$ 688,989
Less: Allowance for uncollectible accounts	(44,172)	(18,193)
	$ 338,098	$ 670,796

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2020	December 31, 2019
Not past due	$ 250,540	$ 539,107
Past due		
Up to 30 days	73,816	88,477
31 to 90 days	26,777	38,678
Over 90 days	31,137	22,727
	$ 382,270	$ 688,989

The above ageing analysis was based on past due date.

B. Accounts receivable are pledged to the bank as collateral. Please refer to Notes 6(8) and 8 in details.

C. The Group does not hold any collateral.

D. As at December 31, 2020 and 2019, 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 $338,098 and $670,796, respectively.

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

(4) Other receivables

	December 31, 2020	December 31, 2019
Balance of accounts receivable factoring not yet due	$ 246,684	$ 135,895
Others	41	28
	$ 246,725	$ 135,923

A. The Group entered into a factoring agreement with financial institutions to sell its accounts receivable, and the conditions of agreement are as follows:

(a) Every account receivable should be approved by financial institutions before factoring transaction. The financial institution is obligated to bear the default risk of the transferred accounts receivable, except for the losses incurred on any business dispute.

(b) The Group and financial institutions have agreed that financial institutions would collect accounts receivable and pay to the Group the transferred accounts receivable within a specific period of time after transfer date.

(c) Any interest of prepayments should be calculated at agreed interest rate.

The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable and recognised outstanding balance as other accounts receivable. The related information is as follows:

December 31, 2020				
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Amount advanced	Outstanding balance
Rosenthal & Rosenthal	$ 246,684	$ 246,684	$ -	$ -

December 31, 2019				
Purchaser of accounts receivable	Accounts receivable transferred	Amount derecognised	Amount advanced	Outstanding balance
Rosenthal & Rosenthal	$ 127,411	$ 127,411	$ -	$ -
Wells Fargo	8,484	8,484	-	-
	$ 135,895	$ 135,895	$ -	$ -

B. The other receivables of the abovementioned accounts receivable factoring are pledged to banks except for factoring institutions. Details are provided in Notes 6(8) and 8. In addition, please refer to Note 6(18) for details of the service charge on accounts receivable factoring.

(5) Inventories

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Merchandise inventory	$ 1,012,896	($ 80,766)	$ 932,130
Inventory in transit	658,665	-	658,665
	$ 1,671,561	($ 80,766)	$ 1,590,795

	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Merchandise inventory	$ 2,245,978	($ 126,727)	$ 2,119,251
Inventory in transit	363,777	-	363,777
	$ 2,609,755	($ 126,727)	$ 2,483,028

A. The cost of inventories recognised as expense for the year:

	Years ended December 31, 2020	2019
Cost of goods sold	$ 7,095,403	$ 8,254,370
(Gain on reversal of decline in market value) Loss on decline in market value	(39,334)	24,127
Labor cost	85,121	95,550
	$ 7,141,190	$ 8,374,047

B. The Group reversed from a previous inventory write-down and accounted for as reduction of cost of goods sold since the inventories had been sold for the year ended December 31, 2020.

C. The abovementioned inventories are pledged as collateral for bank borrowings. Details are provided in Notes 6(8) and 8.

(6) Property, plant and equipment

	Buildings	Storage supply	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
January 1, 2020							
Cost	$ 12,156	$ 212,465	$ 64,241	$ 230,110	$ 118,211	$ 77,690	$ 714,873
Accumulated depreciation	(1,847)	(165,524)	(56,195)	(218,435)	(97,431)	(70,936)	(610,368)
	$ 10,309	$ 46,941	$ 8,046	$ 11,675	$ 20,780	$ 6,754	$ 104,505
2020							
January 1	$ 10,309	$ 46,941	$ 8,046	$ 11,675	$ 20,780	$ 6,754	$ 104,505
Additions	-	16,753	4,394	591	16,530	1,004	39,272
Disposals	-	(248)	-	-	(233)	-	(481)
Depreciation charge	(229)	(16,463)	(2,432)	(4,970)	(7,351)	(2,883)	(34,328)
Net exchange differences	3	(3,138)	(436)	(418)	(1,807)	(314)	(6,110)
December 31	$ 10,083	$ 43,845	$ 9,572	$ 6,878	$ 27,919	$ 4,561	$ 102,858
December 31, 2020							
Cost	$ 12,162	$ 207,268	$ 61,765	$ 215,321	$ 125,036	$ 73,584	$ 695,136
Accumulated depreciation	(2,079)	(164,423)	(52,193)	(208,443)	(97,117)	(69,023)	(592,278)
	$ 10,083	$ 43,845	$ 9,572	$ 6,878	$ 27,919	$ 4,561	$ 102,858

	Buildings	Storage supply	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Total
January 1, 2019							
Cost	$ 12,557	$195,642	$ 62,738	$ 231,362	$ 116,330	$ 99,011	$ 717,640
Accumulated depreciation	(1,669)	(164,551)	(51,313)	(214,687)	(90,625)	(96,511)	(619,356)
	$ 10,888	$ 31,901	$ 11,425	$ 16,675	$ 25,705	$ 2,500	$ 98,284
2019							
January 1	$ 10,888	$ 31,091	$ 11,425	$ 16,675	$ 25,705	$ 2,500	$ 98,284
Additions	-	33,017	891	2,039	3,732	9,274	48,953
Disposals	-	(172)	(20)	-	-	-	(192)
Depreciation charge	(240)	(16,081)	(4,173)	(7,279)	(8,394)	(4,863)	(41,030)
Net exchange differences	(339)	(914)	(77)	240	(263)	(157)	(1,510)
December 31	$ 10,309	$ 46,941	$ 8,046	$ 11,675	$ 20,780	$ 6,754	$ 104,505
December 31, 2019							
Cost	$ 12,156	$212,465	$ 64,241	$ 230,110	$ 118,211	$ 77,690	$ 714,873
Accumulated depreciation	(1,847)	(165,524)	(56,195)	(218,435)	(97,431)	(70,936)	(610,368)
	$ 10,309	$ 46,941	$ 8,046	$ 11,675	$ 20,780	$ 6,754	$ 104,505

Information about the property, plant and equipment that were pledged to others as collateral is provided in Notes 6(8) and 8.

