Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2020 and 2019 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2020 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Ta Chen Stainless Pipe Co., Ltd.

By

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LI-YUN SHIEH
Chairman
March 25, 2021

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Ta Chen Stainless Pipe Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Ta Chen Stainless Pipe Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and 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 of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2020 is described as follows:

Assessment of Net Realizable Value of Inventories

The Group holds different types of inventories for operating purposes. The management of the Group measures inventories at the lower of cost or net realizable value at the end of the year.

For the relevant accounting policies, estimation uncertainty, and other detailed information, refer to Notes 4(g), 5(b), and 11 to the consolidated financial statements. As of December 31, 2020, inventories amounted to NT$49,310,898 thousand, accounting for 50% of the Group's total assets.

Since the carrying amount of inventories is significant to the Group's consolidated financial statements, the results of the assessment of inventory valuation loss has a significant impact on the operating costs; hence, the assessment of net realizable value of inventories was identified as a key audit matter.

The main audit procedures performed in respect of the above-mentioned key audit matter are as follows:

1. We evaluated the reasonableness of the inventory valuation method applied and assumptions used by management based on our understanding of the industry and products. In addition, we understood the relevant internal controls and tested the operating effectiveness of the key controls related to inventory valuation.

2. We evaluated the reasonableness of the estimated sales price based on the latest sales records, basis of inventory valuation by management and other supporting documents, and also calculated the rate of variable selling expenses to ensure the reasonableness of the net realizable value of inventory.

3. We evaluated the reasonableness of the amount of write-downs of inventory and tested the accuracy of the inventory aging report on a sample basis to evaluate the appropriateness of the inventory write-downs.

Other Matter

We have also audited the parent company only financial statements of Ta Chen Stainless Pipe Co., Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 members of the 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 auditing standards generally accepted 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

5. 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.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Hung-Ju Liao and Chao-Chin Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 25, 2021

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019 (Audited after Restatement)	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 7,300,197	8	$ 9,114,891	9
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	124,901	-	144,062	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	16,452	-	25,387	-
Financial assets at amortized cost - current (Notes 4, 9 and 32)	2,347,999	3	2,407,692	2
Financial assets for hedging - current (Notes 4 and 30)	-	-	1,104	-
Notes receivable (Note 10)	7,741	-	3,362	-
Accounts receivable, net (Notes 4, 5, 10, 31 and 32)	6,039,110	6	5,082,705	5
Other receivables (Note 31)	185,910	-	578,862	1
Current tax assets (Notes 4 and 26)	161,483	-	66,723	-
Inventories (Notes 4, 5, 11 and 32)	49,310,898	50	53,935,236	52
Prepayments (Notes 18 and 31)	1,160,787	1	1,665,815	2
Other current assets	29,819	-	-	-
Total current assets	66,685,297	68	73,025,839	71
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	30,000	-	-	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	157,952	-	175,622	-
Financial assets at amortized cost - non-current (Notes 4, 9, 31 and 32)	1,040,635	1	1,385,605	1
Derivative financial assets for hedging - non-current (Notes 4 and 30)	-	-	18,926	-
Investments accounted for using the equity method (Notes 4 and 13)	129,583	-	125,901	-
Property, plant and equipment (Notes 4, 14, 31 and 32)	14,168,485	15	14,275,332	14
Right-of-use assets (Notes 3, 4, 5, 15 and 32)	7,612,142	8	5,394,478	5
Investment properties (Notes 4, 14, 16 and 32)	-	-	249,840	-
Goodwill (Notes 4, 5 and 17)	3,787,355	4	3,986,071	4
Other intangible assets (Notes 4, 5 and 17)	2,152,719	2	2,807,205	3
Deferred tax assets (Notes 4 and 26)	2,231,869	2	1,405,407	1
Net defined benefit assets - non-current (Notes 4 and 22)	56,723	-	23,458	-
Other non-current assets (Note 18)	78,725	-	449,975	1
Total non-current assets	31,446,188	32	30,297,820	29
TOTAL	$ 98,131,485	100	$ 103,323,659	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 19 and 32)	$ 9,303,994	9	$ 12,461,072	12
Short-term bills payable (Notes 19 and 32)	2,439,008	3	1,428,964	1
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	187,280	-	79,597	-
Financial liabilities for hedging - current (Notes 4 and 30)	51,779	-	16,851	-
Notes payable (Note 20)	62,645	-	73,435	-
Accounts payable (Notes 20 and 31)	2,013,575	2	2,698,885	3
Other payables (Notes 21 and 31)	1,297,936	1	1,996,612	2
Current tax liabilities (Notes 4 and 26)	80,165	-	223,319	-
Lease liabilities - current (Notes 3, 4, 5, 15 and 31)	839,187	1	746,000	1
Current portion of long-term borrowings (Notes 19 and 32)	6,405,338	7	2,548,582	3
Other current liabilities	248,974	-	227,413	-
Total current liabilities	22,929,881	23	22,500,730	22
NON-CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	1,941	-
Financial liabilities for hedging - non-current (Notes 4 and 30)	871,577	1	377,925	-
Long-term borrowings (Notes 19 and 32)	28,595,827	29	39,366,461	38
Deferred tax liabilities (Notes 4 and 26)	1,256,819	1	619,669	1
Lease liabilities - non -current (Notes 3, 4, 5, 15 and 31)	7,301,423	8	4,800,269	5
Long-term payables (Note 14)	88,002	-	-	-
Other non-current liabilities	131,000	-	141,439	-
Total non-current liabilities	38,244,648	39	45,307,704	44
Total liabilities	61,174,529	62	67,808,434	66
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Ordinary shares	16,584,659	17	12,337,901	12
Capital surplus	12,354,362	13	9,523,679	9
Retained earnings				
Legal reserve	2,058,958	2	1,876,880	2
Special reserve	1,487,080	1	186,470	-
Unappropriated earnings	621,056	1	3,980,588	4
Total retained earnings	4,167,094	4	6,043,938	6
Other equity	(3,495,519)	(4)	(1,353,600)	(1)
Treasury shares	(1,132,861)	(1)	(890,760)	(1)
Total equity attributable to owners of the Company	28,477,735	29	25,661,158	25
NON-CONTROLLING INTERESTS (Note 23)	8,479,221	9	9,854,067	9
Total equity	36,956,956	38	35,515,225	34
TOTAL	$ 98,131,485	100	$ 103,323,659	100

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019 (Audited after Restatement)	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 24 and 31)	$ 59,234,909	100	$ 77,874,374	100
OPERATING COSTS (Notes 4, 5, 11, 22, 25 and 31)	50,300,169	85	63,589,569	82
GROSS PROFIT	8,934,740	15	14,284,805	18
OPERATING EXPENSES (Notes 22, 25 and 31)				
Selling and marketing expenses	2,097,111	4	2,669,505	3
General and administrative expenses	5,402,872	9	6,197,907	8
Expected credit loss	2,270	-	10,360	-
Total operating expenses	7,502,253	13	8,877,772	11
OTHER OPERATING INCOME AND EXPENSES (Note 25)	390,280	1	(270)	-
PROFIT FROM OPERATIONS	1,822,767	3	5,406,763	7
NON-OPERATING INCOME AND EXPENSES (Notes 13, 25 and 31)				
Interest income	18,737	-	32,061	-
Other income	195,289	1	163,686	-
Other gains and losses	(402,595)	(1)	(573,201)	(1)
Finance costs	(1,705,032)	(3)	(1,901,206)	(2)
Excepted credit loss	(12,869)	-	-	-
Share of profit of associates	3,291	-	1,170	-
Total non-operating expenses	(1,903,179)	(3)	(2,277,490)	(3)
PROFIT (LOSS) BEFORE INCOME TAX FOR THE YEAR	(80,412)	-	3,129,273	4
INCOME TAX EXPENSE (Notes 4 and 26)	21,046	-	737,069	1
NET PROFIT (LOSS) FOR THE YEAR	(101,458)	-	2,392,204	3
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	19,870	-	15,974	-
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	(8,260)	-	(10,556)	-

(Continued)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019 (Audited after Restatement)	
	Amount	**%**	**Amount**	**%**
Income tax relating to items that will not be reclassified subsequently to profit or loss	$ (3,050)	-	$ (2,272)	-
	8,560	-	3,146	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(1,776,603)	(3)	(924,036)	(1)
Loss on hedging instruments not subject to basis adjustment	(584,530)	(1)	(297,478)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	3,694	-	2,561	-
	(2,357,439)	(4)	(1,218,953)	(1)
Other comprehensive loss for the year, net of income tax	(2,348,879)	(4)	(1,215,807)	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ (2,450,337)	(4)	$ 1,176,397	2
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ (573,421)	(1)	$ 1,820,776	2
Non-controlling interests	471,963	1	571,428	1
	$ (101,458)	-	$ 2,392,204	3
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ (2,698,520)	(4)	$ 672,113	1
Non-controlling interests	248,183	-	504,284	1
	$ (2,450,337)	(4)	$ 1,176,397	2
EARNINGS (LOSS) PER SHARE (New Taiwan Dollars; Note 27)				
Basic	$ (0.44)		$ 1.46	
Diluted	$ (0.44)		$ 1.46	

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

(Concluded)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company												
			Retained Earnings			Other Equity							
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements Foreign Operations	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Total Other Equity	Treasury Shares	Total	Non-controlling Interests (Note 23)	Total Equity
BALANCE AT JANUARY 1, 2019	$ 12,337,901	$ 10,418,214	$ 1,272,940	$ 597,429	$ 6,060,577	$ (118,756)	$ 15,836	$ (83,550)	$ (186,470)	$ -	$ 30,500,591	$ 13,642,993	$ 44,143,584
Appropriation of 2018 earnings (Note 23)													
Legal reserve	-	-	603,940	-	(603,940)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(410,959)	410,959	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT$3 per share	-	-	-	-	(3,701,369)	-	-	-	-	-	(3,701,369)	-	(3,701,369)
Cash dividends received from subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,708,893)	(1,708,893)
Change in investments in associates accounted for using the equity method	-	3,186	-	-	(3,255)	-	-	-	-	-	(69)	-	(69)
Net profit for the year ended December 31, 2019	-	-	-	-	1,820,776	-	-	-	-	-	1,820,776	571,428	2,392,204
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax (Note 23)	-	-	-	-	13,702	(855,827)	(10,556)	(295,982)	(1,162,365)	-	(1,148,663)	(67,144)	(1,215,807)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	1,834,478	(855,827)	(10,556)	(295,982)	(1,162,365)	-	672,113	504,284	1,176,397
Disposal of financial instruments at fair value through other comprehensive income	-	-	-	-	4,765	-	(4,765)	-	(4,765)	-	-	-	-
Changes in capital surplus due to by dividends of subsidiaries	-	50,468	-	-	-	-	-	-	-	-	50,468	-	50,468
Treasury shares held by subsidiaries	-	-	-	-	-	-	-	-	-	(890,760)	(890,760)	(1,652,350)	(2,543,110)
Difference between consideration and carrying amount of subsidiaries acquired	-	(768,698)	-	-	-	-	-	-	-	-	(768,698)	(931,967)	(1,700,665)
Share of changes in equity of associates	-	(179,491)	-	-	(21,627)	-	-	-	-	-	(201,118)	-	(201,118)
BALANCE AT DECEMBER 31, 2019	12,337,901	9,523,679	1,876,880	186,470	3,980,588	(974,583)	515	(379,532)	(1,353,600)	(890,760)	25,661,158	9,854,067	35,515,225
Appropriation of 2019 earnings (Note 23)													
Legal reserve	-	-	182,078	-	(182,078)	-	-	-	-	-	-	-	-
Special reserve reversed	-	-	-	1,300,610	(1,300,610)	-	-	-	-	-	-	-	-
Cash dividends distributed by the Company - NT$0.85 per share	-	-	-	-	(1,048,722)	-	-	-	-	-	(1,048,722)	-	(1,048,722)
Share dividends distributed by the Company - NT$0.2 per share	246,758	-	-	-	(246,758)	-	-	-	-	-	-	-	-
Cash dividends received from subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(915,110)	(915,110)
Cash dividends distributed from capital surplus	-	(185,069)	-	-	-	-	-	-	-	-	(185,069)	-	(185,069)
Net profit for the year ended December 31, 2020	-	-	-	-	(573,421)	-	-	-	-	-	(573,421)	471,963	(101,458)
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax (Note 23)	-	-	-	-	16,820	(1,552,823)	(8,260)	(580,836)	(2,141,919)	-	(2,125,099)	(223,780)	(2,348,879)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	(556,601)	(1,552,823)	(8,260)	(580,836)	(2,141,919)	-	(2,698,520)	248,183	(2,450,337)
Issuance of ordinary shares for cash	4,000,000	3,200,000	-	-	-	-	-	-	-	-	7,200,000	-	7,200,000
Cash dividends distributed by subsidiaries	-	22,345	-	-	-	-	-	-	-	-	22,345	-	22,345
Change in non-controlling interests (Note 28)	-	-	-	-	(46,390)	-	-	-	-	-	(46,390)	(176,359)	(222,749)
The Company's shares held by subsidiaries accounted for as treasury shares	-	-	-	-	-	-	-	-	-	(356,681)	(356,681)	(161,459)	(518,140)
Disposal of the Company's shares by subsidiaries recognized as treasury share transactions	-	(36,198)	-	-	-	-	-	-	-	114,580	78,382	178,270	256,652
Difference between consideration and carrying amount of subsidiaries acquired	-	(369,594)	-	-	-	-	-	-	-	-	(369,594)	(548,371)	(917,965)
Share of changes in equity of associates	-	179,491	-	-	21,627	-	-	-	-	-	201,118	-	201,118
Share-based payments	-	19,708	-	-	-	-	-	-	-	-	19,708	-	19,708
BALANCE AT DECEMBER 31, 2020	$ 16,584,659	$ 12,354,362	$ 2,058,958	$ 1,487,080	$ 621,056	$ (2,527,406)	$ (7,745)	$ (960,368)	$ (3,495,519)	$ (1,132,861)	$ 28,477,735	$ 8,479,221	$ 36,956,956

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

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019 (Audited after Restatement)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ (80,412)	$ 3,129,273
Adjustments for:		
Depreciation expenses	1,735,058	1,592,380
Amortization expenses	538,458	582,502
Expected credit loss recognized on accounts receivable	15,139	10,360
Net loss on financial assets and liabilities at fair value through profit or loss	51,955	345,563
Finance costs	1,705,032	1,901,206
Interest income	(18,737)	(32,061)
Dividend income	(302)	(717)
Compensation costs of employee share options	19,708	-
Share of profit of associates	(3,291)	(1,170)
Loss (gain) on disposal of property, plant and equipment	(198,633)	270
Gain on disposal of investment properties	(191,647)	-
Provision for loss on inventories	-	76,431
Gain on lease modifications	(459)	(6)
Net loss on foreign currency exchange	902,827	769,847
Changes in operating assets and liabilities		
Financial assets for hedging	20,030	45,213
Notes receivable	(4,379)	3,423
Accounts receivable	(1,214,725)	1,773,851
Other receivables	372,264	(338,001)
Inventories	2,139,047	(7,637,796)
Prepayments	513,432	2,354,429
Other current assets	(22,008)	-
Derivative financial liabilities for hedging	(496,109)	(43,583)
Notes payable	(3,965)	(41,901)
Accounts payable	(676,256)	339,786
Other payables	(676,789)	(1,192,337)
Other current liabilities	21,561	60,713
Net defined benefit obligation	(18,013)	(19,717)
Cash generated from operations	4,428,786	3,677,958
Income tax paid	(357,163)	(1,570,019)
Net cash generated from operating activities	4,071,623	2,107,939
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(74,546)	(81,098)
Proceeds from sale of financial assets at fair value through other comprehensive income	39,221	208,830
Acquisition of financial assets at amortized cost	196,165	(657,486)
Proceeds from sale of financial assets at amortized cost	-	85,721
Acquisition of financial assets at fair value through profit or loss	(79,081)	(66,659)
Proceeds from sale of financial assets at fair value through profit or loss	104,927	67,910
Acquisition of investments accounted for using the equity method	(28)	(124,800)
Payments for property, plant and equipment	(1,653,744)	(1,964,663)
Proceeds from disposal of property, plant and equipment	1,385,816	134,562

(Continued)

Ta Chen Stainless Pipe Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020	2019 (Audited after Restatement)
Increase in refundable deposits	$ (18,190)	$ (208,108)
Decrease in refundable deposits	192,919	22,779
Acquisition of intangible assets	(3,031)	-
Proceeds from disposal of investment properties	239,269	-
Increase in other non-current assets	(5,759)	-
Decrease in other non-current assets	-	2,643
Increase in prepayments for equipment	152,339	(852,352)
Interest received	18,745	32,061
Dividends received	302	717
Net cash generated from (used in) investing activities	495,324	(3,399,943)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	44,863,994	38,146,620
Repayments of short-term borrowings	(47,934,119)	(33,665,888)
Proceeds from short-term bills payable	12,384,701	6,619,076
Repayments of short-term bills payable	(11,390,000)	(6,810,000)
Proceeds from long-term borrowings	10,912,160	17,499,948
Repayments of long-term borrowings	(16,692,155)	(10,839,463)
Increase in payables	(133,033)	-
Decrease in payables	221,035	-
Repayment of the principal portion of lease liabilities	(753,399)	(600,914)
Cash dividends distributed	(2,090,438)	(5,247,477)
Proceeds from issue of ordinary shares	7,200,000	-
Payments for buy-back of ordinary shares	(335,469)	(2,856,549)
Proceeds from sale of treasury shares	256,652	-
Interest paid	(1,642,217)	(1,871,686)
Changes in non-controlling interests	(1,140,714)	(1,700,665)
Other financing activities	(6,184)	(28,300)
Net cash used in financing activities	(6,279,186)	(1,355,298)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(102,455)	(75,690)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,814,694)	(2,722,992)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	9,114,891	11,837,883
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 7,300,197	$ 9,114,891

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

(Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Ta Chen Stainless Pipe Co., Ltd. (the "Company") was incorporated in November 1986. The Company is engaged in the manufacturing, processing and selling of stainless steel pipes and stainless steel pipe fittings, sale of stainless steel plates as well as the manufacturing and sale of venetian blinds.

The Company's shares were listed and have been trading on the Taiwan Stock Exchange since October 1996.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the "Group", are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors and authorized for issue on March 25, 2021.

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

a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRIC (IFRIC), and Interpretations of SIC (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies:

Amendments to IFRS 9, IAS 39, IFRS 7 "Interest Rate Benchmark Reform"

Upon retrospective application of the amendments, the Group complied with the hedge accounting requirements under the assumption that the interest rate benchmark (such as the London Interbank Offered Rate or LIBOR) on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. Refer to Note 30 for the affected hedge relationship.

b. The IFRSs endorsed by the FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendment to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020

1) Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"

   "Interest Rate Benchmark Reform - Phase 2" primarily amends IFRS 9, IFRS 7 and IFRS 16 to provide practical relief from the impact of the interest rate benchmark reform.