(7) Leasing arrangements-lessee

A. The Group leases various assets including buildings, transportation equipment and office equipment. Rental contracts are typically made for periods of 2 to 8 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

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

	At December 31, 2020	At December 31, 2019
	Carrying amount	Carrying amount
Buildings	$ 1,443,423	$ 1,707,313
Transportation equipment	238	697
Office equipment	1,103	625
	$ 1,444,764	$ 1,708,453

	Year ended December 31, 2020	Year ended December 31, 2019
	Depreciation charge	Depreciation charge
Buildings	$ 520,351	$ 541,498
Transportation equipment	362	403
Office equipment	243	239
	$ 520,956	$ 542,140

C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were $363,565 and $117,763, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Items affecting profit or loss		
Interest expense on lease liabilities	$ 67,689	$ 81,289
Expense on short-term lease contracts	1,460	1,323
Gain on lease modification	4,981	-

E. For the years ended December 31, 2020 and 2019, the Group's total cash outflow for leases were $587,786 and $608,692, respectively. The cash outflow included lease payments amounting to $518,637 and $526,080, respectively.

(8) Short-term borrowings

Type of borrowings	December 31, 2020	Interest rate range	Collateral
Bank borrowings			
Bank overdraft accounts	$ 26,869	-	None

Type of borrowings	December 31, 2019	Interest rate range	Collateral
Bank borrowings			
Bank secured borrowings	$ 842,360	3.486%~4.75%	Accounts receivable, other receivables, inventories and property, plant and equipment
Bank overdraft accounts	68,383	-	None
	$ 910,743		

The subsidiary, COA Inc., has signed a credit agreement with the bank for a credit line of US$55,000,000 on December 31, 2019, and the loan contract expired in July 2020. Accounts receivable (including other receivables sold to banks), inventories, property, plant and equipment are pledged as collaterals. The amount that can be drawn is calculated based on a certain formula and amounts of accounts receivable, inventories and outstanding letters of credit. The following financial conditions are required for the credit facility contract:

A. Net tangible assets (total equity less intangible assets) shall not be lower than US$60,000,000 at the balance sheet date of every quarter.

B. The amount of total liabilities divided by net tangible assets may not exceed 1.5 times.

C. The interest protection multiples (profit before tax plus interest expense, depreciation expense and amortisation expense then divided by interest expense) shall not be lower than 3.5 times at the balance sheet date of each quarter (Note).

D. Acquisition of property, plant and equipment may not exceed US$5,000,000 annually.

E. Loans and advances to employees and accounts receivable due from affiliated entities in amounts not to exceed an aggregate of US$3,000,000 at any time.

Note: (i) As of December 31, 2019, the period of expenses was determined on a trailing 3-month basis (ii) for each fiscal quarter end thereafter, the period of expenses was determined on a rolling 4-quarter basis.

(9) Other payables

	December 31, 2020	December 31, 2019
Salary and wages payable	$ 100,620	$ 73,071
Accrued expenses	50,625	72,328
Accrued employee insurance	13,323	9,980
Accrued royalty	-	3,756
Accrued sales commission	18,022	22,584
Others	114,614	107,877
	$ 297,204	$ 289,596

(10) Refund liabilities-current

	December 31, 2020	December 31, 2019
At January 1	$ 75,895	$ 71,739
Additional provisions	36,978	5,379
Exchange differences	(6,798)	(1,223)
At December 31	$ 106,075	$ 75,895

Refund liabilities are the returns and discounts related to furniture sales. Sales discounts are mainly generated from sales through electronic commerce platform, which is calculated according to the discounts rate and items on the contract. Sales returns are estimated based on historical experience.

(11) Pensions

A. Defined benefit plans

(a) The Company's Taiwan subsidiary apply defined benefit pension plan in accordance with the Labor Standards Act for its employees who have worked at other associates and whose years of service have been carried forward. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. 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) The amounts recognised in the balance sheet are determined as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	$ 28,446	$ 26,243
Fair value of plan assets	-	-
Net defined benefit liability	$ 28,446	$ 26,243

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2020	($ 26,243)	$ -	($ 26,243)
Interest expense	(194)	-	(194)
	(26,437)	-	(26,437)
Remeasurements:			
Change in demographic assumptions	-	-	-
Change in financial assumptions	(1,471)	-	(1,471)
Experience adjustments	(538)	-	(538)
	(2,009)	-	(2,009)
December 31, 2020	($ 28,446)	$ -	($ 28,446)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2019	($ 25,044)	$ -	($ 25,044)
Interest expense	(247)	-	(247)
	(25,291)	-	(25,291)
Remeasurements:			
Change in demographic assumptions	-	-	-
Change in financial assumptions	(726)	-	(726)
Experience adjustments	(226)	-	(226)
	(952)	-	(952)
December 31, 2019	($ 26,243)	$ -	($ 26,243)

(d) The principal actuarial assumptions used for pension fund were as follows:

	2020	2019
Discount rate	0.25%	0.75%
Future salary increases	2.00%	2.00%

Future mortality rate was estimated based on the 5th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2020				
Effect on present value of defined benefit obligation	($ 748)	$ 775	$ 759	($ 737)

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2019				
Effect on present value of defined benefit obligation	($ 726)	$ 753	$ 742	($ 719)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2021 amount to $0.

(f) As of December 31, 2020, the weighted average duration of that retirement plan is 10 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 734
1-2 year(s)	734
2-5 years	2,524
Over 5 years	25,105
	$ 29,097

B. Defined contribution plans

(a) The Company’s Taiwan subsidiary has 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, the Company’s Taiwan subsidiary contributes monthly an amount based on 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 Company’s mainland China subsidiaries 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 employees’ monthly salaries and wages. The contribution percentage for the years ended December 31, 2020 and 2019 was both 20%. Other than the monthly contributions, the Group has no further obligations.

(c) The Group's subsidiaries in Malaysia recognise related expense in accordance with the local pension regulations. Monthly contribution is based on 13% of the base salary, performance bonus and bonus.

(d) The Group has established a defined contribution pension plan (the "401(K) Plan"), covering all regular employees working in U.S. subsidiaries. Under the 401(K) Plan, employees contribute monthly an amount based on a certain percentage of the employees' monthly salaries and wages to the employees' individual pension accounts. The Group contributes at the same percentage as employees contributed up to a maximum of 4%.

(e) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2020 and 2019 were $21,616 and $29,956, respectively.

(12) Share-based payment

A. For the years ended December 31, 2020 and 2019, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (Note 2)	Contract period	Vesting conditions
Employee stock options	2015/11/1	4,294 (units)	7 years	2~4 years' service (Note 1)

Note 1: Employee who has worked for 2 years reach 40% of vesting conditions while 3 years reach 70% and 4 years reach 100%.

Note 2: The number of shares covered by the option is 1,000 shares per unit.

Share-based payment arrangements mentioned above are equity-settled.

B. Details of the share-based payment arrangements are as follows:

	2020	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding balance at January 1	3,292,000	$ 36.0
Options forfeited	(96,000)	36.0
Options exercisable at December 31	3,196,000	36.0

	2019	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding balance at January 1 (Equal Options outstanding at December 31)	3,292,000	$ 36.0
Options exercisable at December 31	3,292,000	36.0

C. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2020		December 31, 2019	
Issue date approved	Expiry date	No. of shares (shares in thousands)	Exercise price (in dollars)	No. of shares (shares in thousands)	Exercise price (in dollars)
2015/11/1	2022/10/31	3,196	$ 36	3,292	$ 36

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of Arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2015/11/1	27.41	36.0	40.70%	4.95 years	-	0.88%	7.60

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

E. Expenses incurred on share-based payment transactions are shown below:

	Years ended December 31	
	2020	2019
Equity-settled	$ -	$ 1,724

(13) Share capital

A. As of December 31, 2020, the Company's authorized capital was $2,000,000, consisting of 200 million shares of ordinary shares, and the paid-in capital was $765,557 with a par value of $10 per share. All proceeds from shares issued have been collected.

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

	2020	2019
At January 1	76,055,696	76,055,696
At December 31	76,055,696	76,055,696

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2020	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	500,000	$ 12,848

		December 31, 2019	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	500,000	$ 12,848

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury shares should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within three years from the reacquisition date and shares not reissued within the three-year period are to be retired.

(14) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be used through the following process:

(a) Pay taxes as regulated;

(b) Offset prior years' operating losses (if any);

(c) Appropriate 10% of the retained earnings as legal reserve, unless the legal reserve equals to paid-in capital of the Company;

(d) Appropriate special reserve as required by the competent authority; and

(e) Distribute retained earnings calculated from current earnings less the total amount of (a) to (d) plus accumulated retained earnings of prior years. Distributable retained earnings could be distributed by the Board of Directors while taking profit, capital structure and future operations into consideration. The dividend policy should be adopted by the Board of Directors and resolved by the stockholders at the stockholders' meeting. Dividends can be distributed in the form of cash or stock. In order to comply with the laws of Cayman Islands, cash dividends should be distributed in the proportion of 10%~100% of total dividends.

B. On June 25, 2019 and March 23, 2020, the shareholders' decided that no dividends will be distributed because of the losses in 2018 and 2019.

C. On March 23, 2021, the Company proposed the appropriations of the 2020 earnings and approved by the board of directors. The details were as follows:

	Amount
Legal reserve	$ 24,472
Special reserve	309,363
	$ 333,835

The abovementioned distribution proposal for 2020 has not yet been approved by the shareholders.

(15) Operating revenue

	Year ended December 31, 2020	Year ended December 31, 2019
Revenue from contracts with customers	$ 10,314,597	$ 11,737,383

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major categories and geographical regions:

Year ended December 31, 2020	US		All other segments	
	Furniture sales	Others	Furniture sales	Total
Timing of revenue				
At a point in time	$ 10,173,937	$ 56,315	$ 84,345	$ 10,314,597

Year ended December 31, 2019	US		All other segments	
	Furniture sales	Others	Furniture sales	Total
Timing of revenue				
At a point in time	$ 11,497,046	$ 69,049	$ 171,288	$ 11,737,383

B. Contract liabilities

(a) On December 31, 2020, December 31, 2019, and January 1, 2019, the Group recognised contract liabilities related to customer contract revenue of $75,082, $56,374 and $50,905, respectively.