   <u>Changes in the basis for determining contractual cash flows as a result of interest rate benchmark reform.</u>

   The changes in the basis for determining contractual cash flows of financial assets, financial liabilities or lease liabilities are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis.

   <u>Hedging accounting</u>

   The amendments provide the following temporary exceptions to hedging relationships that are subject to the reform:

   a) The changes to the hedging relationship that are needed to reflect changes required by the reform are treated as a continuation of the existing hedging relationship, and do not result in the discontinuation of hedge accounting or the designation of a new hedging relationship.

   b) If an entity reasonably expects that an alternative benchmark rate will be separately identifiable within a period of 24 months, it is not prohibited from designating the rate as a non-contractually specified risk component if it is not separately identifiable at the designation date.

   c) After a cash flow hedging relationship is amended, the amount accumulated in the gain/(loss) on hedging instruments of cash flow hedge is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.

   d) An entity should allocate the hedged items of a group hedge that is subject to the reform to subgroups based on whether the hedged items have been changed to reference an alternative benchmark rate, and should designate the hedged benchmark rate separately.

2) Amendment to IFRS 16 "Covid-19-Related Rent Concessions"

   The amendment stipulates that, when the Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 and the Company meets the specified requirements, the Company may elect to apply the practical expedient and recognize the reduction in lease payment in profit or loss in the period in which the events or conditions that trigger the concession occur, and make a corresponding adjustment to the lease liability.

   The Group did not have rent negotiations in 2020; however, if such negotiations will occur in 2021, the Group will elect to apply the practical expedient.

   As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
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 IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 7)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note 6: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 7: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

d. Reclassification

The management of the Group considers the presentation of the shares of Ta Chen Stainless Pipe Co., Ltd. held by non-controlling interests (including relevant dividend income and assessment of profit or loss of financial assets), within non-controlling interests to be more appropriate and, therefore, has changed the presentation of the consolidated balance sheets and consolidated statements of comprehensive income in 2020. Comparative information for the year ended December 31, 2019 was reclassified to conform to the current year's presentation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Note 12, Table 10 and Table 11 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after re-assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, and the fair value of the acquirer's previously held interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss.

f. Foreign currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries in other countries or those that use currencies different from the Company) are translated into the New Taiwan dollar using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting exchange differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

g. Inventories

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

h. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant, and equipment

Property, plant and equipment are measured at cost less recognized accumulated depreciation and recognized accumulated impairment loss.

Properties in the course of construction for production, supply or administrative purposes are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation of property, plant, and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

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

j. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

l. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 30.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable at amortized cost, notes receivable, other receivables, and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within three months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group evaluates expected credit losses on financial assets at amortized cost (including trade receivables) at the end of each reporting period.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and any associated liabilities for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividends paid on such financial liability.

Fair value is determined in the manner described in Note 30.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate, metal prices and foreign exchange rate risks, including but not limited to foreign exchange swap contracts, foreign exchange forward contracts, exchange options, metal price swap contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

o. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as fair value hedges.

1) Fair value hedges

Changes in the designated fair value of derivatives that qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged assets or liabilities attributed to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

2) Cash flow hedges

The effective portion of changes in the fair value of derivatives that is designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the related hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

p. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of stainless steel pipes, stainless steel fittings, stainless steel plates, venetian blinds, screws, nuts and aluminum products. Sales of the aforementioned goods are recognized as revenue when the terms of trading are met or the goods are received by the buyers since the significant risks and rewards of ownership of the goods are transferred to the buyers and the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Accounts receivable are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Dividend and interest income

Dividend income from investments is recognized when a shareholder’s right to receive payment has been established and provided that it is probable that the economic benefits will flow to the Group and that the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the applicable effective interest rate.

q. Leasing

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, variable lease payments which depend on an index or a rate The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

r. Borrowing costs

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

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

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

s. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

t. Share-based payment arrangements - employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

u. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax at 10% of unappropriated earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Critical Accounting Judgments

Lease terms

In determining a lease term, the Group considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions for the optional periods, significant leasehold improvements undertaken over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within control of the Group occur.

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

   The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, refer to Note 10. If the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Write-down of inventory

   The net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value was based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

c. Impairment of goodwill

   Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Refer to Note 17 for related disclosures.

d. Income taxes

As of December 31, 2020 and 2019, for the purpose of continuously expanding the scale of business operation and supporting the needs for operating funds of overseas subsidiaries, the Company's management determined that the unappropriated earnings of overseas subsidiaries would be reinvested permanently as priority (the amount transferred to unappropriated earnings as of December 31, 2020 was approved by the board of directors on March 25, 2021). As a result, no deferred tax liability has been recognized on the unappropriated earnings of the subsidiaries as mentioned above. In case where the future profit generated is less than expected, a recognition of material income tax expense and deferred tax liabilities may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	2019
Cash on hand	$ 534	$ 496
Checking accounts and demand deposits	7,299,663	8,949,474
Time deposits (investments with original maturities of three months or less)	-	164,921
	$ 7,300,197	$ 9,114,891

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2020	2019
Financial assets - current		
Financial assets held for trading		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts (b)	$ 187	$ 21,333
Metal price derivative financial instruments contracts (d)		
Swap contracts	91,238	62,291
Forward contracts	-	4,163
	91,425	87,787
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	33,476	56,275
	$ 124,901	$ 144,062
Financial assets - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Limited partnership	$ 30,000	$ -

(Continued)

	December 31	
	2020	2019
Financial liabilities - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange swap contracts (a)	$ 657	$ 9,242
Foreign exchange forward contracts (b)	29,248	19,285
Interest rate swap contracts (c)	1,636	-
Metal price derivative financial instruments contracts (d)		
Swap contracts	26,740	7,220
Forward contracts	113,558	33,807
Future contracts	15,441	10,043
	$ 187,280	$ 79,597
Financial liabilities - non-current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Metal price derivative financial instruments contracts (d)		
Swap contracts	$ -	$ 1,941

(Concluded)

a. At the end of the reporting period, outstanding foreign exchange swap contracts not under hedge accounting were as follows:

December 31, 2020

	Currency	Maturity Date	Notional Amount (In Thousands)
Foreign exchange swap contracts	AUD/USD	2021.01	AUD 2,591 /USD 1,974

December 31, 2019

	Currency	Maturity Date	Notional Amount (In Thousands)
Foreign exchange swap contracts	USD/NTD	2020.01-2020.04	USD 15,000/NTD 456,915
Foreign exchange swap contracts	AUD/USD	2020.01	AUD 7,889/USD 5,469
Foreign exchange swap contracts	EUR/GBP	2020.01	EUR 214/GBP 183

The Group entered into foreign exchange swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

b. At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

December 31, 2020

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	AUD/USD	2021.06	AUD 18 /USD 13
Sell	AUD/USD	2021.01-2021.10	AUD 27,830 /USD 20,471
Sell	NZD/USD	2021.01-2021.10	NZD 851 /USD 569
Sell	EUR/GBP	2021.01-2021.03	EUR 406 /GBP 366
Sell	USD/CNY	2021.02-2021.05	USD 400 /CNY 2,680

December 31, 2019

	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	USD/NTD	2020.01-2020.02	USD 26,394/NTD 819,300
Buy	AUD/USD	2020.06	AUD 71/USD 49
Sell	AUD/USD	2020.01-2020.07	AUD 17,270/USD 11,823
Sell	EUR/GBP	2020.01-2020.05	EUR 144/GBP 129

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

c. At the end of the reporting period, outstanding interest rate swap contracts not under hedge accounting were as follows:

December 31, 2020

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
USD 40,000	2021.12-2022.03	0.17%-0.5%	Libor 1-3 months

d. At the end of the reporting period, outstanding metal price derivative financial instrument contracts not under hedge accounting were as follows:

December 31, 2020

Swap contracts

Contract	Notional Amount (In Thousands)		Transaction Amount (In Tons)	Contract Price (Per Ton)		Maturity Date
Aluminum price swaps	USD	41,796	23,406	USD	1,551-2,134	2021.01-2021.12
Aluminum price swaps of Midwestern United States	USD	10,965	45,275	USD	215-292	2021.01-2021.04
Nickel price swaps	USD	5,947	380	USD	14,626-16,357	2021.01-2021.04

Forward contracts

Contract	Notional Amount (In Thousands)		Transaction Amount (In Tons)	Contract Price (Per Ton)		Maturity Date
Aluminum price forwards	USD	135,498	71,179	USD	1,685-2,049	2021.01-2021.07
Nickel price forwards	USD	60,310	3,662	USD	14,817-16,707	2021.01-2021.07

Futures contracts

Contract	Notional Amount (In Thousands)		Transaction Amount (In Tons)	Contract Price (Per Ton)		Maturity Date
Aluminum price futures	USD	17,270	8,675	USD	1,797-2,092	2021.01-2021.03
Aluminum price futures	EUR	5,909	3,650	EUR	1,470-1,713	2021.01-2021.04
Aluminum price futures	GBP	1,269	650	GBP	1,797-2,092	2021.01-2021.03
Nickel price futures	USD	459	30	USD	15,295	2021.01

December 31, 2019

Swap contracts

Contract	Notional Amount (In Thousands)		Transaction Amount (In Tons)	Contract Price (Per Ton)		Maturity Date
Aluminum price swaps	USD	16,560	9,246	USD	1,716-2,134	2020.01-2021.12
Nickel price swaps	USD	12,712	752	USD	13,388-18,272	2020.01-2020.03

Forward contracts

Contract	Notional Amount (In Thousands)		Transaction Amount (In Tons)	Contract Price (Per Ton)		Maturity Date
Aluminum price forwards	USD	86,084	46,931	USD	1,714-1,837	2020.01-2020.06
Nickel price forwards	USD	22,045	1,548	USD	13,709-17,445	2020.01-2020.05

Futures contracts

Contract	Notional Amount (In Thousands)		Transaction Amount (In Tons)	Contract Price (Per Ton)		Maturity Date
Aluminum price futures	USD	17,486	9,925	USD	1,722-1,890	2020.01-2020.07
Aluminum price futures	EUR	5,372	3,400	EUR	1,546-1,593	2020.01-2020.05
Aluminum price futures	GBP	4,091	3,025	GBP	1,326-1,393	2020.01-2020.04

The Group entered into aluminum price and nickel price derivative financial instrument contracts to reduce the impact of raw material price fluctuations on profitability.

The net gain (loss) attributable to the above derivative contracts in 2020 and 2019 were as follows:

	For the Year Ended December 31	
	2020	2019
Mutual funds	$ 3,047	$ 5,558
Foreign exchange swap contracts	(12,193)	(23,962)
Foreign exchange forward contracts	(5,109)	19,245
Interest rate swap contracts	(1,660)	-
Metal price derivative financial instrument contracts	119,216	(320,593)
	$ 103,301	$ (319,752)

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2020	2019
Current		
Foreign investments		
Listed shares	$ 16,452	$ 25,387
Non-current		
Domestic investments		
Unlisted shares	$ 157,952	$ 175,622

These investments in equity instruments at FVTOCI are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2020	2019
Current		
Time deposits with original maturities of more than 3 months	$ -	$ 119,920
Pledged time deposits	836,786	813,178
Pledged demand deposits (reserve account)	1,475,163	1,444,127
Pledged repurchase agreements collateralized by bonds	31,042	30,467
Repurchase agreements collateralized by bonds	5,008	-
	$ 2,347,999	$ 2,407,692

(Continued)

	December 31	
	2020	2019
Non-current		
Pledged time deposits	$ 20,000	$ 230,000
Pledged demand deposits (reserve account)	324,468	250,940
Refundable deposits	696,167	904,665
	$ 1,040,635	$ 1,385,605

(Concluded)

a. The ranges of interest rates for time deposits (including both time deposits with original maturities of more than three months and pledged time deposits) were approximately 0.07%-2.74% and 0.12%-3.00% as of December 31, 2020 and 2019, respectively.

b. Refer to Note 32 for information relating to investments in financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31	
	2020	2019
Notes receivable		
Notes receivable - operating	$ 7,741	$ 3,362
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 6,097,034	$ 5,142,815
Less: Allowance for impairment loss	(57,924)	(60,110)
	$ 6,039,110	$ 5,082,705

The average credit period of the sale of goods was 30-90 days. No interest was charged on accounts receivable.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses publicly available financial information or its own trading records to rate its customers. The Group's exposures and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the Group annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk is significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status for notes receivable and the provision for loss allowance based on invoice date for accounts receivable are not further distinguished according to the Group's different customer base.

The Group writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following tables detail the loss allowance of notes receivable and accounts receivable based on the Group's provision matrix.

Notes receivable

The Group assessed that the notes receivable were not past due based on the past due status, thus, the Group did not recognize an expected credit loss for notes receivable as of December 31, 2020 and 2019.

Accounts receivable

December 31, 2020

	No indication of default of debtor					
	Up to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Indication of default of debtor	Total
Expected credit loss rate	0%-1%	0%-1%	0%-1%	5%-75%	100%	
Gross carrying amount	$ 5,597,775	$ 356,511	$ 66,202	$ 66,446	$ 10,100	$ 6,097,034
Loss allowance (Lifetime ECLs)	(822)	(1)	(1)	(47,000)	(10,100)	(57,924)
Amortized cost	$ 5,596,953	$ 356,510	$ 66,201	$ 19,446	$ -	$ 6,039,110

December 31, 2019

	No indication of default of debtor					
	Up to 60 Days	61 to 90 Days	91 to 120 Days	Over 120 Days	Indication of default of debtor	Total
Expected credit loss rate	0%-1%	0%-1%	0%	5%-70%	100%	
Gross carrying amount	$ 4,581,518	$ 420,880	$ 58,826	$ 73,317	$ 8,274	$ 5,142,815
Loss allowance (Lifetime ECLs)	(2,326)	(118)	-	(49,392)	(8,274)	(60,110)
Amortized cost	$ 4,579,192	$ 420,762	$ 58,826	$ 23,925	$ -	$ 5,082,705

The movements of the loss allowance of accounts receivable were as follows:

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 60,110	$ 51,383
Add: Net remeasurement of loss allowance	2,270	10,360
Less: Amounts written off	(2,315)	(346)
Foreign exchange gains and losses	(2,141)	(1,287)
Balance at December 31	$ 57,924	$ 60,110

Refer to Note 32 for the carrying amount of the Group's accounts receivable pledged as collateral for bank borrowings.

11. INVENTORIES

	December 31	
	2020	2019
Finished goods and merchandise	$ 42,845,463	$ 50,319,420
Work in progress	4,213,778	1,238,335
Raw materials	1,734,317	2,135,478
Materials	73,862	8,429
Merchandise in transit	59,820	-
Raw materials in transit	383,658	233,574
	$ 49,310,898	$ 53,935,236

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2020 and 2019 was $50,300,169 thousand and $63,589,569 thousand, respectively. The cost of goods sold include inventory write-downs of $0 and $76,431 thousand for the years ended December 31, 2020 and 2019, respectively.

Refer to Note 32 for the carrying amount of the Group's inventories pledged as collateral for bank borrowings.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements were summarized as follows:

			Proportion of Ownership December 31		
Investor	Investee	Nature of Activities	2020	2019	Remark
The Company	Ta Chen International, Inc. ("TCI")	Manufacture and sale of stainless steel pipes, rolls and pipe fittings	100%	100%	
	Ta Chen (B.V.I.) Holdings Ltd. ("Ta Chen BVI")	Investment	100%	100%	
	Brighton-Best International (Taiwan) Inc. ("BBI-TW")	Import, export and sale of screws and nuts	39.08%	35.40%	1)

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2020	2019	Remark
	Yinrong（Shanghai）Investment Management Limited	Investment	100%	100%	
	Ta Chen (SAMOA) Holdings LTD. ("TCH")	Investment	-	-	2)
	Pyramid Stainless Steel Co., Ltd. ("PSS")	Manufacture and sale of stainless steel rolls and plates	100%	100%	
	Ta Chen (Hong Kong) Limited	Trading	100%	100%	
TCI	TCI Investment Group, Inc.	Import, export and sale of screws and nuts	100%	100%	
	Empire Resources, Inc. ("ERI")	Import, export and sale of stainless steel and aluminum products	100%	100%	
	Primus Pipe and Tube Holding, Inc. (PPTH)	Investment	100%	100%	
	TCI Texarkana Inc. (TKA)	Manufacture and sale of aluminum products	100%	100%	
ERI	Empire Resources Pacific Ltd.	Import, export and sale of stainless steel and aluminum products	100%	100%	
	Imbali Metals BVBA	Import, export and sale of stainless steel and aluminum products	100%	100%	
	Empire Resources UK Ltd.	Import, export and sale of stainless steel and aluminum products	100%	100%	
	8911 Kelso Drive	Import, export and sale of stainless steel and aluminum products	100%	100%	
PPTH	Primus Pipe and Tube, Inc. (PPT)	Manufacture and sale of stainless steel	100%	100%	
Ta Chen BVI	Ta Chen (Shijiazhuang) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	93.14%	93.14%	
	Ta Chen (Changshu) Co., Ltd.	Manufacture and sale of automotive casting products	100%	100%	
	Ta Chen (Boye) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	100%	100%	
	TMCT Products, Inc.	Investment	100%	100%	
	Los Osos Holding Inc.	Investment	100%	-	6)
	Clarke St. Property Holdings, LLC	Investment	100%	-	7)
BBI-TW	Brighton-Best International, Inc. ("BBI-USA")	Import, export and sale of screws and nuts	100%	100%	
	Brighton-Best International (Canada) Inc. ("BBI-CA")	Import and sale of screws and nuts	100%	100%	
	Brighton-Best International (UK), Limited ("BBI-UK")	Import and sale of screws and nuts	100%	100%	
	Brighton-Best International (AU), Pty Ltd. ("BBI-AU")	Import and sale of screws and nuts	100%	100%	
	Brighton-Best International (NZ), Limited ("BBI-NZ")	Import and sale of screws and nuts	100%	100%	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2020	2019	Remark
	Brighton-Best International Inc. (Samoa) ("BBI-SAMOA")	Investment	-	-	3)
	TA CHEN Empire Co., Ltd. (TCE)	Import, export and sale of aluminum products	100%	100%	
	Brighton-Best (Hong Kong) Limited	Investment	-	-	8)
	Brighton-Best International, Inc. (Cayman)	Investment	-	-	4)
Brighton-Best International, Inc.	Brighton-Best International (Brasil), Comercio de Parafusos Ltda. ("BBI-BZ")	Import and sale of screws and nuts	99.90%	99.90%	
Brighton-Best International Inc. (Cayman)	Cheng-Rong (Shanghai) International Trading Ltd.	Trading	-	-	5)
Brighton-Best (Hong Kong) Limited	Brighton-Best (Hong Kong) Holding Limited	Investment	-	-	8)

(Concluded)

1) The Company continually acquired shares of BBI-TW from open market. As of December 31, 2020, the percentage of ownership held by the Company increased from 35.40% as of December 31, 2019 to 39.08%. The Company has the practical ability to direct the relevant activities of BBI-TW and deems it a subsidiary.