(b) Revenue recognised that was included in the contract liability balance at the beginning of 2020 and 2019 are $56,374 and $50,905, respectively.

(c) All contracts are for periods of one year or less or are billed based on time incurred. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(16) Other income

	Years ended December 31, 2020	2019
Gains on write-off of past due payable	-	15,631
Others	6,572	7,188
	$ 6,572	$ 22,819

(17) Other gains and losses

	Years ended December 31, 2020	2019
Gain on disposal of assets	$ 103	$ 352
Gains arising from lease modifications	4,981	-
Net exchange loss	(8,450)	(1,368)
Others	(3,418)	(8,185)
	($ 6,784)	($ 9,201)

(18) Finance costs

	Years ended December 31, 2020	2019
Interest expense		
Bank loan	$ 8,676	$ 38,987
Loans from related parties	3,532	-
Lease liability	67,689	81,289
Service charge on accounts receivable factoring	23,746	17,136
	$ 103,643	$ 137,412

(19) Expenses by nature

	Years ended December 31, 2020	2019
Employee benefit expense	$ 1,116,909	$ 1,396,968
Depreciation charges on property, plant and equipment	$ 34,328	$ 41,030
Depreciation charges on right-of-use assets	$ 520,956	$ 542,140
Amortisation charge	$ 10,296	$ 11,478

(20) Employee benefit expense

	Years ended December 31, 2020	2019
Wages and salaries	$ 949,097	$ 1,207,188
Labor and health insurance fees	92,928	90,265
Pension costs	21,810	30,203
Other personnel expenses	53,074	69,312
	$ 1,116,909	$ 1,396,968

A. According to the Articles of Incorporation of the Company, distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration when distributing earnings. The Company shall distribute 1~15% for employees' compensation and not higher than 2% for directors' remuneration.

B. For the year December 31, 2020, employees' compensation and directors' remuneration were both accrued at $2,360. The aforementioned amounts were recognised in salary expenses. The Company did not accrue employees' and directors' remuneration due to the loss in 2019. For the year ended December 31, 2020, the employees' compensation and directors' remuneration were both estimated and accrued based on 1% of distributable profit of current year as of the end of reporting period.

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

(21) Income tax

A. Income tax benefit:

	Years ended December 31, 2020	Years ended December 31, 2019
Current tax:		
Current tax on profit (loss) for the year	$ 33,666	$ 18,797
Undistributed retained earnings	726	890
Prior year income tax (over) under estimation	(13,726)	8,675
Tax refund from loss carryback	(146,999)	-
Total current tax	(126,333)	28,362
Deferred tax:		
Origination and reversal of temporary differences	111,338	(75,744)
Income tax benefit	($ 14,995)	($ 47,382)

B. Reconciliation between income tax benefit and accounting profit

	Years ended December 31, 2020	Years ended December 31, 2019
Tax calculated based on profit (loss) before tax and statutory tax rate (Note)	$ 107,384	($ 54,547)
Effect of non-deductible expenses or accounted as tax-exempt income as regulated in tax laws	(48,719)	26,527
Change in assessment of realisation of deferred tax assets	1,804	(31,906)
Prior year income tax (over) under estimation	(13,726)	8,675
Tax on undistributed earnings	726	890
Impact of change in the tax rate on temporary differences between current year and the year realised	(8,256)	637
Separate taxation	2,074	1,802
Effect from the tax rate change for loss carryback	(56,205)	-
Others	(77)	540
Income tax benefit	($ 14,995)	($ 47,382)

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. In 2020, the U.S. government issued IRS1139, whereby the losses declared by the Group in 2019 and 2018 can be used to offset against taxable income before 2017 and apply for a tax refund. The Group declared a tax refund amount of $146,999 in 2020. As the U.S. federal income tax rate has declined in 2018, the tax rate applied for the tax refund was calculated based on the actual tax rate paid for each year, the impact of changes in tax rate amounts to $56,205. The U.S. subsidiary applied for a tax refund due to the previous bill and received a tax refund of $78,095 in July 2020, and the tax refund receivable as of December 31, 2020 was $68,904, recorded as current tax assets.

D. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2020				
	January 1	Recognised in profit or loss	Recognised in equity	Translation differences	December 31
Deferred tax assets:					
-Temporary differences					
Pension expense	$ 5,249	$ 39	$ 402	($ 1)	$ 5,689
Allowance for bad debts	5,501	6,502	-	(672)	11,331
Unrealised sales returns and discounts	19,024	9,922	-	(1,735)	27,211
Valuation allowance in inventories	47,120	(10,196)	-	(2,671)	34,253
Deferred cost of sale	73,313	(5,212)	-	(4,654)	63,447
Depreciation and amortisation	20,324	(6,433)	-	(1,056)	12,835
Unrealised expenses	57,202	(1,903)	-	(3,719)	51,580
Unrealised exchange loss	455	514	-	(1)	968
Others	29,580	(14,497)	-	(1,298)	13,785
-Tax losses	112,338	(89,685)	-	(3,312)	19,341
	$ 370,106	($ 110,949)	$ 402	($ 19,119)	$ 240,440
Deferred tax liabilities:					
-Temporary differences					
Unrealised exchange gain	($ 4,234)	($ 389)	$ -	$ 302	($ 4,321)