2) The Company established TCH in December 2015. As of December 31, 2020, no investment funding was remitted.

3) The cancellation of registration of BBI-SAMOA was approved by Samoa International Finance Authority on August 2, 2019. No investment funding was remitted as of August 2, 2019.

4) The Company established BBI-CAYMAN in February 2016. As of December 31, 2020, no investment funding was remitted.

5) The Company established Cheng-Rong (Shanghai) International Trading Ltd. in June 2016. As of December 31, 2020, no investment funding was remitted.

6) Established in November 2020.

7) Established in July 2020.

8) Established in May 2019. As of December 31, 2020, no investment funding was remitted.

See Tables 10 and 11 for the information of location and main business and products of subsidiaries.

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31 2020	2019
BBI-TW	60.92%	64.6%

See Table 10 for the information on the places of in Corporation and principal places of basiness.

	Profit (Loss) Allocated to Non-controlling Interests		Accumulated Non-controlling Interests	
	For the Year Ended December 31		December 31	
Name of Subsidiary	2020	2019	2020	2019
BBI-TW	$ 587,757	$ 582,690	$ 8,457,595	$ 9,833,299
Others	1,573	3,571	21,626	20,768
	$ 589,330	$ 586,261	$ 8,479,221	$ 9,854,067

Summarized financial information in respect of each of the Group's subsidiaries with material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

BBI-TW and BBI-TW's subsidiaries:

	December 31	
	2020	2019
Current assets	$ 18,834,667	$ 20,986,821
Non-current assets	10,017,491	9,549,993
Current liabilities	(8,948,949)	(6,983,897)
Non-current liabilities	(3,737,919)	(6,377,276)
Equity	$ 16,165,290	$ 17,175,641
Equity attributable to:		
Owners of BBI-TW	$ 7,707,695	$ 7,342,342
Non-controlling interests of BBI-TW	8,457,595	9,833,299
	$ 16,165,290	$ 17,175,641

	For the Year Ended December 31	
	2020	2019
Revenue	$ 15,203,419	$ 19,415,191
Net profit from continuing operations	$ 942,256	$ 839,462
Other comprehensive income (loss) for the year	(285,757)	(798,022)
Total comprehensive income for the year	$ 656,499	$ 41,440
Profit attributable to:		
Owners of BBI-TW	$ 354,499	$ 256,772
Non-controlling interests of BBI-TW	587,757	582,690
	$ 942,256	$ 839,462
Total comprehensive income attributable to:		
Owners of BBI-TW	$ 265,269	$ 14,670
Non-controlling interests of BBI-TW	391,230	26,770
	$ 656,499	$ 41,440
Net cash inflow (outflow) from:		
Operating activities	$ 2,123,484	$ 777,512
Investing activities	(447,803)	(3,900,658)
Financing activities	(2,696,365)	(1,828,222)
Effects of foreign currency exchange differences	(8,167)	(7,306)
Net cash inflow (outflow)	$ (1,028,851)	$ 4,958,674

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associates

	December 31	
	2020	2019
Associates that are not individually material		
Lung Mei Cloth Co., Ltd.	$ 129,555	$ 125,901
Amerinox Texarkana, LLC	28	-
	$ 129,583	$ 125,901

The Group acquired 9,750 thousand ordinary shares issued by Lung Mei Cloth Co., Ltd. for $124,800 thousand in May 2019, and its percentage of ownership after the acquisition was 48.75%. In addition, the Group participated in the establishment of Amerinox Texarkana, LLC for US$1,000 in December 2020, holding 49% of its shares. As of December 31, 2020, the aforementioned company has not yet started operations.

Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2020	2019
The Group's share of:		
Net profit for the year	$ 3,291	$ 1,170
Other comprehensive income (loss)	-	-
Total comprehensive income for the year	$ 3,291	$ 1,170

14. PROPERTY, PLANT AND EQUIPMENT

a. Property, plant and equipment are used by the Group.

b. Refer to Table 13 following these notes to consolidated financial statements for the movements of property, plant and equipment.

c. As of December 31, 2020 and 2019, the Group held farmland (included in land) of which the proprietary rights were registered in the name of others. The Group has acquired the declaration regarding the unconditional transfer of ownership from the owner, Robert Hsieh.

d. Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements	2-50 years
Buildings	
Main buildings	10-50 years
Motorized power equipment	5-10 years
Engineering systems	2-20 years
Machinery and equipment	2-25 years
Storage equipment	2-20 years
Electrical equipment	2-20 years
Transportation equipment	2-8 years
Office equipment	2-14 years
Molding equipment	2-10 years
Leasehold improvements	2-40 years
Leased assets	5-10 years
Other equipment	2-15 years

e. Refer to Note 32 for the carrying amount of property, plant and equipment pledged as collateral for bank borrowings.

f. In consideration of asset activation, the Group sold their land, buildings and investment properties located in the US states of Maryland, Texas and California, to non-related parties in May, September and October 2020, respectively, and then leased back all the assets mentioned above. The leaseback transactions had been recognized as right-of-use assets and lease liabilities based on IFRS 16. The amount by which the fair value exceeded the carrying amount was recognized as deductions of right-of-use assets based on the proportion of leaseback, and the amount by which the selling price exceeded the fair value was recognized as other short-term or long-term payables based on the liquidity, and amortized over the lease terms.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
Carrying amount		
Land	$ 125,386	$ 97,176
Buildings	7,481,774	5,273,421
Machinery	4,982	20,714
Transportation equipment	-	3,167
	$ 7,612,142	$ 5,394,478

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	$ 3,815,615	$ 1,485,054
Depreciation charge for right-of-use assets		
Land	$ 13,071	$ 10,870
Buildings	924,391	815,970
Machinery	15,243	16,017
Transportation equipment	3,167	4,447
	$ 955,872	$ 847,304

Refer to Note 32 for the carrying amount of the Group's right-of-use assets pledged as collateral for bank borrowings.

b. Lease liabilities

	December 31	
	2020	2019
Carrying amount		
Current	$ 839,187	$ 746,000
Non-current	$ 7,301,423	$ 4,800,269

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Land	1.55%	1.55%
Buildings	1.55%-4.13%	1.55%-3.14%
Machinery	3.14%	3.14%
Transportation equipment	1.55%	1.55%

c. Material leasing activities and terms

The Group leases buildings with lease terms of 2 to 50 years. The Group also leases land for the use of offices and operations with a lease term of 50 years.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 16.

2020

	For the Year Ended December 31	
	2020	2020
Expenses relating to short-term leases	$ 133,581	$ 191,657
Expenses relating to low-value asset leases	$ -	$ 4
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 220	$ 221
Total cash outflow for leases	$ (1,094,336)	$ 954,000

The Group's leases of certain plant and office equipment qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	December 31, 2019
Land	$ 194,870
Buildings	77,948
Total cost	272,818
Less: Accumulated depreciation and impairment	22,978
	$ 249,840

	Completed Investment Properties
Cost	
Balance at January 1, 2019	$ 279,506
Effects of foreign currency exchange differences	(6,688)
Balance at December 31, 2019	$ 272,818
Accumulated depreciation	
Balance at January 1, 2019	$ (21,545)
Depreciation expenses	(2,009)
Effects of foreign currency exchange differences	576
Balance at December 31, 2019	(22,978)
Carrying amount at December 31, 2019	$ 249,840

(Continued)

	Completed Investment Properties
Cost	
Balance at January 1, 2020	$ 272,818
Disposal	262,899
Effects of foreign currency exchange differences	(9,919)
Balance at December 31, 2020	$ -
Accumulated depreciation	
Balance at January 1, 2020	$ (22,978)
Depreciation expenses	(1,533)
Disposal	23,630
Effects of foreign currency exchange differences	881
Balance at December 31, 2020	-
Carrying amount at December 31, 2020	$ -

(Concluded)

Investment properties are depreciated on a straight-line basis over their useful lives as follows:

Main buildings	25-40 years

The investment properties listed above are located in the US state of California and are held for leasing purposes. They were sold in October 2020, please refer to Note 14(f.) for the details.

The fair value of investment properties at December 31, 2019 was $810,836 thousand.
Refer to Note 32 for the setting of the amount of investment properties used as loan guarantee.

17. GOODWILL AND OTHER INTANGIBLE ASSETS

		Other Intangible Assets							
	Goodwill	Customer Relationships	Non-Compete Agreements	Trademarks	Computer Software	Patents	Technical Expertise	Others	Total
Cost									
Balance at January 1, 2019	$4,087,167	$ 597,223	$ 409,913	$ 109,961	$ 3,221	$ 12,286	$2,017,976	$ 620,443	$3,771,023
Effects of foreign currency exchange differences	(97,747)	(14,292)	(9,986)	(2,633)	(128)	(294)	(48,290)	(14,848)	(90,471)
Balance at December 31, 2019	$3,989,420	$ 582,931	$ 399,927	$ 107,328	$ 3,093	$ 11,992	$1,969,686	$ 605,595	$3,680,552
Accumulated amortization and impairment									
Balance at January 1, 2019	$ (3,325)	$ (101,763)	$ (140,669)	$ (15,590)	$ (2,341)	$ (1,755)	$ (39,725)	$ (15,016)	$ (316,859)
Amortization expenses	-	(61,973)	(35,970)	(3,710)	(345)	(1,546)	(204,328)	(273,993)	(581,865)
Effects of foreign currency exchange differences	(24)	4,304	4,497	488	108	89	7,112	8,779	25,377
Balance at December 31, 2019	$ (3,349)	$ (159,432)	$ (172,142)	$ (18,812)	$ (2,578)	$ (3,212)	$ (236,941)	$ (280,230)	$ (873,347)
Carrying amount at December 31, 2019	$3,986,071	$ 423,499	$ 227,785	$ 88,516	$ 515	$ 8,780	$1,732,745	$ 325,365	$2,807,205

(Continued)

		Other Intangible Assets							
	Goodwill	Customer Relationships	Non-Compete Agreements	Trademarks	Computer Software	Patents	Technical Expertise	Others	Total
Cost									
Balance at January 1, 2020	$3,986,420	$ 582,931	$ 399,927	$ 107,328	$ 3,093	$ 11,992	$1,969,686	$ 605,595	$3,680,552
Additions	-	-	3,028	3	-	-	-	-	3,031
Effects of foreign currency exchange differences	(198,982)	(29,166)	(17,665)	(5,368)	136	(600)	(98,550)	(30,303)	(181,516)
Balance at December 31, 2020	$3,790,438	$ 553,765	$ 385,290	$ 101,963	$ 3,229	$ 11,392	$1,871,136	$ 575,292	$3,502,067
Accumulated amortization and impairment									
Balance at January 1, 2020	$ (3,349)	$ (159,432)	$ (172,142)	$ (18,812)	$ (2,578)	$ (3,212)	$ (236,941)	$ (280,230)	$ (873,347)
Amortization expenses	-	(59,241)	(34,688)	(3,546)	(334)	(1,477)	(195,320)	(243,143)	(537,749)
Effects of foreign currency exchange differences	266	10,120	8,398	1,068	(47)	213	18,921	23,075	61,748
Balance at December 31, 2020	$ (3,083)	$ (208,533)	$ (198,432)	$ (21,920)	$ (2,959)	$ (4,476)	$ (413,340)	$ (500,298)	$(1,349,348)
Carrying amount at December 31, 2020	$3,787,355	$ 345,212	$ 186,858	$ 80,673	$ 270	$ 6,916	$1,457,796	$ 74,994	$2,152,719

(Concluded)

The above items of intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives as follows:

Customer relationships	8-13 years
Non-compete agreements	7.5-15 years
Trademarks	10-14 years
Computer software	5-10 years
Patents	5-7 years
Technical expertise	8-10 years
Others	1.5-2.4 years

The Group's goodwill has been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value in use. The value in use was calculated based on the cash flow forecast from the financial budgets covering the future five-year period, and the Group used annual discount rates of 11.44%~15.74% and 11.41%~12.92% in its test of impairment as of December 31, 2020 and 2019, respectively, to reflect the relevant specific risk in the cash-generating unit. For the years ended December 31, 2020 and 2019, the Group did not recognize any impairment loss on goodwill.

18. PREPAYMENTS AND OTHER ASSETS

	December 31	
	2020	2019
Current		
Prepayments for purchases	$ 813,447	$ 1,470,761
Other	347,340	195,054
	$ 1,160,787	$ 1,665,815
Other assets - non-current		
Prepayments for property, plant, and equipment	$ 72,567	$ 448,867
Other	6,158	1,108
	$ 78,725	$ 449,975

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2020	2019
Secured borrowings		
Revolving bank borrowings	$ 6,403,375	$ 9,433,900
Borrowings of usance L/C	2,900,619	3,027,172
	$ 9,303,994	$ 12,461,072

The interest rates of short-term borrowings at the end of the reporting period were as follows:

	December 31	
	2020	2019
Revolving bank borrowings	0.49%- 2.75%	1.08%-2.70%
Borrowings of usance L/C	0.82%- 4.65%	1.40%-4.57%

As for the borrowings of usance L/C and revolving bank borrowings as of December 31, 2020 and 2019, the Company had signed cross currency swap contracts with financial institutions. The amount of hedged loans for interest rate and exchange rate risks was $654,186 thousand (US$22,970 thousand) and $539,640 thousand (US$ 18,000 thousand), respectively. Refer to Note 30 for the details.

b. Short-term bills payable

	December 31	
	2020	2019
Commercial paper	$ 2,440,000	$ 1,430,000
Less: Unamortized discounts on bills payable	992	1,036
	$ 2,439,008	$ 1,428,964

Outstanding short-term bills payable were as follows:

December 31, 2020

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
China Bills	$ 180,000	$ 28	$ 179,972	Note 1	None
China Bills	100,000	8	99,992	Note 1	Pledged time deposits
China Bills	240,000	20	239,980	Note 1	Land and buildings
China Bills	5,000	1	4,999	Note 1	None
Mega Bills	100,000	8	99,992	Note 1	None
Mega Bills	100,000	12	99,988	Note 1	Pledged repurchase agreements collateralized by bonds

(Continued)

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Grand Bills	$ 200,000	$ 74	$ 199,926	Note 1	None
Grand Bills	100,000	8	99,992	Note 1	Pledged repurchase agreements collateralized by bonds
International Bills	100,000	182	99,818	Note 1	None
International Bills	160,000	21	159,979	Note 1	Pledged time deposits
Cooperative Bills	150,000	161	149,839	Note 1	None
Cooperative Bills	70,000	11	69,989	Note 1	Pledged repurchase agreements collateralized by bonds
Taiwan Bills	200,000	76	199,924	Note 1	None
Taiwan Bills	150,000	25	149,975	Note 1	Pledged time deposits
Union Bills	100,000	8	99,992	Note 1	Reserve Account
Dah Chung Bills	150,000	152	149,848	Note 1	None
Dah Chung Bills	150,000	19	149,981	Note 1	Pledged time deposits
Ta Ching Bills	100,000	114	99,886	Note 1	None
Ta Ching Bills	80,000	63	79,937	Note 1	Pledged time deposits
Ta Ching Bills	5,000	1	4,999	Note 1	Pledged repurchase agreements collateralized by bonds
	$2,440,000	$ 992	$2,439,008		

(Concluded)

Note 1: The range of interest rates was 0.40%- 0.92%.

December 31, 2019

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral
Commercial paper					
China Bills	$ 180,000	$ 178	$ 179,822	Note 2	None
China Bills	50,000	13	49,987	Note 2	Pledged time deposits
Mega Bills	50,000	22	49,978	Note 2	None
Mega Bills	50,000	20	49,980	Note 2	Pledged repurchase agreements collateralized by bonds
Grand Bills	200,000	148	199,852	Note 2	None
Grand Bills	50,000	16	49,984	Note 2	Pledged repurchase agreements collateralized by bonds
International Bills	100,000	33	99,967	Note 2	None
International Bills	50,000	17	49,983	Note 2	Pledged time deposits
Cooperative Bills	150,000	126	149,874	Note 2	None
Cooperative Bills	50,000	19	49,981	Note 2	Pledged repurchase agreements collateralized by bonds
Taiwan Bills	200,000	314	199,686	Note 2	None
Union Bills	50,000	57	49,943	Note 2	Reserve Account
Dah Chung Bills	150,000	46	149,954	Note 2	None
Ta Ching Bills	100,000	27	99,973	Note 2	None
	$1,430,000	$ 1,036	$1,428,964		

Note 2: The range of interest rates was 0.59%-1.10%.

c. Long-term borrowings

	December 31	
	2020	2019
The Company		
1) Syndicated bank loan - 2018		
a) Loan (A) medium-term and long-term secured borrowings	$ 6,222,500	$ 6,550,000
b) Loan (B) medium-term and long-term secured borrowings	1,100,000	1,000,000
c) Loan (C) medium-term and long-term secured borrowings	-	1,000,000
d) Loan (D) medium-term and long-term secured borrowings (net of unamortized discounts of $211 thousand and $350 thousand as of December 31, 2020 and 2019, respectively)	699,789	699,650
2) Unsecured loans		
Due from May 2021 to February 2034, interest rates at 0.95%- 1.83% p.a. and 1.2%-2.86% p.a. as of December 31, 2020 and 2019, respectively	4,441,079	3,432,835
	12,463,368	12,682,485
The subsidiaries		
1) Syndicated bank loan		
a) TCI and TCI subsidiaries – J.P. Morgan (JPM)	17,144,960	21,495,660
b) TCI and TKA-Bank of America (BOA)	-	1,753,830
c) BBI-TW	-	500,000
d) BBI-USA	2,036,320	2,293,470
e) Ta Chen HK	1,418,304	863,423
2) Medium-term and long-term secured borrowings due from August 2019 to July 2030, interest rates at 0.95%- 4.64% p.a. and 1.20%- 4.75% p.a. as of December 31, 2020 and 2019, respectively	2,029,195	2,229,990
3) Unsecured loans		
Interest rates at 1.55% p.a. as of December 31, 2019	-	237,500
	22,628,779	29,373,873
	35,092,147	42,056,358
Less: Unamortized arrangement fee of long - term borrowings	90,982	141,315
	35,001,165	41,915,043
Less: Current portion	6,405,338	2,548,582
Long-term borrowings	$ 28,595,827	$ 39,366,461

The Company

The main purposes of the syndicated loan and medium-term and long-term loans are to enhance operating revolving funds and arrange for capital expenditures in accordance with the long-term financial plans of the Company. The details are as follows:

The Company entered into a syndicated loan agreement (credit facility of up to $12.5 billion) with a syndicate of banks in October 2018 (due in October 2023). The credit line and credit used as of December 31, 2020 and 2019 were as follows:

	Credit Line (In Thousands)	Credit used December 31, 2020	2019	Duration Period	Interest Rate
Loan (A)	$ 6,550,000	$ 6,222,500	$ 6,550,000	Within 5 years from the first date of drawdown until the maturity date, inclusive of a grace period of 24 months	2.1% and 2% as of December 31, 2020 and 2019
Loan (B)	1,880,000	1,100,000	1,000,000	Within 5 years from the first date of drawdown until the maturity date	2% as of December 31, 2020 and 2019
Loan (C)	1,000,000	-	1,000,000	Within 5 years from the first date of drawdown until the maturity date	2% as of December 31, 2019
Loan (D)	700,000	700,000	700,000	Within 1 year from the first date of drawdown until the maturity date	0.5%-1.262% and 0.65%-1.162% as of December 31, 2020 and 2019
	$ 10,130,000	$ 8,022,500	$ 9,250,000		

Repayment terms were as follows:

Loan (A): Within 24 months from the first drawdown date until the maturity date, repayable in seven semiannual installments. The first two installments each repays 5% of the unsettled balance of principal; the third to sixth installments each repays 10% of the unsettled balance of principal; and the seventh installment repays 50% of the unsettled balance of principal.

Loan (B) and Loan (C): The loan must be repaid on the maturity date, mentioned in the drawdown notice; otherwise, the payment shall be made in accordance with the syndicated loan agreement.

Loan (D): From the first drawdown date until the maturity date, the loan is allowed to be used on a revolving basis. The company may renew the commercial paper under this contract. Reimbursement of the original issued commercial paper due to the proceeds of the ticket.

Under the syndicated loan agreement, the land, buildings and other facilities were pledged as collateral. In addition, the loan agreement requires the Company to maintain certain financial ratios; refer to Note 19(d) for more details.

The subsidiaries

1) Syndicated bank loans

a) TCI and TCI subsidiaries - J.P. Morgan

TCI, ERI, and its subsidiaries entered into a syndicated credit agreement (credit facility of up to US$ 500,000 thousand) with a syndicate of banks in May 2017. In July 2017 and October 2018, the loan agreement was re-signed, adding PPT and TKA to the loan agreement, respectively. The main purposes of the syndicated loan are to repay financial loans, enhance operating revolving funds and arrange for capital expenditures. An amendment was made to the agreement, in which the aggregate amount of the revolving commitments increased to US$875,000 thousand. TCI and ERI started using the credit from May 2017 while PPT started using the credit from September 2017 and TKA started using the credit from November 2017. The maturity date of the loan is in May 2022. The following table shows the borrowings balances and interest rates as of December 31, 2020 and 2019 (in thousands of USD).

	December 31				
	2020		2019		Interest Rate
TCI	USD	329,800	USD	336,800	1.94%-3.19% and 3.52%-4.77% as of December 31, 2020 and 2019
ERI		-	USD	181,000	3.52% as of December 31, 2019
TKA	USD	260,800	USD	186,900	1.94% and 3.52% as of December 31, 2020 and 2019
PPT	USD	11,400	USD	12,300	1.94% and 3.52% as of December 31, 2020 and 2019

Refer to Note 20(d) for details regarding the financial ratios required by the loan agreement.

b) TCI and TKA-BOA

TCI, TKA entered into a syndicated credit agreement (credit facility of up to US$ 60,000 thousand) with a syndicate of banks in May 2019. The main purposes of the syndicated loan are to repay financial loans, enhance operating revolving funds and arrange for capital expenditures. TCI and TKA started using the credit from May 2019. The maturity date of the loan is in May 2024. The prepayment had been made in March 2020. Refer to Note 19(d) for details regarding the financial ratios required by the loan agreement.

c) BBI-TW

The subsidiary BBI-TW entered into a syndicated loan agreement (credit facility of up to $2.8 billion) with a syndicate of banks in June 2016. The main purposes of the syndicated loan are to repay financial loans and enhance operations of revolving funds. The loan will be due in five years from the first drawdown date. The subsidiary BBI-TW entered into a syndicated loan agreement (credit facility of up to $6.25 billion) with a syndicate of banks in February 2021. The main purposes of the syndicated loan are the same as the credit contract in June 2016. The credit line and credit used as of December 31, 2020 and December 31, 2019 were as follows:

	Credit Line (In Thousands)	Credit Used (Note 2)		Duration Period	Interest Rate
		December 31, 2020	December 31, 2019		
Loan (A)	Note 1	$ -	$ 500,000	Within 5 years from the first drawdown date until the maturity date	2% as of December 31, 2019
Loan (B)	Note 1	-	-	Within 5 years from the first drawdown date until the maturity date	-
Loan (C)	Note 1	-	-	Within 5 years from the first drawdown date until the maturity date	-
Loan (D)	Note 1	-	-	Within 1 year from the first drawdown date until the maturity date, if Loans (A), (B) and (C) have no violation in the duration period, Loan (D) will be renewed every year within 5 years from the first drawdown date	-

Note 1: As of December 31, 2020 and December 31, 2019, the credit lines of the syndicated bank loan were as follows:

	December 31	
	2020	**2019**
Loan (A)	$ -	$ 500,000
Loan (B)	300,000	600,000
Loan (C)	533,333 (or in USD equivalent)	1,066,666 (or in USD equivalent)
Loan (D)	200,000	200,000

Note 2: The sum of the credit facility of Loans (B) and (C) cannot exceed the line of credit of Loan (C) at any time.

Repayment terms were as follows:

Loan (A): Within 30 months from the first drawdown date until the maturity date, repayable in six semiannual installments.

Loan (B): Within 30 months from the drawdown date, the line of credit decreases evenly in six semiannual periods. If the used balance of principal exceeds the available line of credit, the excess should be repaid before the next installment payment date. Each borrowing cannot exceed the maturity date of Loan (B).

Loan (C): Within 30 months from the drawdown date, the line of credit decreases evenly in six semiannual periods. If the used balance of principal exceeds the available line of credit, the excess should be repaid before the next installment payment date. Each borrowing cannot exceed the maturity date of Loan (C).

Loan (D): From the first drawdown date until the maturity date, the loan is allowed to be used on a revolving basis.

Refer to Note 19(d) for details regarding the financial ratios required by the loan agreement.

e) BBI-USA

The subsidiary BBI-USA entered into a syndicated loan agreement (credit facility of up to US$180,000 thousand) with a syndicate of banks in August 2013. The main purposes of the syndicated loan are to repay financial loan and enhance operations of revolving funds. Interest rates were 2.15% and 5.25% as of December 31, 2020 and December 31, 2019, respectively. The subsidiary BBI-USA amended the above syndicated loan agreement with the syndicate of banks on February 26, 2016. The amendments included revising the credit facility to US$260,000 thousand from February 26, 2016, and the loan will be due in August 2021. The main purposes of the syndicated loan are the same as the original one; the subsidiary BBI-USA is currently negotiating with the bank about the extension of the syndicated loan agreement. Refer to Note 19(d) for details regarding the financial ratios required by the loan agreement.

f) Ta Chen HK

Ta Chen HK entered into a syndicated loan agreement (credit facility of up to US$ 62,500 thousand) with a syndicate of banks in October 2019. The main purposes of the syndicated loan are to repay financial loan and enhance operations of revolving funds for Ta Chen BVI. Ta Chen HK started using the credit from December 2019. The maturity date of the loan is in December 2024. The interest rate was 1.55% ~ 1.64% and 3.41% as of December 31, 2020 and December 31, 2019. Refer to Note 19(d) for details regarding the financial ratios required by the loan agreement.

d. Financial covenants of syndicated loan agreements were as follows:

	The Company Syndicated Bank Loan - 2018 (Note 1)	TCI and TCI Subsidiaries - JPM (Note 2)	BBI Syndicated Bank Loan - 2016 (Note 3)	BBI-USA Syndicated Bank Loan - 2013 (Note 4)	TCI and TKA Syndicated Bank loan - BOA (Note 5)	Ta Chen HK Syndicated Bank loan - 2019 (Note 1)
Current ratio (minimum)	120%	-	130%	-	-	120%
Debt ratio (maximum) (Note 6)	290%	-	160%	-	-	290%
Interest coverage ratio (minimum) (Note 6)	2 times	-	3 times	-	-	2 times
Fixed-charge coverage ratio (minimum)	-	100%	-	110%	110%	-
Tangible net worth (minimum)	13.5 billion	-	5 billion	-	-	13.5 billion

Note 1: The Company, Ta Chen BVI and Ta Chen HK are required to comply with these financial covenants in each of its annual audited consolidated financial statements and semi-annual reviewed consolidated financial statements.

Note 2: TCI is required to comply with these financial covenants in each of its annual audited financial statements and monthly financial statements (self-assessed) while the financial ratio restriction is applicable only when the unused credit lines divided by total credit lines is less than 12.5%.

Note 3: BBI-TW is required to comply with these financial covenants in each of its annual audited consolidated financial statements and semi-annual reviewed consolidated financial statements.

Note 4: BBI-USA is required to comply with these financial covenants in each of its annual audited financial statements and monthly financial statements (self-assessed).

Note 5: TCI is required to comply with these financial covenants in each of its annual audited financial statements and monthly financial statements (self-assessed).

Note 6: The total amount of debt and interest expense used by the Company, BBI-TW and Ta Chen HK in the calculation of the debt ratio and the interest coverage ratio, respectively, were determined after deducting the related liabilities and interest expense that arose from the adoption of IFRS 16.

As of and for the years ended December 31, 2020, the Company and its subsidiaries have complied with the above-stated requirements.

20. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31 2020	December 31 2019
Notes payable		
Operating	$ 33,174	$ 47,158
Non-operating	29,471	26,277
	$ 62,645	$ 73,435

The non-operating notes payable listed above were used for purchasing property, plant, and equipment.

Accounts payable

Accounts payable resulted from operating activities. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

21. OTHER PAYABLES AND OTHER LIABILITIES

	December 31	
	2020	2019
Current		
Other payables		
Contingent price	$ -	$ 571,509
Salary and incentive bonus	182,946	187,886
Employees' compensation and remuneration of directors and supervisors	62,834	183,804
Payables for annual leave	74,064	68,338
Payables for freight and custom duties	300,881	144,968
Accrued expenses	582,476	748,238
Others	94,735	91,869
	$ 1,297,936	$ 1,996,612

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and its subsidiary BBI-TW adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company and BBI-TW make monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiaries in England, Canada, Australia and Brazil are members of state-managed retirement benefit plans operated by the respective governments of England, Canada, Australia and Brazil. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The employees of the Group's subsidiary in the United States are covered by the local government's 401K Profit Sharing Plan. Under the plan, the subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme for full-time staffs that are older than 21 years old, have worked for the subsidiary for 12 months, and have volunteered to join the plan.

b. Defined benefit plans

The subsidiary of the Group in the United States calculates and determines the present value of the defined benefit obligations and the fair value of the plan assets in accordance with local laws and regulations, and recognizes the remeasured amounts in other comprehensive income.

The Company adopted the defined benefit plan under the Labor Standards Act, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company makes contributions, equal to 15% of total monthly salaries, to a pension fund, for which the contributions are deposited in the Bank of Taiwan in the name of and administered by the pension fund monitoring committee. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets were as follows:

	December 31	
	2020	2019
Present value of defined benefit obligation	$ 315,231	$ 322,418
Fair value of plan assets	(371,954)	(345,876)
Net defined benefit liabilities (assets)	$ (56,723)	$ (23,458)

Movements of net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2019	$ 322,959	$ (315,341)	$ 7,618
Service cost			
Current service cost	5,392	-	5,392
Net interest expense (income)	3,229	(3,307)	(78)
Recognized in profit or loss	8,621	(3,307)	5,314
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(10,485)	(10,485)
Actuarial loss - changes in demographic assumptions	3,026	-	3,026
Actuarial loss - changes in financial assumptions	7,628	-	7,628
Actuarial loss - experience adjustments	(11,528)	-	(11,528)
Recognized in other comprehensive income	(874)	(10,485)	(11,359)
Contributions from the employer	-	(23,500)	(23,500)
Benefits paid	(8,288)	6,757	(1,531)
Balance at December 31, 2019	322,418	(345,876)	(23,458)
Service cost			
Current service cost	4,654	-	4,654
Net interest expense (income)	2,417	(2,684)	(267)
Recognized in profit or loss	7,071	(2,684)	4,387
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(11,100)	(11,100)
Actuarial loss - changes in demographic assumptions	566	-	566
Actuarial loss - changes in financial assumptions	7,160	-	7,160

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Actuarial loss - experience adjustments	$ (11,878)	$ -	$ (11,878)
Recognized in other comprehensive income	(4,152)	(11,100)	(15,252)
Contributions from the employer	-	(22,400)	(22,400)
Benefits paid	(10,106)	10,106	-
Balance at December 31, 2020	$ 315,231	$ (371,954)	$ (56,723)

(Concluded)

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2020	2019
Operating costs	$ 2,987	$ 3,593
Selling and marketing expenses	320	363
General and administrative expenses	1,080	1,358
	$ 4,387	$ 5,314

Through the defined benefit plans under the Labor Standards Act, the Company and its subsidiaries are exposed to the following risks:

1) Investment risk

   The plan assets are invested in domestic and foreign equity securities, debt securities, and bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk

   A decrease in the government and corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk

   The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2020	2019
Discount rate	0.50%	0.75%
Expected rate of salary increase	2.00%	2.00%

If possible reasonable changes in each of the significant actuarial assumptions were to occur and all other assumptions were to remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2020	2019
Discount rate		
0.25% increase	$ (7,161)	$ (7,667)
0.25% decrease	$ 7,419	$ 7,953
Expected rate of salary increase/decrease		
0.25% increase	$ 7,183	$ 7,718
0.25% decrease	$ (6,970)	$ (7,480)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2020	2019
Expected contributions to the plans for the next year	$ 16,305	$ 11,746
Average duration of the defined benefit obligation	9.3 years	9.8 years

23. EQUITY

a. Ordinary shares

	December 31	
	2020	2019
Number of shares authorized (in thousands)	1,800,000	1,500,000
Shares authorized	$ 18,000,000	$ 15,000,000
Number of shares issued and fully paid (in thousands)		
Ordinary shares	1,658,466	1,233,790
Shares issued		
Ordinary shares	$ 16,584,659	$ 12,337,901

In June 2020, the shareholders resolved in their meeting to issue 24,676 thousand ordinary shares with a par value of NT$10 as the appropriation of the 2019 earnings, which were fully paid for in the amount of $246,758 thousand. On June 30, 2020, the above transaction was approved by the FSC, and the subscription base date was determined as July 21, 2020. The registration for the change had also been completed.

On July 10, 2020, the Company's board of directors resolved to issue 500,000 thousand ordinary shares with a par value of $10, for a tentative consideration of $20 per share. On August 7, 2020, the above transaction was approved by the FSC.

Subsequently, on August 13, 2020, the Company's board of directors resolved to reduce the number of ordinary shares issued to 400,000 thousand, for an adjusted consideration of $18 per share. The portion of shares reserved for employees' subscription has been recognized as salary expense of $19,708 thousand based on the fair value of the stock options, which was also included in capital surplus – employee stock options. The amendment of the above capital increase in cash had been approved by the Securities and Futures Bureau of the FSC on August 24, 2020, and the payments for the shares have been fully collected. The board of directors determined the base date of the capital increase as October 27, 2020, and the registration for the change had been completed.

b. Capital surplus

	December 31	
	2020	**2019**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital 1)		
Issuance of ordinary shares	$ 11,493,443	$ 8,478,512
Treasury share transactions	305,094	318,947
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	360,277	550,380
May only be used to offset a deficit		
Share of changes in capital surplus of associates	3,186	3,186
Expired employee share options	13,503	13,503
May not be used for any purpose		
Employee share options	178,859	159,151
	$ 12,354,362	$ 9,523,679

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors before and after amendment, refer to Note 25(j) "Employees' compensation and remuneration of directors and supervisors for 2020 and 2019".

In line with current and future development plans, the Company's dividend policy is to allocate no less than 50% of the distributable earnings as shareholders' dividends and bonuses, taking into consideration the investment environment, funding needs, domestic and foreign competitive conditions and shareholders' interests. Dividends can be distributed in the form of cash or shares, out of which no less than 20% of the total dividends distributed should be in the form of cash.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset a deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865 and Rule No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2019 and 2018, approved in the shareholders' meetings in June 2020 and June 2019, respectively, were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2019	**2018**	**2019**	**2018**
Legal reserve	$ 182,078	$ 603,940		
Special reserve	1,300,610	(410,959)		
Cash dividends	1,048,722	3,701,369	$ 0.85	$ 3
Share dividends	246,758	-	0.2	-

The issuance of cash dividends of $185,069 thousand (NT$0.15 per share) from the capital surplus was also approved in the shareholders' meeting on June 22, 2020.

The appropriation of earnings for 2020 was proposed by the Company's board of directors on March 25, 2021. The appropriation was as follows:

	Appropriation of Earnings
Special reserve	$ 621,056

The issuance of cash dividends of $1,326,773 thousand from capital surplus at NT$0.8 per share, had been proposed by the Company's board of directors on March 25, 2021.