	2019									
	January 1		Recognised in profit or loss		Recognised in equity		Translation differences		December 31	
Deferred tax assets:										
-Temporary differences										
Pension expense	$	5,009	$	49	$	190	$	1	$	5,249
Allowance for bad debts		5,455		131		-	(	85)		5,501
Unrealised sales returns and discounts		18,021		1,309		-	(	306)		19,024
Valuation allowance in inventories		42,197		5,710		-	(	787)		47,120
Deferred cost of sale		97,630	(	23,471)		-	(	846)		73,313
Depreciation and amortisation		17,795		2,873		-	(	344)		20,324
Unrealised expenses		54,885		3,228		-	(	911)		57,202
Unrealised exchange loss		-		637		-	(	182)		455
Others		-		30,388		-	(	808)		29,580
-Tax losses		55,511		59,239		-	(	2,412)		112,338
	$	296,503	$	80,093	$	190	($	6,680)	$	370,106
Deferred tax liabilities:										
-Temporary differences										
Unrealised exchange gain	($	182)	($	4,349)	$	-	$	297	($	4,234)

E. Expiration dates of subsidiaries' unused net operating loss carryforward and amounts of unrecognised deferred tax assets are as follows:

	December 31, 2020						
Year incurred	Amount filed / assessed		Unused amount		Unrecognised deferred tax assets		Usable until year
2018	$	238,215	$	39,075	$	-	Note
2019		207,017		33,583		-	Note

	December 31, 2019						
Year incurred	Amount filed / assessed		Unused amount		Unrecognised deferred tax assets		Usable until year
2018	$	238,215	$	238,215	$	-	Note
2019		207,017		207,017		-	Note

Note: This represents tax losses incurred by a US subsidiary. In accordance with current tax law, those generated after January 1, 2018 can be used indefinitely.

(22) Earnings (loss) per share

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 246,332	76,056	$ 3.24
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	246,332	76,056	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	3,196	
Employees' compensation	-	112	
Profit attributable to ordinar shareholders of the parent plus assumed conversion of all dilutive potential ordinar shares	$ 246,332	79,364	$ 3.10

	Year ended December 31, 2019		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share (Note)			
Loss attributable to ordinary shareholders of the parent	($ 72,226)	76,056	($ 0.95)

Note: Since the Company had net loss in 2019, the inclusion of potential ordinary shares will have an anti-dilutive effect. Thus, only the basic loss per share calculation is included.

(23) Changes in liabilities from financing activities

	Short-term borrowings (Note)	Lease liabilities	Other payables to related parties	Liabilities from financing activities-gross
At January 1, 2020	$ 842,360	$ 1,875,885	$ -	$ 2,718,245
Short-term borrowings increase	14,728	-	-	14,728
Short-term borrowings decrease	(839,362)	-	-	(839,362)
Loan from related parties increase	-	-	213,601	213,601
Lease payment	-	(518,637)	-	(518,637)
Changes in other non-cash items	-	358,585	-	358,585
Impact of changes in foreign exchange rate	(17,726)	(117,782)	-	(135,508)
At December 31, 2020	$ -	$ 1,598,051	$ 213,601	$ 1,811,652

	Short-term borrowings (Note)	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2019	$ 805,465	$ 2,304,913	$ 3,110,378
Short-term borrowings increase	788,266	-	788,266
Short-term borrowings decrease	(737,903)	-	(737,903)
Lease payment	-	(526,080)	(526,080)
Changes in other non-cash items-	-	117,763	117,763
Impact of changes in foreign exchange rate	(13,468)	(20,711)	(34,179)
At December 31, 2019	$ 842,360	$ 1,875,885	$ 2,718,245

Note: The short-term borrowings listed above do not include bank overdraft.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Yeh Family Limited Partnership (Yeh Family)	Entity controlled by key management personnel
MISA LLC (MISA)	Entity controlled by key management personnel
Yeh International Service Corporation	Entity controlled by key management personnel

Names of related parties	Relationship with the Company
Yeh Cayman International Business Corporation	Entity controlled by key management personnel
Coaster Furniture (ShenZhen) Ltd.	Entity controlled by key management personnel
Michael Yeh	Key management

(2) Significant related party transactions

A. Lease transactions-lessee

(a) The Group leases buildings from related parties. Rental contracts are typically made for periods of 5 to 8 years with MISA; 5 years with Yeh Family; 1 to 3 years with other related parties. The abovementioned rents paid to related parties are approximately the same with third parties and are paid monthly on a contract basis.

(b) Acquisition of right-of-use assets:

On January 1, 2019 (the date of initial application of IFRS 16), the Group increased right-of-use assets by $480,532. The Group did not obtain right-of-use assets from related parties in 2020. For lease liabilities at the end of the current year, please refer to the following:

Lease liabilities

(i) Outstanding balance:

	December 31, 2020		
	Current	Non-current	Total
MISA	$ 129,997	$ 258,875	$ 388,872
Yeh Family	32,551	19,636	52,187
Others	6,423	4,811	11,234
	$ 168,971	$ 283,322	$ 452,293

	December 31, 2019		
	Current	Non-current	Total
MISA	$ 129,139	$ 416,708	$ 545,847
Yeh Family	32,242	55,922	88,164
Others	16,827	9,585	26,412
	$ 178,208	$ 482,215	$ 660,423

(ii) Interest expense

	Years ended December 31,	
	2020	2019
MISA	$ 20,275	$ 24,281
Yeh Family	3,068	4,135
Others	380	725
	$ 23,723	$ 29,141

(c) Rent expense

	Years ended December 31,	
	2020	2019
Others	$ 884	$ 927

B. Loans to /from related parties:

Loans to related parties:

(i) Outstanding balance:

	December 31, 2020	December 31, 2019
MISA	$ 127,658	$ -
Yeh Family	85,943	-
	$ 213,601	$ -

(ii) Interest expense

	Years ended December 31,	
	2020	2019
MISA	$ 1,309	$ -
Yeh Family	2,223	-
	$ 3,532	$ -

The loans carry interest based on the last day of each month of LIBOR daily interest rate plus 1.5% per annum for the year ended December 31, 2020.