The appropriation of earnings for 2020 is subject to the resolution of the shareholders in their meeting to be held in June 2021.

d. Other equity items

1) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 515	$ 15,836
Recognized for the year		
Unrealized gains and losses		
Equity instruments	(8,260)	(10,556)
Realized gains and losses into retained earnings	-	(4,765)
Balance at December 31	$ (7,745)	$ 515

2) Cash flow hedges and gain (loss) on hedging instruments

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ (379,532)	$ (83,550)
Recognized for the year		
Gain (loss) on changes in the fair value of hedging instruments		
Cross-currency swaps	(5,638)	11,932
Interest rate swaps	(770,446)	(313,590)
Related income tax	3,694	2,561
Reclassification adjustment		
The hedged item affecting profit or loss		
Cross-currency swaps	(12,830)	(10,923)
Interest rate swaps	204,384	14,038
Balance at December 31	$ (960,368)	$ (379,532)

e. Non-controlling interests

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 9,854,067	$ 13,642,993
Attributable to non-controlling interests:		
Share in profit for the year	471,963	571,428
Exchange differences on translating the financial statements of foreign operations	(223,780)	(68,209)
Loss on hedging instruments	-	1,065
Cash dividends of subsidiaries' shareholders	(915,110)	(1,708,893)
The Company's shares held by subsidiaries accounted for as treasury shares	(161,459)	(1,652,350)
Disposal of Company's shares by subsidiaries recognized as treasury share transactions	178,270	-
Acquisition of non-controlling interests in subsidiaries	(724,730)	(931,967)
Balance at December 31	$ 8,479,221	$ 9,854,067

f. Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries(In Thousands of Shares)
Number of shares at January 1, 2020	66,746
Increase during the year	18,817
Decrease during the year	(8,630)
Number of shares at December 31, 2020	76,933
Number of shares at January 1, 2019	-
Increase during the year	66,746
Number of shares at December 31, 2019	66,746

BBI-TW and TCE held shares of the Company and classified them as financial assets at FVTPL and financial assets at FVTOCI. The Company recognized treasury shares by ownership percentage of BBI-TW and TCE.

For the purpose of investment, related information regarding shares of the Company held by subsidiaries on the balance sheet date was as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
December 31, 2020			
BBI-TW	65,149	$ 2,039,173	$ 2,039,173
TCE	11,784	$ 368,852	$ 368,852
Belonging to the company	30,065	$ 1,132,861	$ 941,035
December 31, 2019			
BBI-TW	66,746	$ 2,139,209	$ 2,139,209
Belonging to the company	23,628	$ 890,760	$ 757,280

Treasury shares held by BBI-TW and TCE are bestowed shareholders' rights because the ownership percentage held by the Company was under 50%.

24. REVENUE

	For the Year Ended December 31	
	2020	2019
Revenue from contracts with customers		
Revenue from sale of goods	$ 59,234,909	$ 77,874,374

Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Accounts receivable (Note 10)	$ 6,039,110	$ 5,082,705	$ 6,983,917

Refer to Note 37 for segment revenue information.

25. PROFIT (LOSS) BEFORE INCOME TAX

a. Other operating income and expenses

	For the Year Ended December 31	
	2020	2019
Gain on disposal of investment properties	$ 191,647	$ -
Gain (loss) on disposal of property, plant and equipment	198,633	(270)
	$ 390,280	$ (270)

b. Interest income

	For the Year Ended December 31	
	2020	2019
Bank deposits and financial assets at amortized cost	$ 18,737	$ 32,061

c. Other income

	For the Year Ended December 31	
	2020	2019
Rental income	$ 20,339	$ 36,002
Packing income	16,822	18,306
Commission income	-	1,281
Dividends	302	717
Others	157,826	107,380
	$ 195,289	$ 163,686

d. Other gains and losses

	For the Year Ended December 31	
	2020	2019
Foreign exchange gain	$ 941,106	$ 1,594,507
Foreign exchange losses	(1,445,238)	(1,841,941)
Net gain (loss) on financial assets designated as at FVTPL	103,301	(319,752)
Others	(1,764)	(6,015)
	$ (402,595)	$ (573,201)

e. Finance costs

	For the Year Ended December 31	
	2020	2019
Interest on bank loans	$ 1,242,215	$ 1,690,185
Amortization of arrangement fees of syndicated bank loans	69,358	52,737
Loss arising on derivatives designated as hedging instruments in cash flow hedge accounting relationships reclassified from equity to profit or loss	191,554	3,115
Interest on lease liabilities	207,136	161,204
	1,710,263	1,907,241
Less: Amounts included in the cost of qualifying assets	5,231	6,035
	$ 1,705,032	$ 1,901,206

Information about capitalized interest is as follows:

	For the Year Ended December 31	
	2020	2019
Capitalized interest	$ 5,231	$ 6,035
Capitalization rate	1.42% - 1.71%	1.63% - 2.02%

f. Impairment loss

	For the Year Ended December 31	
	2020	2019
Other receivables	$ (12,869)	$ -

g. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
Property, plant and equipment	$ 777,653	$ 743,067
Investment properties	1,533	2,009
Other intangible assets	537,749	581,865
Other non-current assets	709	637
Right-of-use assets	955,872	847,304
	$ 2,273,516	$ 2,174,882
An analysis of depreciation by function		
Operating costs	$ 454,035	$ 404,019
Operating expenses	1,281,023	1,188,361
	$ 1,735,058	$ 1,592,380
An analysis of amortization by function		
Operating costs	$ 709	$ 637
Operating expenses	537,749	581,865
	$ 538,458	$ 582,502

h. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2020	2019
Direct operating expenses from investment properties generating rental income	$ 1,533	$ 2,009

i. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Short-term benefits	$ 4,215,688	$ 4,709,739
Post-employment benefits		
Defined contribution plans	73,190	145,838
Defined benefit plans (refer to Note 22)	4,387	5,314
	77,577	151,152
Total employee benefits expense	$ 4,293,265	$ 4,860,891
An analysis of employee benefits expense by function		
Operating costs	$ 1,413,440	$ 1,565,956
Operating expenses	2,879,825	3,294,935
	$ 4,293,265	$ 4,860,891

j. Employees' compensation and remuneration of directors and supervisors for 2020 and 2019

The Company accrued employees' compensation and remuneration of directors and supervisors at the rates of no less than 3% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2019, which were approved by the Company's board of directors on March 26, 2020 were as follows:

Accrual rate

	For the Year Ended December 31, 2019
Employees' compensation	3%
Remuneration of directors and supervisors	0.75%

Amount

	For the Year Ended December 31, 2019
Employees' compensation - cash	$ 59,662
Remuneration of directors and supervisors - cash	14,915

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

No employees' compensation and remuneration of directors and supervisors were estimated due to the loss before income tax for the year ended December 31, 2020.

There was no difference between the actual amounts of employees' compensation and remuneration of directors and supervisors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

Information on the employees' compensation and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

26. INCOME TAX

a. Major components of income tax expense recognized in profit or loss

	For the Year Ended December 31	
	2020	**2019**
Current tax		
In respect of the current year	$ 281,501	$ 249,853
Adjustments for prior years	(67,858)	3,736
Income tax on unappropriated earnings	-	96,186
	213,643	349,775
Deferred tax		
In respect of the current year	(192,597)	387,294
Income tax expense recognized in profit or loss	$ 21,046	$ 737,069

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2020	**2019**
Profit (loss) before tax	$ (80,412)	$ 3,129,273
Income tax expense calculated at the statutory rate	$ 5,606	$ 782,879
Non-deductible expenses (income) in determining taxable income	(17,013)	700
Income tax on unappropriated earnings	-	96,186
Unrecognized loss carryforwards and deductible temporary differences	104,560	(125,743)
Adjustments for prior years	(67,858)	3,736
Deduction of income tax	(4,249)	(20,689)
Income tax expense recognized in profit or loss	$ 21,046	$ 737,069

The corporate tax rate applicable to companies in the ROC is 20%. The corporate tax rate applicable to subsidiaries in China is 25%, while the tax rate applicable to subsidiaries in the U.S. is 21%. Tax rates used by other entities of the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Company only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

In accordance with Rule No. 10904550440 issued by the Ministry of Finance of Taiwan (MOF), the Company used the losses incurred in the first quarter of 2020 to estimate losses for the first six months of 2020 and this amount is deducted from the Group's unappropriated earnings for 2018 for filing the additional tax. For the 2020 standalone financial reporting purpose, the tax on unappropriated earnings for 2018 is measured based on the actual loss for 2020, and the current income tax payable is adjusted accordingly.

The management of the Company and BBI-TW determined that the unappropriated earnings of overseas subsidiaries would be reinvested permanently; first, to consistently expand the scale of operation and then, to support the needs for operating funds of overseas subsidiaries. As a result, no deferred tax liability has been recognized on the related investment income recognized under the equity method.

b. Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2020	**2019**
Deferred tax		
In respect of the current year:		
Fair value changes of hedging instruments for cash flow hedges	$ 3,694	$ 2,561
Remeasurement of defined benefit plans	(3,050)	(2,272)
Total income tax recognized in other comprehensive income	$ 644	$ 289

c. Current tax assets and liabilities

	December 31	
	2020	**2019**
Current tax assets		
Tax refund receivable	$ 161,483	$ 66,723
Current tax liabilities		
Income tax payable	$ 80,165	$ 223,319

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2020

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Difference between tax reporting and financial reporting - depreciation expenses	$ 19,414	$ (2,608)	$ -	$ (82)	$ 16,724
Associates	364,791	(56,124)	-	(276)	308,391
Defined benefit obligations	16,948	-	(3,050)	-	13,898
Unrealized loss on inventories	212,219	(6,866)	-	(7,471)	197,882
Difference between tax reporting and financial reporting - inventory capitalization	277,267	23,521	-	(15,243)	285,545
Allowance for doubtful accounts and sales return	15,274	(83)	-	(1,725)	13,466
Derivative financial liabilities for hedging	-	-	3,538	-	3,538
Difference between profit and loss of sale-lease back disposal	-	95,321	-	(3,449)	91,872
Others	263,743	(20,489)	-	(6,993)	236,261
	1,169,656	32,672	488	(35,239)	1,167,577
Loss carryforward	235,751	853,157	-	(24,616)	1,064,292
	$ 1,405,407	$ 885,829	$ 488	$ (59,855)	$ 2,231,869

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Hedging instruments	$ 156	$ -	$ (156)	$ -	$ -
Difference between tax reporting and financial reporting - depreciation expenses	614,822	685,581	-	(55,939)	1,244,464
Defined benefit Assets	4,691	6,654	-	-	11,345
Others	-	997	-	13	1,010
	$ 619,669	$ 693,232	$ (156)	$ (55,926)	$ 1,256,819

For the year ended December 31, 2019

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Difference between tax reporting and financial reporting - depreciation expenses	$ 17,624	$ 1,847	$ -	$ (57)	$ 19,414
Associates	381,754	(16,366)	-	(597)	364,791
Defined benefit obligations	20,744	(1,524)	(2,272)	-	16,948
Unrealized loss on inventories	190,232	27,214	-	(5,227)	212,219
Difference between tax reporting and financial reporting - inventory capitalization	301,472	(17,521)	-	(6,684)	277,267
Allowance for doubtful accounts and sales return	18,189	(2,558)	-	(357)	15,274
Others	176,264	92,176	-	(4,697)	263,743
	1,106,279	83,268	(2,272)	(17,619)	1,169,656
Loss carryforward	174,991	63,403	-	(2,643)	235,751
	$ 1,281,270	$ 146,671	$ (2,272)	$ (20,262)	$ 1,405,407

(Continued)

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Temporary differences					
Hedging instruments	$ 2,930	$ -	$ (2,561)	$ (213)	$ 156
Financial assets at FVTPL	47,209	(47,511)	-	302	-
Difference between tax reporting and financial reporting - depreciation expenses	51,064	582,311	-	(18,553)	614,822
Defined benefit Assets	-	4,691	-	-	4,691
Others	5,526	(5,526)	-	-	-
	$ 106,729	$ 533,965	$ (2,561)	$ (18,464)	$ 619,669

(Concluded)

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2020	2019
Loss carryforwards		
Expiry in 2026	$ 1,833	$ 1,833
Expiry in 2027	41,229	41,229
Expiry in 2028	43,145	43,145
Expiry in 2029	12,963	12,963
Expiry in 2030	260	-
	$ 99,430	$ 99,170
Deductible temporary differences	$ 279,134	$ 421,970

f. Information about unused loss carryforwards

As of December 31, 2020, the unused loss carryforwards comprised:

Expiry Year	Unused Amount
2025	$ 621,826
2026	196,091
2030	114,713
	$ 932,630

g. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

The Company determined that the unappropriated earnings of overseas subsidiaries would be reinvested permanently, first, to consistently expand the scale of operation and, then, to support the needs for operating funds of overseas subsidiaries (the unappropriated earnings as of December 31, 2020 were approved by the Company's board and BBI-TW's board of directors on March 25, 2021 and March 18, 2021). As a result, no deferred tax liability has been recognized on the related investment income recognized under the equity method.

As of December 31, 2020 and 2019, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $10,703,222 thousand and $11,301,436 thousand, respectively.

h. Income tax assessments

The tax returns through 2018 have been assessed by the tax authorities. The tax returns of the subsidiary BBI-TW and PSS through 2018 have been assessed by the tax authorities.

27. EARNINGS PER SHARE

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retrospectively for the issuance of bonus shares; the base date of the issuance of shares was July 31, 2020. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2019 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 1.49	$ 1.46
Diluted earnings per share	$ 1.49	$ 1.46

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit (Loss) for the Year

	For the Year Ended December 31	
	2020	2019
Profit (loss for the year attributable to owners of the Company	$ (573,421)	$ 1,820,776

Number of Shares

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Year Ended December 31	
	2020	2019
Weighted average number of ordinary shares used in the computation of basic earnings per share	1,306,681	1,247,254
Effect of potentially dilutive ordinary shares:		
Employees' compensation	-	2,813
Weighted average number of ordinary shares used in the computation of diluted earnings per share	1,306,681	1,250,067

The Group offered to settle compensation paid to employees in cash or shares, therefore, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

In consideration of the net loss for the year 2020, the dilutive effect of the potential shares attributed to employees' compensation was excluded from the computation of diluted earnings per share.

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group successively acquired shares of BBI-TW from the market, leading to an increase in the shareholding ratio from 35.4% for the year ended December 31, 2019 to 39.08% for the following year.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

For the year ended December 31, 2020

	BBI-TW
Cash consideration paid	$ (1,140,714)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	724,730
Differences recognized from equity transactions	$ (415,984)

Line items adjusted for equity transactions

Capital surplus	$ (369,594)
Retained earnings	(46,390)
	$ (415,984)

For the year ended December 31, 2019

	BBI-TW
Cash consideration paid	$ (1,700,665)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	931,967
Differences recognized from equity transactions	$ (768,698)

Line items adjusted for equity transactions

Capital surplus	$ (768,698)

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged for 2020 and 2019. The capital structure of the Group consists of net debt and equity of the Group. Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to improve the Company's earnings and manage the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or existing debt redeemed and invested in financial instruments.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Fair value hierarchy

The carrying amounts of the Group's financial instruments that are not measured at fair value, such as cash and cash equivalents, receivables, other financial assets, bank borrowings, short-term notes and bills payable and accounts payable, approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 91,425	$ -	$ 91,425
Mutual funds	33,476	-	-	33,476
Limited partnership	-	-	30,000	30,000
	$ 33,476	$ 91,425	$ 30,000	$ 154,901
Financial assets at FVTOCI				
Foreign listed shares	$ 16,452	$ -	$ -	$ 16,452
Domestic unlisted shares	-	-	157,952	157,952
	$ 16,452	$ -	$ 157,952	$ 174,404
Financial liabilities at FVTPL				
Derivatives	$ -	$ 187,280	$ -	$ 187,280
Financial liabilities for hedging				
Derivatives	$ -	$ 923,356	$ -	$ 923,356

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 87,787	$ -	$ 87,787
Mutual funds	56,275	-	-	56,275
	$ 56,275	$ 87,787	$ -	$ 144,062
Financial assets at FVTOCI				
Foreign listed shares	$ 25,387	$ -	$ -	$ 25,387
Domestic unlisted shares	-	-	175,622	175,622
	$ 25,387	$ -	$ 175,622	$ 201,009

(Continued)

	Level 1	Level 2	Level 3	Total
Financial asset for hedging				
Derivatives	$ -	$ 20,030	$ -	$ 20,030
Financial liabilities at FVTPL				
Derivatives	$ -	$ 81,538	$ -	$ 81,538
Financial liabilities for hedging				
Derivatives	$ -	$ 394,776	$ -	$ 394,776

(Concluded)

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

The fair value measurement of foreign exchange swap contracts, foreign exchange forward contracts and cross-currency swaps are based on the exchange rate quotations and corresponding yield curves. The fair value measurement of metal swap contracts, metal forward contracts and metal future contracts are based on the forward quotations of the metal and the corresponding yield curves. Option contracts were measured by option pricing models.

3) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The fair value of limited partnerships is estimated on the basis of net value. Domestic unlisted equity investment adopts the market method and evaluates its fair value based on the ratio of the stock price to net value of similar peers

4) Adjustment of financial instruments measured by Level 3 fair value

2020

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
	Non-derivative financial assets	Equity instruments
Balance at January 1, 2020	$ -	$ 175,622
Additions	30,000	-
Recognized in other comprehensive income	-	(17,670)
Balance at December 31, 2020	$ 30,000	$ 157,952

2019

	Financial assets at fair value through other comprehensive income
	Equity instruments
Balance at January 1, 2019	$ 176,997
Recognized in other comprehensive income	(1,375)
Balance at December 31, 2019	$ 175,622

c. Categories of financial instruments

	December 31	
	2020	2019
Financial assets		
Financial assets at FVTPL		
Held for trading	$ 91,425	$ 87,787
Mandatorily classified as at FVTPL	63,476	56,275
Financial assets for hedging	-	20,030
Financial assets at amortized cost (1)	16,921,592	18,573,117
Financial assets at FVTOCI	174,404	201,009
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	187,280	81,538
Financial liabilities for hedging	923,356	394,776
Financial liabilities at amortized cost (2)	50,206,350	60,574,036

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable (related parties included), other receivables and financial assets at amortized cost (current and non-current).

2) The balances include financial liabilities measured at amortized cost, which comprise short-term and long-term loans (long-term loans due in one year included), short-term bills payable, accounts payable (related parties included), other payables and guarantee deposit received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, accounts receivable, accounts payable, short-term bills payable and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks are market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (refer to (a) below), interest rates (refer to (b) below) and other price risk (refer to (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange swap contracts, foreign exchange forward contracts and foreign exchange option contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 35.

Sensitivity analysis

The Group was mainly exposed to the USD. The following table details the Group's sensitivity to an increase and decrease in the functional currency against the relevant foreign currencies. A positive number below indicates an increase in pre-tax profit associated with the functional currency strengthening 1% against the relevant currency. For a 1% weakening of the functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact (Note)	
	For the Year Ended December 31	
	2020	**2019**
Profit or loss	$ 99,473	$ 119,487

Note: $654,186 thousand and $539,640 thousand of short-term loans that were hedged with cross-currency swaps had been deducted from the impact of USD for the years ended December 31, 2020 and 2019, respectively.

This was mainly attributable to the exposure on outstanding foreign currency and cash equivalents, receivables, other receivables, other financial assets, payables and loans, which were not hedged at the end of the reporting date.

The Group's sensitivity to foreign currency increased during the current period due to the increase in the sales of the US dollar-denominated goods, which is caused by the increase in foreign currency trade receivables. The management believes that the sensitivity analysis cannot represent the inherent risk of the exchange rate because the foreign currency risk at the balance sheet date cannot be reflected on the interim period that the sales in US dollar will vary with orders and asset investment position.

Hedge accounting

For the year ended December 31, 2020

The Group entered into cross-currency swap contracts to mitigate the risk of changes in foreign exchange rates on cash flow exposure related to its outstanding variable rate debts.

The source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the cross-currency swaps, which is not reflected in the cash flow of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness is expected to emerge from these hedging relationships.

The outstanding cross-currency swap contracts at the end of the reporting period were as follows:

December 31, 2020

Notional Amount (in thousand)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount Liability
US$5,000	2020.3.20～2021.3.22	0%	1.46%	Financial liabilities for hedging	$ 12,428
US$9,600	2020.4.29～2021.5.4	0.25%	2.75%	Financial liabilities for hedging	21,235
US$8,370	2020.5.4～2021.5.6	0.1%	2.60%	Financial liabilities for hedging	18,116

For the year ended December 31, 2020

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Long-term borrowings	$ -	$ (17,688)	$ -

December 31, 2019

Notional Amount (in thousand)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Balance Sheet	Carrying Amount Asset	Carrying Amount Liability
US$10,000	2019.3.19～2020.3.19	0.8%	Libor 3 month +0.65%	Financial liabilities for hedging	$ -	$ 9,226
US$3,000	2019.4.22～2020.4.22	0%	1.65%	Financial assets and liabilities for hedging	675	2,550
US$2,500	2019.7.18～2020.7.20	0%	1.15%	Financial assets and liabilities for hedging	299	2,675
US$2,500	2019.9.24～2020.9.24	0%	1.25%	Financial assets and liabilities for hedging	130	2,400

For the year ended December 31, 2019

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or losses on Hedging Instruments in Other Equity: Continuing Hedges	Accumulated Gains or losses on Hedging Instruments in Other Equity: Hedge Accounting No Longer Applied
Cash flow hedge			
Long-term borrowings	$ -	$ 778	$ -

For the year ended December 31, 2020

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item: Due to Hedged Future Cash Flows No Longer Expected to Occur (iv)
Cash flow hedge		
Forecast cash flow interest rate risk	$ (18,466)	$ 12,830 Other gains and losses

For the year ended December 31, 2019

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item: Due to Hedged Future Cash Flows No Longer Expected to Occur (iv)
Cash flow hedge		
Forecast cash flow interest rate risk	$ 589	$ 10,923 Other gains and losses

b) Interest rate risk

The Group was exposed to interest rate risk because the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group through maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group’s financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31 2020	December 31 2019
Cash flow interest rate risk		
Financial assets	$ 8,158,148	$ 9,812,629
Financial liabilities	41,806,114	52,781,783

Sensitivity analysis

The sensitivity analysis below was determined based on the Group’s exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 1% higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2020 and 2019 would have been lower by $329,938 thousand and $424,295 thousand, respectively (which deducted the impact of loans hedged with cross-currency swaps amounting to $654,186 thousand and $539,640 thousand, respectively).

Hedge accounting

For the year ended December 31, 2020

The Group entered into interest rate swap contracts to mitigate the risk of changes in interest rates on the cash flow exposure related to its outstanding variable rate debts, and those transactions are designated as cash flow hedges. Interest rate swap contracts are settled on a monthly basis. Floating rate on interest swap contracts is an interbank interest rate. The Group will settle the difference between fixed and floating interest rate on a net basis.

The source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the foreign exchange forward contracts, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness is expected to emerge from these hedging relationships.

The outstanding interest rate swap contracts at the end of the reporting period were as follows:

December 31, 2020

					Carrying Amount
Notional Amount (in thousand)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Liability
USD 75,000	2024.5.6	1.98%	USD LIBOR-1month	Financial liabilities for hedging	$ 129,084
USD 30,000	2024.5.6	1.93%	USD LIBOR-1month	Financial liabilities for hedging	50,187
USD 95,000	2024.5.6	2.47%	USD LIBOR-1month	Financial liabilities for hedging	208,413
USD 50,000	2024.5.6	2.48%	USD LIBOR-1month	Financial liabilities for hedging	110,174
USD 50,000	2024.5.6	2.59%	USD LIBOR-1month	Financial liabilities for hedging	115,480
USD 100,000	2024.5.6	1.31%	USD LIBOR-1month	Financial liabilities for hedging	28,753
USD 100,000	2023.5.6	1.27%	USD LIBOR-1month	Financial liabilities for hedging	32,326
USD 50,000	2022.5.6	2.89%	USD LIBOR-1month	Financial liabilities for hedging	56,570
USD 50,000	2022.5.8	3.03%	USD LIBOR-1month	Financial liabilities for hedging	59,771
USD 25,000	2024.5.7	1.20%	USD LIBOR-1month	Financial liabilities for hedging	24,263
USD 50,000	2024.5.7	1.37%	USD LIBOR-1month	Financial liabilities for hedging	56,556
					$ 871,577

2020

		Accumulated Gains or Losses on Hedging Instruments in Other Equity	
Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Syndicated Loans of J.P. Morgan (JPM)	$ -	$ (871,577)	$ -

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item: Due to Hedged Item Affecting P/L
Cash flow hedge		
Forecast fluctuations of interest of loan	$ (566,064)	$ (204,834)

December 31, 2019

Notional Amount (in thousand)	Maturity	Range of Interest Rates Paid	Range of Interest Rates Received	Line Item in Balance Sheet	Carrying Amount	
					Asset	Liability
USD 100,000	2024.5.6	1.31%	USD LIBOR-1month	Financial assets for hedging	$ 10,331	$ -
USD 100,000	2023.5.6	1.27%	USD LIBOR-1month	Financial assets for hedging	8,595	-
USD 75,000	2022.5.6	1.98%	USD LIBOR-1month	Financial liabilities for hedging	-	40,454
USD 30,000	2022.5.6	1.93%	USD LIBOR-1month	Financial liabilities for hedging	-	14,262
USD 95,000	2022.5.6	2.47%	USD LIBOR-1month	Financial liabilities for hedging	-	103,403
USD 50,000	2022.5.6	2.48%	USD LIBOR-1month	Financial liabilities for hedging	-	55,012
USD 50,000	2022.5.6	2.59%	USD LIBOR-1month	Financial liabilities for hedging	-	61,499
USD 50,000	2022.5.6	2.89%	USD LIBOR-1month	Financial liabilities for hedging	-	49,042
USD 50,000	2022.5.8	3.03%	USD LIBOR-1month	Financial liabilities for hedging	-	54,253
					$ 18,926	$ 377,925

2019

Hedged Items	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity	
		Continuing Hedges	Hedge Accounting No Longer Applied
Cash flow hedge			
Syndicated Loans of J.P. Morgan (JPM)	$ -	$ (358,999)	$ -

Comprehensive Income	Hedging Gains (Losses) Recognized in OCI	Amount Reclassified to P/L and the Adjusted Line Item Due to Hedged Item Affecting P/L
Cash flow hedge		
Forecast fluctuations of interest of loan	$ (358,999)	$ 14,038

The above-mentioned cash flow hedging includes the risk of LIBOR against USD. On December 31, 2020 and 2019, the amount of interest rate exchange contracts used for hedging was US$ 675,000 thousand and US$ 600,000 thousand, respectively. As the target interest rate may be withdrawn at the end of 2021, the Group has assigned special personnel to continuously observe the market conditions and the progress of the interest rate index management agency in developing alternative interest rate indicators, and to evaluate the overall risk of the Group against the interest rate indicator for research The conversion to other interest rate indicators is expected to be completed in December 2021.

Before the uncertainty caused by the change in interest rate indicators disappears, the Group assumes that neither the risk aversion in the interest rate risk hedging relationship nor the interest rate indicators based on the hedging tools will change due to the change in interest rate indicators. The Group assessed that after it revised the contract and clearly stipulated that the LIBOR would be replaced by another target interest rate, the relevant uncertainty would be eliminated.

Adjustment information of other equity for hedging, refer to Note 23.

c) Other price risk

The Group was exposed to market price risk through its investments in metal (i.e. aluminum and nickel) price swap contracts which aimed to lower the impact of material price fluctuations on profitability.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to market price risks at the end of the reporting period.

With regard to the unsettled aluminum and nickel price derivative instrument contracts, if market prices had been 1% higher/lower, pre-tax loss for years ended December 31, 2020 and 2019 would have increased/decreased by $3,143 thousand and $18,932 thousand, respectively, as a result of the changes in fair value of investments at fair value through profit or loss. With regard to the unsettled aluminum and nickel price swap contracts, the Group had recognized unrealized losses of $64,501 thousand and $13,443 thousand for years ended December 31, 2020 and 2019, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collaterals, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limits that are reviewed and approved by the risk management committee annually.

Accounts receivable consisted of a large number of customers which are spread across diverse industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of customers with accounts receivable.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2020 and 2019, the Group had available unutilized short-term bank loan facilities as set out in (3) below.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest rates are floating, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2020

	On Demand and Less than 1 year	More than 1 Year
Non-derivative financial liabilities		
Non-interest bearing liabilities	$ 3,374,156	$ -
Lease liabilities	1,034,037	8,510,654
Fixed interest rate bank loans	3,167,560	641,825
Floating interest rate bank loans	15,115,425	29,188,367
	$ 22,691,178	$ 38,340,846

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 1,034,037	$ 3,648,420	$ 4,862,234

December 31, 2019

	On Demand and Less than 1 year	More than 1 Year
Non-derivative financial liabilities		
Non-interest bearing liabilities	$ 7,837,047	$ -
Lease liabilities	770,693	4,959,159
Fixed interest rate bank loans	2,389,797	285,247
Floating interest rate bank loans	16,795,896	38,832,679
	$ 27,793,433	$ 44,077,085

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 770,693	$ 3,006,055	$ 1,953,104

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Group's liquidity analysis for its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settled on a net basis. When the amount payable or receivable was not fixed, the amount disclosed was determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2020

	Less than 1 Year	1-5 Years
Net settled		
Foreign exchange forward contracts	$ 29,248	$ -
Cross-currency swap contracts	51,779	-
Foreign exchange swap contracts	657	-
Interest rate swap contracts	1,636	-
Metal price derivative contracts	155,739	-
	$ 239,059	$ -

December 31, 2019

	Less than 1 Year	1-5 Years
Net settled		
Foreign exchange forward contracts	$ 19,285	$ -
Cross-currency swap contracts	16,851	-
Foreign exchange swap contracts	9,242	-
Interest rate swap contracts	377,925	-
Metal price derivative contracts	53,011	-
	$ 476,314	$ -

c) Financing facilities

	December 31	
	2020	2019
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	$ 5,675,972	$ 7,355,662
Amount unused	2,700,841	1,074,468
	$ 8,376,813	$ 8,430,130
Secured bank loan facilities which may be extended by mutual agreement:		
Amount used	$ 41,160,382	$ 47,914,667
Amount unused	36,377,519	30,096,784
	$ 77,537,901	$ 78,011,451

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are the related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. The names of the related parties and their relationships with the Group

Related Party Name	Relationship
Jinn Her Enterprise Co., Ltd.	Corporate director of subsidiaries
Fang Sheng Screw Co., Ltd.	Associate of the directors of Subsidiaries
LPJR INVESTMENT LLC. (LPJR)	Related party in substance
Ou Bo Hua Company	Related party in substance
WINLINK FASTENERS CO., LTD.	Related party in substance (Note)
Tong Win International Co., Ltd.	Related party in substance (Note)
Lung Mei Cloth Co., Ltd.	Associate

Note: Detail of transactions are disclosed after it became related parties since June 15, 2020.

b. Sales of goods

Line Item	Related Party Category / Name	For the Year Ended December 31 2020	2019
Revenue from sale of goods	Associate	$ 70,677	$ 21,803

The items and prices of the sales to related parties do not have similar items to which they can be compared.

c. Purchases of goods and purchase allowances

Related Party Category / Name	For the Year Ended December 31 2020	2019
Jinn Her Enterprise Co., Ltd.	$ 1,118,951	$ 1,561,681
Fang Sheng Screw Co., Ltd.	595,713	724,764
Relates party in substance	288,954	-
	$ 2,003,618	$ 2,286,445

The items and prices of the purchases from related parties do not have similar items to which they can be compared. The Company’s payment term to related parties is 5 to 90 days or prepaid; and the payment term to third parties is prepaid or 0 to 90 days.

d. Receivables from related parties

Line Item	Related Party Category / Name	December 31 2020	2019
Accounts receivable	Associate	$ 8,239	$ 5,363
Other receivables	Associate	$ 33	$ 26
	Corporate director of subsidiaries	654	559
	Related party in substance	138	30
		$ 825	$ 615

The outstanding accounts receivable from related parties are unsecured and no interest was accrued.

e. Payables to related parties

Line Item	Related Party Category / Name	December 31 2020	December 31 2019
Accounts payable	Corporate director of subsidiaries	$ 144,792	$ 315,340
	Related party in substance	11,967	-
		$ 156,759	$ 315,340

The outstanding accounts payable to related parties are unsecured and no interest was accrued.

f. Prepayments

Related Party Category / Name	December 31 2020	December 31 2019
Corporate director of subsidiaries	$ 234,489	$ 50,827

g. Payments for property, plant and equipment

Related Party Category / Name	December 31, 2020
Related party in substance	
LPJR	$ 408,441

h. Refundable deposits (recognized as financial assets at amortized cost - non-current)

Related Party Category / Name	December 31 2020	December 31 2019
Related party in substance	$ 1,600	$ 15,890

i. Lease agreements - the Group is lessee

1) The Company entered into a contract with its related parties in substance to rent office space, dormitories, and show rooms from December 2020 to August 2023, and the rental is based on similar asset's market rental rates and fixed lease payments are paid quarterly.

   Lease expenses included expenses relating to short-term leases, low-value asset leases and variable lease payments that do not depend on an index or a rate. Future lease payables related to short-term leases, low-value asset leases are as follows:

	December 31 2020	December 31 2019
Future lease payables	$ 3,952	$ 3,952

2) The Group entered into a contract with its related parties in substance to rent a plant from September 2018 to August 2028. The Group has prepaid the rent of the first year and determined to pay the rest on a monthly basis.

Line Item	Related Party Category / Name	December 31 2020	December 31 2019
Lease liabilities	Related party in substance	$ -	$ 256,167

Related Party Category/Name	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Interest expense		
Related party in substance	$ 2,234	$ 7,062
Lease expense		
Related party in substance	$ 9,936	$ 8,886

j. Remuneration of key management personnel

	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Short-term employee benefits	$ 318,552	$ 401,360
Post-employment benefits	1,189	1,331
Share-based payment	621	-
	$ 320,362	$ 402,691

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31 2020	December 31 2019
Financial assets at amortized cost (pledged time deposits, pledged demand deposits and pledged repurchase agreements collateralized by bonds)	$ 2,687,459	$ 2,768,712
Accounts receivable	4,668,270	3,477,749
Inventories	43,057,969	40,396,094
Property, plant and equipment, net	4,978,247	8,090,306
Investment properties, net	-	249,840
Right-of-use assets	18,537	18,721
	$ 55,410,482	$ 55,001,422

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2020 and 2019 were as follows:

a. Unused letters of credit for purchases of raw materials as of December 31, 2020 and 2019 were as follows:

	December 31	
	2020	2019
Unused letters of credit for purchases of raw materials	$ 453,826	$ 329,554
Unused letters of credit for submitting customs import guarantee deposits	$ -	$ 311,792

b. Unrecognized commitments were as follows:

	December 31	
	2020	2019
Acquisition of property, plant and equipment	$ 293,652	$ 146,527

The Group has evaluated that the above-listed commitments will not result in material loss.

c. As of December 31, 2020, the subsidiary BBI-USA provided a letter of credit in the amount of $239,232 thousand (US $8,400 thousand) to Hudson Insurance Company, the insurance company of the customs broker of BBI-USA, as collateral for the customs investigation described below.

d. The U.S. Customs and Border Protection ("CBP") has conducted an investigation into BBI-USA (including the import procedures, information about main vendors or manufacturers, product content, place of production, control of antidumping products, etc.) in accordance with the Tariff Act of 1930 in the U.S. since April 2014. The U.S. CBP's main investigation is to determine the country of origin of certain steel threaded rods that BBI-USA imported through merchants; in order to examine whether the manufacturers of fasteners in China sell products to America through triangular trades so as to avoid antidumping duties. The matter is still in the investigation phase, and BBI-USA has been cooperating actively and taking the relevant measures. As of the date the consolidated financial statements were authorized for issue, BBI-USA has not received investigation reports or administrative punishment from the U.S. CBP. According to the statement from the attorney of BBI-USA, BBI-USA should not be subjected to such antidumping import duties or additional penalty.

34. OTHERS

Sale of shares in second-tier subsidiary

In January 2021, the Group sold 100% of its equity in its second-tier subsidiary, Ta Chen (Changshu) Co., Ltd. to non-related parties for US$13,594 thousand. After deducting the estimated relevant taxes, the loss on disposal was approximately US$876 thousand.