(3) Key management compensation

	Years ended December 31,	
	2020	2019
Salaries and bonus	$ 116,420	$ 129,421
Pensions	3,003	4,731
Share-based payments	-	1,219
	$ 119,423	$ 135,371

8. PLEDGED ASSETS

	Book value		
Pledged asset	December 31, 2020	December 31, 2019	Purpose
Certificate of deposit	$ 85,644	$ -	Issue letter of credit
Accounts receivable	-	650,509	Short-term borrowings
Other receivables	-	135,895	〃
Inventories	-	2,481,035	〃
Property, plant and equipment	-	85,974	〃
	$ 85,644	$ 3,353,413	

9. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

For the years ended December 31, 2020 and 2019, the amounts of letters of credit that have been issued but not used are $85,644 and $122,617, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During the year ended December 31, 2020, the Group's strategy, which was unchanged from 2019, was to maintain the gearing ratio within 0% to 50%. The gearing ratios at December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Total borrowings (including related parties)	$ 240,470	$ 910,743
Less: Cash and cash equivalents	(1,077,127)	(447,213)
Net debt	(836,657)	463,530
Total equity	2,644,393	2,575,588
Total capital	$ 1,807,736	$ 3,039,118
Gearing ratio (Note)	0%	15%

Note: The gearing ratio is 0% due to the negative amount of net debt on December 31, 2020.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2020	December 31, 2019
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 1,077,127	$ 447,213
Accounts receivable	338,098	670,796
Other receivables	246,725	135,923
Guarantee deposits paid	41,115	44,054
Financial assets at amortised cost	94,068	-
	$ 1,797,133	$ 1,297,986

	December 31, 2020	December 31, 2019
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 26,869	$ 910,743
Notes payable	4,600	6,505

	December 31, 2020	December 31, 2019
Financial liabilities		
Accounts payable	321,656	227,051
Other accounts payable (including related parties)	510,805	289,596
Lease liability	1,598,051	1,875,885
	$ 2,461,981	$ 3,309,780

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under approved policies. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Group provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

(i) The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the CAD. Foreign exchange 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 treasury.

(iii) The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: USD; other subsidiaries' functional currency: local currency). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (TWD)
Financial assets			
Monetary items			
CAD：USD	$ 123	0.7841	$ 2,719

	December 31, 2019		
	Foreign currency amount (In thousands)	Exchange rate	Book value (TWD)
Financial assets			
Monetary items			
CAD：USD	$ 277	0.7649	$ 6,373

(iv) Please refer to the following table for the details of unrealised exchange (loss) gain arising from significant foreign exchange variation on the monetary items held by the Group:

	Year ended December 31, 2020		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (TWD)
Financial assets			
Monetary items			
CAD：USD		0.7841	($ 1,439)

	Year ended December 31, 2019		
	Exchange gain (loss)		
	Foreign currency amount (In thousands)	Exchange rate	Book value (TWD)
Financial assets			
Monetary items			
CAD：USD		0.7649	($ 1,630)

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

	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
CAD：USD	1%	$ 27	$ -

	Year ended December 31, 2019		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
CAD：USD	1%	$ 64	$ -

ii. Cash flow and fair value interest rate risk

(i) The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2020 and 2019, the Group's borrowings at variable rate were mainly denominated in US Dollars.

(ii) If the borrowing interest rate of US dollars had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the years ended December 31, 2020 and 2019 would have increased/decreased by $0 and $842, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(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.

ii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

iii. 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.

iv. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach using the provision matrix, loss rate methodology to estimate expected credit loss.

v. 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 December 31, 2020, the Group did not have written-off financial assets that are still under recourse procedures.

vi. Accounts receivable of the Group are divided into: customers whose transactions are through credit cards and normal credits that are underwritten by financial institutions or undertaken by the Group.

(i) When the customer defaults, the credit loss associated with payments collected by the credit card company and with accounts underwritten by the financial institution will be borne by the financial institution. On December 31, 2020, the book values of accounts receivable were $270,000 and $547,395, respectively; the amounts of impairment provision were both $0.