In addition to the above matters, the Group was affected by the COVID-19 pandemic, resulting in a substantial decline in operating revenue, Although the domestic epidemic has slowed down and the government has gradually loosened policies, countries are still adopting closed management, the global economic situation continues to shrink, and consumption patterns have also changed. As the pandemic slows down and policies are loosened, the group expects that operations will gradually return to normal. As of December 31,2020,the group continues to evaluate the economic impact of the pandemic on the group.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands)
Financial assets				
Monetary items				
USD	$ 375,962	28.48		$ 10,707,403
USD	6,881	6.5249	(USD:CNY)	195,969
EUR	1,596	35.02		55,894
EUR	3,238	8.025	(EUR:CNY)	113,413
GBP	2,219	38.9		86,319
CAD	6,348	22.35		141,867
AUD	19,596	21.95		430,139
CNY	10,584	4.377		46,324
NZD	1,348	20.58		27,736
Financial liabilities				
Monetary items				
USD	47,758	28.48		1,360,147
USD	2,015	6.5249	(USD:CNY)	57,399
USD	4,791	5.1967	(USD:BRL)	136,443
USD	1,975	1.2743	(USD:CAD)	56,252
AUD	2,087	1.0666	(AUD:NZD)	45,804

December 31, 2019

	Foreign Currency (In Thousands)	Exchange Rate		Carrying Amount (In Thousands)
Financial assets				
Monetary items				
USD	$ 446,040	29.98		$ 13,372,276
USD	9,041	6.9762	(USD:CNY)	271,062
EUR	3,179	33.59		106,780
EUR	4,492	7.8155	(EUR:CNY)	150,871
GBP	2,364	39.36		93,041
CAD	10,383	22.99		238,701
AUD	31,081	21.005		652,857
CNY	10,206	4.289		43,774
NZD	1,038	20.19		20,953

(Continued)

	Foreign Currency (In Thousands)		Exchange Rate		Carrying Amount (In Thousands)
Financial liabilities					
Monetary items					
USD	$	63,403	29.98		$ 1,900,830
USD		2,017	6.9762	(USD:CNY)	60,460
USD		7,566	4.0307	(USD:BRL)	226,831
USD		1,541	1.3040	(USD:CAD)	46,186
					(Concluded)

The Group is mainly exposed to the foreign exchange risk of the USD. The following information was aggregated by the functional currencies of the Group, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2020		2019	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD:NTD)	$ (486,961)	1 (NTD:NTD)	$ (283,121)
USD	29.5492 (USD:NTD)	3,557	30.9119 (USD:NTD)	36,719
BRL	5.7752 (BRL:NTD)	(12,890)	7.8470 (BRL:NTD)	(1,434)
CAD	22.06 (CAD:NTD)	1,687	23.30 (CAD:NTD)	2,795
NZD	19.21 (NZD:NTD)	(1,163)	20.38 (NZD:NTD)	(3)
GBP	37.94 (GBP:NTD)	723	39.47 (GBP:NTD)	(743)
AUD	20.39 (AUD:NTD)	397	21.50 (AUD:NTD)	(1,507)
CNY	4.2827 (CNY:NTD)	(9,482)	4.4821 (CNY:NTD)	(140)
		$ (504,132)		$ (247,434)

36. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (Table 5)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (Table 6)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 7)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 8)

9) Trading in derivative instruments (Notes 7 and 30)

10) Intercompany relationships and significant intercompany transactions (Table 9)

b. Information on investees (Table 10)

c. Information on investments in mainland China

Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (Tables 1, 2, 7, 8, 9, 11 and 12)

d. Information on major shareholders: the name, amount and proportion of shareholders who hold more than 5 % of the shares (None).

37. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance is based on the types of goods provided. Stainless steel and aluminum segment as well as screw head and nuts segments are the main segments for the Group.

Specifically, the Group’s reportable segments were as follows:
Stainless steel and aluminum segment - the Company, TCI, PPTH, ERI, TCH,TKA, PSS, TCE, Ta Chen BVI and its subsidiaries mainly focus on manufacturing and selling of stainless steel pipes, stainless steel pipe fittings as well as selling stainless steel plates (rolls), bars and aluminum products.

Screws and nuts segment - TIG, BBI-TW, BBI-USA, BBI-CA, BBI-UK, BBI-AU, BBI-NZ and BBI-BZ mainly focus on selling screws and nuts.

a. Segment revenue and results

	Stainless Steel and Aluminum	Screws and Nuts	Adjustments and Eliminations	Total
For the year ended December 31, 2020				
Revenue from external customers	$ 45,800,711	$ 13,434,198	$ -	$ 59,234,909
Inter-segment revenue	5,903,951	1,956,044	(7,859,995)	-
Segment revenue	$ 51,704,662	$ 15,390,242	$ (7,859,995)	$ 59,234,909
Segment income	$ (183,001)	$ 1,578,222	$ 427,546	$ 1,822,767
Non-operating income and expenses				(201,438)
Finance costs				(1,705,032)
Share of associates accounted for using the equity method				3,291
Profit before income tax				$ (80,412)

(Continued)

	Stainless Steel and Aluminum	Screws and Nuts	Adjustments and Eliminations	Total
For the year ended December 31, 2019				
Revenue from external customers	$ 63,045,710	$ 14,828,664	$ -	$ 77,874,374
Inter-segment revenue	6,774,854	4,763,171	(11,538,025)	-
Segment revenue	$ 69,820,564	$ 19,591,835	$ (11,538,025)	$ 77,874,374
Segment income	$ 3,824,303	$ 1,491,429	$ 91,031	$ 5,406,763
Non-operating income and expenses				(377,454)
Finance costs				(1,901,206)
Share of associates accounted for using the equity method				1,170
Profit before income tax				$ 3,129,273

(Concluded)

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, rental revenue, interest income, gains or losses on disposals of financial instruments, foreign exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Geographical information

The Group operates in three principal geographical areas - USA, Taiwan and China.

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from External Customers	
	For the Year Ended December 31	
	2020	2019
USA	$ 52,652,621	$ 71,688,210
China	1,241,671	2,197,248
Taiwan	3,420,046	2,014,220
Others	1,920,571	1,974,696
	$ 59,234,909	$ 77,874,374

	Non-current Assets	
	December 31	
	2020	2019
USA	$ 20,646,381	$ 19,907,046
China	927,644	1,007,897
Taiwan	5,180,388	5,095,032
Others	1,045,013	1,152,926
	$ 27,799,426	$ 27,162,901

Non-current assets excluded those classified as investments accounted for using the equity method financial instruments, goodwill and deferred tax assets.

c. Information about major customers

The customer contributing 10% or more to the Group's revenue was as follows:

	For the Year Ended December 31			
	2020		2019	
	Amount	%	Amount	%
Customer A	$ 4,746,874	8	$ 7,631,387	10

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Ta Chen (B.V.I.) Holdings Ltd.	TMCT Product, Inc.	Other receivables from related parties	Y	$ 277,380	$ 277,380	$ 277,380	2%	2	$ -	Operating capital	$ -	None	$ -	$ 1,840,906	$ 1,840,906
		Ta Chen (Boye) Co., Ltd.	Other receivables from related parties	Y	61,640	-	-	3.9%～4.5%	2	-	〃	-	None	-	1,840,906	1,840,906
2	Brighton-Best International (Taiwan) Inc.	Brighton-Best International (NZ), Limited	Other receivables from related parties	Y	1,443	1,443	-	-	1	5,814	-	-	None	-	5,814	11,718,779
		Brighton-Best International (AU), Pty Ltd.	Other receivables from related parties	Y	249,447	202,302	186,968	-	1	436,315	-	-	None	-	436,315	11,718,779
		Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Other receivables from related parties	Y	31,925	26,210	11,924	-	1	33,682	-	-	None	-	33,682	11,718,779
		Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Other receivables from related parties	Y	17,778	17,088	17,088	-	2	-	-	-	None	-	3,233,058	6,466,116
		Brighton-Best International（UK）, Limited	Other receivables from related parties	Y	8,622	8,540	-	-	1	133,849	-	-	None	-	133,849	11,718,779
		Brighton-Best International, Inc.	Other receivables from related parties	Y	209,728	197,456	-	-	1	4,643,003	-	-	None	-	4,643,003	11,718,779
3	Brighton-Best International, Inc.	Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Other receivables from related parties	Y	90,750	85,440	85,440	-	2	-	Operating capital	-	None	-	1,436,926	2,873,851
		Brighton-Best International (Canada), Inc.	Other receivables from related parties	Y	75,625	71,200	-	-	2	-	〃	-	None	-	1,436,926	2,873,851
4	Brighton-Best International (AU), Pty Ltd.	Brighton-Best International (NZ), Limited	Other receivables from related parties	Y	41,705	41,705	39,282	-	2	-	〃	-	None	-	186,273	372,545
5	Ta Chen Empire Co., Ltd.	Ta Chen International, Inc.	Other receivables from related parties	Y	2,036,515	2,036,515	1,207,554	-	1	3,879,194	-	-	None	-	3,879,194	6,840,243
		Empire Resources, Inc.	Other receivables from related parties	Y	564,934	564,934	336,984	-	1	830,939	-	-	None	-	830,939	6,840,243
6	Empire Resources, Inc.	Imbali Metals BVBA	Other receivables from related parties	Y	89,850	-	-	-	2	-	Operating capital	-	None	-	3,042,872	3,042,872
		8911 Kelso Drive	Other receivables from related parties	Y	104,825	104,825	-	-	2	-	〃	-	None	-	3,042,872	3,042,872
		Empire Resources (UK) Limited	Other receivables from related parties	Y	269,550	-	-	-	2	-	〃	-	None	-	3,042,872	3,042,872
		Ta Chen International, Inc.	Other receivables from related parties	Y	2,221,440	2,221,440	2,221,440	-	2	-	〃	-	None	-	3,042,872	3,042,872
7	Primus Pipe and Tube Holding, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	13,400	13,400	13,400	1M LIBOR+1.75%	2	-	〃	-	None	-	869,075	869,075
8	Ta Chen International, Inc.	Primus Pipe and Tube, Inc.	Other receivables from related parties	Y	245,880	245,880	1,475	Prime-0.125%	2	-	〃	-	None	-	27,429,015	27,429,015
9	Ta Chen (Changshu) Co., Ltd.	Ta Chen (Boye) Co., Ltd.	Other receivables from related parties	Y	162,948	-	-	-	2	-	〃	-	None	-	412,093	412,093
10	Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	Other receivables from related parties	Y	214,140	198,543	197,553	4%	2	-	〃	-	None	-	1,204,160	1,204,160
		Ta Chen (BVI) Holdings Ltd.	Other receivables from related parties	Y	395,720	-	-	-	2	-	〃	-	None	-	1,204,160	1,204,160
		Ta Chen International, Inc.	Other receivables from related parties	Y	740,480	740,480	740,480	-	2	-	〃	-	None	-	1,204,160	1,204,160
11	TCI Investment Group, Inc.	Ta Chen International, Inc.	Other receivables from related parties	Y	44,235	44,235	44,235	-	2	-	〃	-	None	-	145,803	145,803

Note 1:

	Financing Limit for Each Borrower	Aggregate Financing Limit
Ta Chen (B.V.I.) Holdings Ltd.	100% of net worth in recently audited financial statements or reviewed financial statements	100% of net worth in recently audited financial statements or reviewed financial statements
Brighton-Best International (Taiwan) Inc.	For business transaction: Recently business transaction amount For short-term financing: 20% of net worth in recently audited financial statements or reviewed financial statements	For business transaction: Recently business transaction amount plus 40% of net worth in recently audited financial statements or reviewed financial statements For short-term financing: 40% of net worth in recently audited financial statements or reviewed financial statements
Brighton-Best International, Inc.	20% of net worth in recently audited financial statements or reviewed financial statements	40% of net worth in recently audited financial statements or reviewed financial statements
Brighton-Best International（AU）, Pty Ltd.	20% of net worth in recently audited financial statements or reviewed financial statements	40% of net worth in recently audited financial statements or reviewed financial statements
Ta Chen Empire Co., Ltd.	Recently business transaction amount or 20% of net worth in recently audited financial statements or reviewed financial statements	Recently business transaction amount plus 40% of net worth in recently audited financial statements or reviewed financial statements
Ta Chen International Inc.	100% of net worth in recently audited financial statements or reviewed financial statements	100% of net worth in recently audited financial statements or reviewed financial statements
Empire Resources, Inc.	100% of net worth in recently audited financial statements or reviewed financial statements	100% of net worth in recently audited financial statements or reviewed financial statements
Primus Pipe and Tube Holding, Inc.	Recently business transaction amount and not exceed 40% of net worth in recently audited financial statements or reviewed financial statements (Note 4)	100% of net worth in recently audited financial statements or reviewed financial statements
TA CHEN (Changshu) Co., Ltd.	100% of net worth in recently audited financial statements or reviewed financial statements	100% of net worth in recently audited financial statements or reviewed financial statements
Ta Chen (Hong Kong) Limited	Recently business transaction amount and not exceed 40% of net worth in recently audited financial statements or reviewed financial statements (Note 5)	500% of net worth in recently audited financial statements or reviewed financial statements
TCI Investment Group, Inc.	Recently business transaction amount and not exceed 40% of net worth in recently audited financial statements or reviewed financial statements (Note 4)	100% of net worth in recently audited financial statements or reviewed financial statements

The net worth mentioned above is the total equity attributable to owners of the lender.

Note 2: The nature for financing is as follows:

1) Business transaction

2) The need for short-term financing

Note 3: Financing provided to others denominated in foreign currency was translated to the New Taiwan dollar with reference to the ending average exchange rate as of December 31, 2020 as declared by Bank of Taiwan; hence, it is different from the disclosed amount available at the Market Observation Post System of the Taiwan Stock Exchange.

Note 4: The financing limit amount for the wholly-owned subsidiary shall not exceed 100% of the net worth of the Company.

Note 5: The financing limit amount for the wholly-owned subsidiary shall not exceed 500% of the net worth of the Company.

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period (Note2)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	Ta Chen (B.V.I.) Holdings Ltd.	Subsidiary	$ 56,955,470	$ 398,513	$ 230,253	$ 230,253	$ -	1		Y	N	N
		Ta Chen (Hong Kong) Limited	Subsidiary	56,955,470	1,902,500	1,902,500	1,902,500	-	7		Y	N	N
		Ta Chen (Shijiazhuang) Co., Ltd.	Sub-subsidiary	56,955,470	145,700	145,700	145,700	-	1		Y	N	Y
		Empire Resources, Inc.	Sub-subsidiary	56,955,470	181,170	181,170	181,170	-	1		Y	N	N
		Ta Chen (Boye) Co., Ltd.	Sub-subsidiary	56,955,470	162,396	162,396	162,396	-	1	$ 56,955,470	Y	N	Y
1	Brighton-Best International (Taiwan) Inc.	Brighton-Best International（AU）, Pty Ltd.	Subsidiary	12,932,232	131,964	131,964	-	-	1		Y	N	N
		Ta Chen Empire Co., Ltd.	Subsidiary	12,932,232	5,085,000	3,065,000	3,065,000	-	19	16,165,290	Y	N	N
2	Ta Chen International, Inc.	Empire Resources Pacific, Ltd.	Sub-subsidiary	54,858,030	29,230,500	29,230,500	29,230,500	-	107		N	N	N
		TCI Investment Group, Inc.	Subsidiary	54,858,030	29,230,500	29,230,500	29,230,500	-	107		N	N	N
		Empire Resources, Inc.	Subsidiary	54,858,030	29,230,500	29,230,500	29,230,500	-	107		N	N	N
		TCI Texarkana, Inc.	Subsidiary	54,858,030	31,044,000	31,044,000	31,044,000	-	113		N	N	N
		Primus Pipe and Tube Holding, Inc.	Subsidiary	54,858,030	29,230,500	29,230,500	29,230,500	-	107		N	N	N
		Primus Pipe and Tube, Inc.	Sub-subsidiary	54,858,030	29,230,500	29,230,500	29,230,500	-	107		N	N	N
		Imbali Metals BVBA	Sub-subsidiary	54,858,030	711,400	711,400	711,400	-	3		N	N	N
		Empire Resources (UK) Limited.	Sub-subsidiary	54,858,030	711,400	711,400	711,400	-	3		N	N	N
		8911 Kelso Drive	Sub-subsidiary	54,858,030	138,893	-	-	-	-	54,858,030	N	N	N
3	Empire Resources, Inc.	Ta Chen International, Inc.	Parent company	60,857,440	31,079,700	29,230,500	29,230,500	-	961		N	N	N
		Empire Resources Pacific, Ltd.	Subsidiary	60,857,440	29,230,500	29,230,500	29,230,500	-	961		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	60,857,440	29,230,500	29,230,500	29,230,500	-	961		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	60,857,440	31,079,700	29,230,500	29,230,500	-	961		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	60,857,440	29,230,500	29,230,500	29,230,500	-	961		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	60,857,440	29,230,500	29,230,500	29,230,500	-	961	60,857,440	N	N	N
4	TCI Investment Group, Inc.	Ta Chen International, Inc.	Parent company	51,031,050	31,079,700	29,230,500	29,230,500	-	20,048		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	51,031,050	29,230,500	29,230,500	29,230,500	-	20,048		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	51,031,050	29,230,500	29,230,500	29,230,500	-	20,048		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	51,031,050	29,230,500	29,230,500	29,230,500	-	20,048		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	51,031,050	29,230,500	29,230,500	29,230,500	-	20,048		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	51,031,050	29,230,500	29,230,500	29,230,500	-	20,048	51,031,050	N	N	N
5	Empire Resources Pacific, Ltd.	Ta Chen International, Inc.	Parent company	83,580,000	31,079,700	29,230,500	29,230,500	-	3,076,895		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	83,580,000	29,230,500	29,230,500	29,230,500	-	3,076,895		N	N	N
		Empire Resources, Inc.	Parent company	83,580,000	29,230,500	29,230,500	29,230,500	-	3,076,895		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	83,580,000	31,079,700	29,230,500	29,230,500	-	3,076,895		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	83,580,000	29,230,500	29,230,500	29,230,500	-	3,076,895		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	83,580,000	29,230,500	29,230,500	29,230,500	-	3,076,895	83,580,000	N	N	N
6	Primus Pipe and Tube Holding, Inc.	Ta Chen International, Inc.	Parent company	30,417,625	31,079,700	29,230,500	29,230,500	-	3,363		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	30,417,625	29,230,500	29,230,500	29,230,500	-	3,363		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	30,417,625	29,230,500	29,230,500	29,230,500	-	3,363		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	30,417,625	29,230,500	29,230,500	29,230,500	-	3,363		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	30,417,625	31,079,700	29,230,500	29,230,500	-	3,363		N	N	N
		Primus Pipe and Tube, Inc.	Subsidiary	30,417,625	29,230,500	29,230,500	29,230,500	-	3,363	30,417,625	N	N	N
7	Primus Pipe and Tube, Inc.	Ta Chen International, Inc.	Parent company	33,645,535	31,079,700	29,230,500	29,230,500	-	4,778		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	33,645,535	29,230,500	29,230,500	29,230,500	-	4,778		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	33,645,535	29,230,500	29,230,500	29,230,500	-	4,778		N	N	N
		Empire Resources Pacific, Ltd.	Fellow subsidiaries	33,645,535	29,230,500	29,230,500	29,230,500	-	4,778		N	N	N
		TCI Texarkana, Inc.	Fellow subsidiaries	33,645,535	31,079,700	29,230,500	29,230,500	-	4,778		N	N	N
		Primus Pipe and Tube Holding, Inc.	Parent company	33,645,535	29,230,500	29,230,500	29,230,500	-	4,778	33,645,535	N	N	N
8	TCI Texarkana, Inc.	Empire Resources Pacific, Ltd.	Fellow subsidiaries	32,505,740	29,230,500	29,230,500	29,230,500	-	450		N	N	N
		Primus Pipe and Tube Holding, Inc.	Fellow subsidiaries	32,505,740	29,230,500	29,230,500	29,230,500	-	450		N	N	N
		Primus Pipe and Tube, Inc.	Fellow subsidiaries	32,505,740	29,230,500	29,230,500	29,230,500	-	450		N	N	N
		TCI Investment Group, Inc.	Fellow subsidiaries	32,505,740	29,230,500	29,230,500	29,230,500	-	450		N	N	N
		Empire Resources, Inc.	Fellow subsidiaries	32,505,740	29,230,500	29,230,500	29,230,500	-	450		N	N	N
		Ta Chen International, Inc.	Parent company	32,505,740	31,079,700	29,230,500	29,230,500	-	450	32,505,740	N	N	N

Note 1:

	Endorsements/Guarantees Limit for Each Borrower	Aggregate Endorsements/Guarantees Limit
The Company	200% of net worth in recently audited financial statements or reviewed financial statements	200% of net worth in recently audited financial statements or reviewed financial statements
Brighton-Best International (Taiwan) Inc.	80% of net worth in recently audited financial statements or reviewed financial statements	100% of net worth in recently audited financial statements or reviewed financial statements
Ta Chen International, Inc.	200% of net worth in recently audited financial statements or reviewed financial statements	200% of net worth in recently audited financial statements or reviewed financial statements
Empire Resources, Inc.	2,000% of net worth in recently audited financial statements or reviewed financial statements	2,000% of net worth in recently audited financial statements or reviewed financial statements
TCI Investment Group, Inc.	35,000% of net worth in recently audited financial statements or reviewed financial statements	35,000% of net worth in recently audited financial statements or reviewed financial statements
Empire Resources Pacific, Ltd.	3,000,000% of net worth in recently audited financial statements or reviewed financial statements	3,000,000% of net worth in recently audited financial statements or reviewed financial statements
Primus Pipe and Tube Holding, Inc.	3,500% of net worth in recently audited financial statements or reviewed financial statements	3,500% of net worth in recently audited financial statements or reviewed financial statements
Primus Pipe and Tube, Inc.	5,500% of net worth in recently audited financial statements or reviewed financial statements	5,500% of net worth in recently audited financial statements or reviewed financial statements
TCI Texarkana, Inc.	500% of net worth in recently audited financial statements or reviewed financial statements	500% of net worth in recently audited financial statements or reviewed financial statements
Ta Chen (Hong Kong) Limited	80% of net worth in recently audited financial statements or reviewed financial statements	300% of net worth in recently audited financial statements or reviewed financial statements

Note 2: Endorsements or guarantees provided to others denominated in foreign currency was translated to the New Taiwan dollar with reference to the ending average exchange rate as of December 31, 2020 declared by Bank of Taiwan.