(ii)The Group used the forecastability to adjust historical and timely information to assess the allowance loss for accounts receivable that are not underwritten by financial institutions and those from normal credit customers. On December 31, 2020, the provision matrix is as follows:

	Not past due	Past due within 30 days	31 to 60 days past due
At December 31, 2020			
Expected loss rate	1.41%~14.88%	6.96%~15.42%	39.09%~53.28%
Total book value	$ 41,410	$ 23,151	$ 14,498
Loss allowance	2,075	3,116	5,896

	61 to 90 days past due	Over 90 days past due	Total
At December 31, 2020			
Expected loss rate	96.69%~97.72%	100%	
Total book value	$ 5,426	$ 27,785	$ 112,270
Loss allowance	5,300	27,785	44,172

	Not past due	Past due within 30 days	31 to 60 days past due
At December 31, 2019			
Expected loss rate	1.05%~12.44%	5.85%~13.73%	37.83%~54.25%
Total book value	$ 93,184	$ 21,603	$ 15,798
Loss allowance	2,474	2,356	4,018

	61 to 90 days past due	Over 90 days past due	Total
At December 31, 2019			
Expected loss rate	96.97%~98.87%	100%	
Total book value	$ 4,629	$ 6,380	$ 141,594
Loss allowance	2,965	6,380	18,193

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2020
At January 1	$ 18,193
Provision for impairment	36,368
Write-offs	(7,840)
Effect of foreign exchange	(2,549)
At December 31	$ 44,172

	2019
At January 1	$ 21,715
Provision for impairment	307
Write-offs	(3,590)
Effect of foreign exchange	(239)
At December 31	$ 18,193

For provisioned loss in 2020 and 2019, the impairment losses arising from customers' contracts are $36,368 and $307, respectively.

(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 while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements.

ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2020			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 26,869	$ -	$ -	$ -
Notes payable	4,600	-	-	-
Accounts payable	321,656	-	-	-
Other payables	297,204	-	-	-
Other payables to related parties (Note)	214,890	-	-	-
Lease liability (Note)	538,956	476,198	702,650	40,063

	December 31, 2019			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings (Note)	$ 913,242	$ -	$ -	$ -
Notes payable	6,505	-	-	-
Accounts payable	227,051	-	-	-
Other payables	289,596	-	-	-
Lease liability (Note)	611,955	533,635	842,372	55,679

Note: Represents the total contract liability for repayment in the future including interest expense for the period.

(3) Fair value information

A. The carrying amounts of the Group's financial instruments not measured at fair value, including cash and cash equivalents, accounts receivable, other receivables, guarantee deposits, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

B. The Group does not engage in transactions in financial instruments measured at 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): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

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

J. Significant inter-company transactions during the reporting periods: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 3.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 4.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 5.

14. SEGMENT INFORMATION

(1) General information

The Group only operates wholesale of furniture. The chief operating decision maker, who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of segment information

A. The Group's operating segment profit (loss) is measured with the operating profit (loss) before tax, which is used as a basis for the Group in assessing the performance of the operating segments. The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4.

B. The revenues from external customers and its financial information reported to the Chief Operating Decision-Maker are measured in a manner consistent with that in the consolidated statement of comprehensive income.

(3) Reconciliation for segment income (loss)

The segment assets, liabilities and net profit (loss) after tax reported to the Chief Operating Decision-Maker are measured in a manner consistent with that in the balance sheet and statement of comprehensive income, thus, no reconciliation is needed.

(4) Information on products and services

Revenues from external customers mainly come from wholesale of furniture. Service revenues mainly come from purchases and transportation of furniture and related services.

Details of revenue balance is as follows:

	Years ended December 31,	
	2020	2019
Revenue from sale of furniture	$ 10,258,282	$ 11,668,334
Service revenue	56,315	69,049
	$ 10,314,597	$ 11,737,383

(5) Geographical information

Geographical information for the years ended December 31, 2020 and 2019 is as follows:

	As at and for the year ended December 31, 2020		As at and for the year ended December 31, 2019	
	Revenue	Non-current assets	Revenue	Non-current assets
United States	$ 10,230,252	$ 1,539,180	$ 11,566,095	$ 1,800,217
Others	84,345	29,990	171,288	50,039
	$ 10,314,597	$ 1,569,170	$ 11,737,383	$ 1,850,256

Non-current assets do not include financial instruments and deferred tax assets.

(6) Major customer information

The Group's operating revenue from individual external customers for the years ended December 31, 2020 and 2019 did not exceed 10% of the consolidated net operating revenue.

Coaster International Co., Ltd. and subsidiaries

Loans to others

Year ended December 31, 2020

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
0	Coaster International Co., Ltd.	COA, Inc.	Other receivables	Yes	$ 90,690	$ 56,160	$ -	0.17%	Short-term financing	$ -	Operational needs	$ -	-	$ -	$ 1,057,757	$ 1,057,757	Note 1
1	COA Asia, Inc.	COA, Inc.	Other receivables	Yes	180,060	168,480	168,480	0.25%	Short-term financing	-	Operational needs	-	-	-	415,960	415,960	Note 2

Note 1 ：According to the company's "Procedures for Provision of Loans", ceiling on each and total loans granted to other company for short-term financing is 40% of net asset of the Company.

Note 2 ：According to the company's "Procedures for Provision of Loans", ceiling on each and total loans granted to entity in the Group for short-term financing is net asset of the Company.

Note 3：Amount denominated in foreign currencies in this table are re-translated at the exchange rates prevailing at the end of the financial reporting period (USD 1 : TWD 28.08).

Coaster International Co., Ltd. and subsidiaries

Significant inter-company transactions during the reporting periods

Only significant transactions exceeding NT$10 million are disclosed

Year ended December 31, 2020

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction				
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account		Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	COA, Inc.	Ye Hey Taiwan Logistics Service Ltd.	3	Service expense	$	50,351	Negotiated by both parties	0.49%
1	COA, Inc.	Ye Hey (ShenZhen) Logistics Service Company	3	Service expense		32,820	Negotiated by both parties	0.32%
1	COA, Inc.	COA Asia, Inc.	3	Service expense		27,230	Negotiated by both parties	0.26%
1	COA, Inc.	Coaster Furniture (KunShan) Advisory Holdings Ltd.	3	Service expense		17,674	Negotiated by both parties	0.17%
1	COA, Inc.	Ye Hey (Malaysia) Logistics Service SDN BHD	3	Service expense		17,323	Negotiated by both parties	0.17%

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:
(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: Amount denominated in foreign currencies related to income and expenses in this table are re-translated at average exchange rates from January 1, 2020 to December 31, 2020 (USD 1 : TWD 29.4568) otherwise are re-translated at the exchange rates prevailing at the end of the financial reporting period (USD 1 : TWD 28.08).

Coaster International Co., Ltd. and subsidiaries

Information on investees

Year ended December 31, 2020

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee	Investment income (loss) recognised by the Company	
Investor	Investee	Location	Main business activities	Balance as at December 31, 2020	Balance as at December 31, 2019	Number of shares	Ownership (%)	Book value	for the year ended December 31, 2020	for the year ended December 31, 2020	Footnote
Coaster International Co., Ltd.	COA, Inc.	United States	Furniture trading	$ 2,160,227 (USD 72,398 thousand)	$ 2,160,227 (USD 72,398 thousand)	79,109,865	100.00	$ 2,132,126	$ 220,451	$ 220,451	
Coaster International Co., Ltd.	COA Asia, Inc.	Cayman Islands	Furniture trading/ Purchase service	104,052 (USD 3,349 thousand)	104,052 (USD 3,349 thousand)	1,000	100.00	415,960	43,686	43,686	
Coaster International Co., Ltd.	CFS Global, Inc.	Cayman Islands	Investment holding	66,023 (USD 1,847 thousand)	66,023 (USD 1,847 thousand)	100	100.00	1,885	(108)	(108)	
COA, Inc.	Deliverall Logistics, Inc.	United States	Transportation service	25,280 (USD 800 thousand)	25,280 (USD 800 thousand)	100	100.00	35,713	3,184	3,184	
COA, Inc.	Kyanite Home, LLC	United States	Furniture trading	1,470 (USD 50 thousand)	-	-	100.00	340	(1,117)	(1,117)	
COA, Inc.	Kayeh Decor LLC	United States	Furniture trading	-	-	-	100.00	(169)	(177)	(177)	Note 2
COA Asia, Inc.	Ye Hey (Malaysia) Logistics Service SDN BHD	Malasia	Purchase service	2,978 (MYR 320 thousand)	2,978 (MYR 320 thousand)	324,603	100.00	14,452	288	288	
COA Asia, Inc.	Coaster Furniture (Asia) Service Holdings Ltd.	Hong Kong	Investment holding	17,424 (USD 600 thousand)	17,424 (USD 600 thousand)	150,000	100.00	20,302	2,721	2,721	
COA Asia, Inc.	Ye Hey Taiwan Logistics Service Ltd.	Taiwan	Furniture trading/ Purchase service	3,000	3,000	300,000	100.00	77,594	8,367	8,367	
COA Asia, Inc.	Ye Hey Holding Co., Ltd.	Hong Kong	Investment holding	10,432 (USD 350 thousand)	10,432 (USD 350 thousand)	350,000	100.00	5,646	(353)	(353)	

Note1: Amounts denominated in foreign currencies related to income and expenses in this table are re-translated at average exchange rates from January 1, 2020 to December 31, 2020 (USD 1 : TWD 29.4568), otherwise are re-translated at the exchange rates prevailing at the end of the financial reporting period (USD 1 : TWD 28.08).

Note2: The operation began in the 2nd quarter of 2020. As the subsidiaries of the group are the registered shareholder and have control over the company, therefore, it was included in the consolidated financial statement entity. The company's funds are not yet in place.

Coaster International Co., Ltd. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2020

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2019	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee for the year ended December 31, 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 2)	Book value of investments in Mainland China as of December 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Coaster Furniture (KunShan) Advisory Ltd.	Furniture trading/ Purchase service	$ 17,424 (USD 600 thousand)	2	$ -	$ -	$ -	$ -	$ 3,089	100.00	$ 3,089	$ 21,309	$ -	- Invested by Coaster Furniture (Asia) Service Holdings Ltd.
Ye Hey (ShenZhen) Logistics Service Company	Warehousing and transportation service	10,432 (USD 350 thousand)	2	-	-	-	-	290	100.00	290	10,915	-	- Invested by Ye Hey Holding Co., Ltd

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.

(3) Others

Note 2: Investment income (loss) current was recognised based on the financial statements that were audited and attested by the parent company's CPA.

Note 3: Amounts denominated in foreign currencies related to income and expenses in this table are re-translated at average exchange rates from January 1, 2020 to December 31, 2020 (USD 1 : TWD 29.4568), otherwise are re-translated at the exchange rates prevailing at the end of the financial reporting period (USD 1 : TWD 28.08).

Coaster International Co., Ltd. and subsidiaries

Major shareholders information

December 31, 2020

Table 5

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Yeko LLC	26,172,351	34.18%
Yeh Family Limited Partnership, LP	18,977,649	24.78%
CTBC BANK CO., LTD. IN CUSTODY FOR Kayeh Management Limited Partnership LP	7,593,696	9.91%
YSC Limited Partnership, LP	7,503,000	9.80%
YJM Family Limited Partnership, LP	7,497,000	9.79%