TABLE 3

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2020			
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value
The Company	Mutual funds						
	Nomura Global High Dividend Fund Accumulate TWD	None	Financial assets at fair value through profit or loss - current	42,758	$ 851	-	$ 851
	Fuh Hwa China New Economy A Shares Eq TWD	〃	〃	600,000	5,010	-	5,010
	Franklin Templeton SinoAm Multi-Asset Income Fund-Accu.-TWD	〃	〃	61,156	649	-	649
	Franklin Templeton SinoAm Multi-Asset Income Fund-Accu.-TWD	〃	〃	115,111	1,880	-	1,880
	Yuanta New ASEAN Balanced Fund USD	〃	〃	1,000,000	9,700	-	9,700
	Fidelity (Taiwan) Asian High Yield Fund A-ACC-TWD	〃	〃	15,000	4,421	-	4,421
	Hua Nan Global IoT on MSCI Custom ACWI plus All China Index Fund TWD	〃	〃	200,000	1,995	-	1,995
	Capital ASEAN Fund TWD	〃	〃	1,804	983	-	983
	UPAMC Grand ASEAN High Dividend Fund TWD	〃	〃	4,853	1,578	-	1,578
	Amundi Funds II - China Equity U USD ND	〃	〃	200,000	1,922	-	1,922
	CTBC Taiwan Small-cap Fund	〃	〃	100,000	1,027	-	1,027
	O-Bank No.1 Real Estate Investment Trust	〃	〃	45	511	-	511
	Eastspring Investment Capital Protected Fund Series	〃	〃	43	2,118	-	2,118
	Capital Conservative Allocation Fund of Funds A TWD	〃	〃	647,249	831	-	831
					$ 33,476		$ 33,476
	Unlisted shares - ROC						
	IBT VII Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	435,296	$ 4,353	1.9	$ 4,353
	Sunny Bank Ltd.	〃	〃	1,510,292	12,000	0.06	12,000
					$ 16,353		$ 16,353
Los Osos Holding, Inc.	Foreign listed shares						
	PT Alumindo Light Metal Industry TDK	None	Financial assets at fair value through other comprehensive income - non-current	32,822,200	$ 16,452	5.33	$ 16,452
Brighton-Best International (Taiwan) Inc.	Cathay Venture Fund, L.p.	None	Financial assets at fair value through profit or loss - current	-	$ 30,000	-	$ 30,000
	Unlisted shares - ROC						
	Tung Mung Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	23,560,495	$ 141,599	6.62	$ 141,599
	Listed shares - ROC						
	Ta Chen Stainless Pipe Co., Ltd.	Parent company	Financial assets at fair value through profit or loss - current	4,218,720	$ 132,046	0.25	$ 132,046
		Parent company	Financial assets at fair value through other comprehensive income - non-current	60,930,600	$ 1,907,127	3.67	$ 1,907,127
Ta Chen Empire Co., Ltd. (TEC)	Listed shares - ROC						
	Ta Chen Stainless Pipe Co., Ltd.	Ultimate parent company	Financial assets at fair value through profit or loss - current	11,784,423	$ 368,852	0.71	$ 368,852

Note1: The marketable securities in Table 3 refer to equity securities, debt securities, mutual funds and securities derived from the list above.

Note2: Refer to Table 10 and Table 11 for information regarding investment in subsidiaries.

TABLE 4

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (None 2)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
	Common Stock													
The Company	Brighton-Best International (Taiwan) Inc. - Over the counter (OTC) shares - ROC	Investments accounted for using the equity method	-	Subsidiary	365,127,040	$ 5,194,554	34,677,000	$ 917,967	-	$ -	$ -	$ -	399,804,040	$ 5,264,398
	Ta Chen International, Inc.	Investments accounted for using the equity method	Note 1	Subsidiary	674,836	28,117,356	60,000	1,815,100	-	-	-	-	734,836	27,189,529
Brighton-Best International (Taiwan) Inc.	Ta Chen Stainless Pipe Co., Ltd. - Listed shares - ROC	Financial assets at fair value through profit or loss – current	-	Parent company	12,766,000	409,150	82,720 (Note 3)	-	8,630,000	256,651	256,651	-	4,218,720	132,046
		Financial assets at fair value through other comprehensive income – on-current	-	Parent company	53,980,000	1,730,059	6,950,600 (Note 3)	123,350	-	-	-	-	60,930,600	1,907,127

Note 1: Issuance of new shares.

Note 2: Inclusive of share of profit (loss) for using equity method and relevant adjustments.

Note 3: Inclusive of allotted stock dividends.

TABLE 5

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Brighton-Best International, Inc.	Land and buildings	March 26, 2020 (Date of determination of board of directors)	$ 408,441	Fully paid	LPJR Investment, LLC	Referred party in substance	Fan Family Trust	No	August 31, 2018	US $ 13,502 thousand	Referred to market price and appraised by a professional appraisal institution	For operating purposes	None
		July 10, 2020 (Date of determination of board of directors)	105,751	Fully paid	Ta Chen International Inc.	Fellow Subsidiaries	Tian Family Trust	No	August 31, 2018	US $ 3,648 thousand	Referred to market price and appraised by a professional appraisal institution	For operating purposes	None

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date (Note)	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain (Loss) on Disposal (Note 2)	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
8911 Kelso Drive	Land, Buildings	January 14, 2020	May 6, 2017	$ 196,188	$ 313,688	Fully received	$ 45,564	AG-HS Portfolio II Subsidiary, L.L.C.	Third-party	Asset revitalization	Referred to market price and appraised by a professional appraisal institution	No
Ta Chen International Inc.	Land, Buildings	June 23, 2020	July, 1998~March,2020	218,259	291,000	Fully received	42,620	CITIMARK WALLISVILLE	Third-party	Asset revitalization	Referred to market price and appraised by a professional appraisal institution	No
Ta Chen International Inc.	Land, Buildings	June 23, 2020	December, 1989~April, 2019	246,248	656,492	Fully received	135,550	CENTERPOINT PROPERITES TRUST	Third-party	Asset revitalization	Referred to market price and appraised by a professional appraisal institution	No
Ta Chen International Inc.	Investment property	June 23, 2020	March, 2008	235,874	425,748	Fully received	191,647	CENTERPOINT PROPERITES TRUST	Third-party	Asset revitalization	Referred to market price and appraised by a professional appraisal institution	No

Note 1: Resolution of the Company's board of directors.

Note 2: The Group sold property and leased it back and recognized gain based on IFRS 16.

TABLE 7

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Ta Chen International, Inc.	Subsidiaries (100% ownership)	(Sale)	$ (3,733,217)	(60)	Within 120-180 days	The price is decided taking both local market price in the US and the operation costs of TCI into consideration. There is no third-party that could be compared.	For third-party, 90 days for domestic sales and 30-90 days for export sales.	$ 2,861,698	94	-
	Ta Chen (Hong Kong) Limited	Subsidiaries (100% ownership)	(Sale)	(976,478)	(16)	Within 180 days	No third-party could be compared	No third-party could be compared	49,435	2	-
	Ta Chen (Changshu) Co., Ltd.	Subsidiaries (100% ownership)	Purchase	122,173	3	Within 90 days	General market price	Same	(12,110)	6	-
Ta Chen International, Inc.	Empire Resources, Inc.	Subsidiaries (100% ownership)	Purchase	6,082,192	17	Within 60 days	Cost price	Same	(25,581)	-	-
	Empire Resources, Inc.	Subsidiaries (100% ownership)	(Sale)	(160,877)	-	Within 60 days	The price is decided taking both local market price in the US and the operation cost of TCI into consideration	Same	45,709	1	-
	TCI Texarkana, Inc.	Subsidiaries (100% ownership)	Purchase	9,145,932	26	Within 30 days	The price is decided taking both local market price in the US and the operation cost of TCI into consideration	Same	(1,017,104)	(14)	-
	Ta Chen (Hong Kong) Limited	Subsidiaries (100% ownership)	Purchase	976,478	3	Within 120-180 days	The price is decided taking both local market price in the US and the operation costs of TCI into consideration. There is no third-party that could be compared.	No third-party could be compared	(466,050)	(6)	-
	Primus Pipe and Tube, Inc.	Fellow subsidiaries	Purchase	495,182	1	Within 30 days	General market price	Same	(22,275)	-	-
Brighton-Best International (Taiwan), Inc.	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	(Sale)	(4,623,474)	(84)	Within 180 days	No third-party could be compared	No third-party could be compared	2,424,821	84	-
	Brighton-Best International（AU）, Pty Ltd.	Subsidiaries (100% ownership)	(Sale)	(436,244)	(8)	Within 180 days	No third-party could be compared	No third-party could be compared	220,368	8	-
	Brighton-Best International（Canada）, Inc.	Subsidiaries (100% ownership)	(Sale)	(287,717)	(5)	Within 180 days	No third-party could be compared	No third-party could be compared	125,446	4	-
	Brighton-Best International（UK）, Limited	Subsidiaries (100% ownership)	(Sale)	(133,843)	(2)	Within 180 days	No third-party could be compared	No third-party could be compared	79,837	3	-
	Fang Sheng Screw Co., Ltd.	Corporate directors	Purchase	595,713	12	Within 45~90 days or prepaid	No third-party could be compared	Note	(74,439)	(17)	-
	Jinn Her Enterprise Co., Ltd.	Corporate directors	Purchase	238,059	5	T/T 45 days after final acceptance or prepaid	No third-party could be compared	Note	(36,372)	(8)	-
	Tong Win International Co., Ltd.	Referred party in substance	Purchase	225,637	5	T/T 5 days after acceptance	No third-party could be compared	Note	(6,419)	(1)	
Brighton-Best International, Inc.	Brighton-Best International（Canada）, Inc.	Fellow subsidiaries	(Sale)	(135,682)	(1)	Within 180 days	No third-party could be compared	No third-party could be compared	56,444	5	-
	Jinn Her Enterprise Co., Ltd.	Corporate directors of parent entity	Purchase	880,915	13	T/T 45 days after final acceptance or prepaid	No third-party could be compared	Note	(33,981)	(1)	-
Ta Chen Empire Co., Ltd.	Ta Chen International, Inc.	Fellow subsidiaries	(Sale)	(1,545,497)	82	Within 180 days	No third-party could be compared	No third-party could be compared	583,029	94	-
	Empire Resources, Inc.	Fellow subsidiaries	(Sale)	(345,905)	18	Within 180 days	No third-party could be compared	No third-party could be compared	37,536	6	-

Note: The payment term for third parties is prepaid or 0 to 90 days.

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Ta Chen International, Inc.	Subsidiaries (100% ownership)	$ 2,861,698	1.51	$ -	-	$ 596,936	$ -
Ta Chen (B.V.I.) Holdings Ltd.	TMCT Products, Inc.	Subsidiaries (100% ownership)	277,380	Note 2	-	-	-	-
	Ta Chen (Shijiazhuang) Co., Ltd.	Subsidiaries (93.14% ownership)	189,759	Note 3	-	-	-	-
TCI Texarkana, Inc.	Ta Chen International, Inc.	Parent company (100% ownership)	1,017,104	8.75	-	-	-	-
	Empire Resources, Inc.	Fellow subsidiaries	241,980	5.08	-	-	-	-
Empire Resources, Inc.	Ta Chen International, Inc.	Parent company (100% ownership)	2,221,440	Note 2	-	-	-	-
Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	Subsidiaries (100% ownership)	197,553	Note 2	-	-	-	-
	Ta Chen International, Inc.	Fellow subsidiaries	466,050	2.63	-	-	-	-
	Ta Chen International, Inc.	Fellow subsidiaries	740,480	Note 2	-	-	-	-
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	Subsidiaries (100% ownership)	2,424,821	1.57	-	-	797,725	-
	Brighton-Best International（AU）, Pty Inc.	Subsidiaries (100% ownership)	220,368	1.57	-	-	59,464	-
	Brighton-Best International（AU）, Pty Inc.	Subsidiaries (100% ownership)	186,968	Note 2	-	-	50,511	-
	Brighton-Best International（Canada）, Inc.	Subsidiaries (100% ownership)	125,446	1.72	-	-	57,034	-
Ta Chen Empire Co., Ltd.	Ta Chen International, Inc.	Fellow subsidiaries	583,029	1.20	-	-	-	-
	Ta Chen International, Inc.	Fellow subsidiaries	1,207,554	Note 2	-	-	341,781	-
	Empire Resources, Inc.	Fellow subsidiaries	336,984	Note 2	-	-	85,483	-

Note1: The ending balance of receivables includes both trade receivables-related parties and other receivables-related parties.

Note2: The ending balance primarily consists of other receivables for financing purpose, which is not applicable for the calculation of turnover rate.

Note3: The ending balance primarily consists of dividends receivable, which is not applicable for the calculation of turnover rate.

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
0	The Company	Ta Chen International Inc.	1	Revenue from sale of goods	$ 3,733,217	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration. Collection term is 4-6 months.	6
		〃	1	Trade receivables	2,861,698	-	3
		Ta Chen (Hong Kong) Limited	1	Revenue from sale of goods	976,478	No comparable transactions available	2
		〃	1	Trade receivables	49,435	-	-
		Ta Chen (Changshu) Co., Ltd.	1	Cost of goods sold	122,173	No comparable transactions available	-
		〃	1	Accounts payable	12,110	-	-
1	Ta Chen International Inc.	Ta Chen (Hong Kong) Limited	3	Cost of goods sold	976,478	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration. Collection term is 4-6 months.	2
		〃	3	Accounts payable	466,050	-	-
		〃	3	Other payable	740,480	-	-
		Primus Pipe and Tube, Inc.	3	Revenue from sale of goods	32,854	General market price, payment term is 1 month	-
		〃	3	Accounts receivable	978	-	-
		〃	3	Other receivable	1,475	-	-
		〃	3	Cost of goods sold	495,182	General market price, payment term is 40 days	1
		〃	3	Accounts payable	22,275	-	-
		TCI Texarkana, Inc.	3	Revenue from sale of goods	23,975	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration. Collection term is 4 - 6 months.	-
		〃	3	Trade receivable	1,699	-	-
		〃	3	Cost of goods sold	9,145,932	General market price, payment term is 1 month	16
		〃	3	Accounts payable	1,017,104	-	1
		〃	3	Other receivable	7,490,261	-	8
		Empire Resources, Inc.	3	Revenue from sale of goods	160,877	The price is decided by taking both local market price in the US and the operation costs of TCI into consideration. Collection term is 1 month.	-
		〃	3	Trade receivable	45,709	-	-
		〃	3	Cost of goods sold	6,082,192	Cost price payment term is 2 months	10
		〃	3	Accounts payable	25,581	-	3
		〃	3	Other payable	2,221,440	-	2
		Ta Chen Empire Co., Ltd.	3	Cost of goods sold	1,545,497	General market price, payment term is 4~6 months	3
		〃	3	Accounts payable	583,029	-	1
		〃	3	Other payable	1,207,554	-	1

(Continued)

No.	Investee Company	Counterparty	Relationship (Note)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
2	Empire Resources, Inc..	Ta Chen Empire Co., Ltd.	3	Cost of goods sold	$ 345,905	No comparable transactions available	1
		〃	3	Accounts payable	37,536	-	-
		〃	3	Other payable	336,984	-	-
		TCI Texarkana, Inc.	3	Cost of goods sold	677,070	No comparable transactions available	1
		〃	3	Accounts payable	241,980	-	-
3	Ta Chen (B.V.I.) Holdings Ltd.	Ta Chen (Shijiazhuang) Co., Ltd.	3	Other receivables	189,759	-	-
		TMCT Products, Inc.	3	Other receivables	277,380	-	-
4	Ta Chen (Hong Kong) Limited	Ta Chen (Boye) Co., Ltd.	3	Other receivables	197,553	-	-
5	Ta Chen (Shijiazhuang) Co., Ltd	Ta Chen (Boye) Co., Ltd.	3	Cost of goods sold	90,130	No comparable transactions available	-
		〃	3	Accounts payable	26,200	-	-
6	Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	1	Revenue from sale of goods	4,623,474	No comparable transactions available	8
		〃	1	Trade receivables	2,424,821	-	2
		〃	1	Other income	70,952	No comparable transactions available	-
		Brighton-Best International (Canada), Inc.	1	Revenue from sale of goods	287,717	No comparable transactions available	-
		〃	1	Trade receivables	125,446	-	-
		Brighton-Best International (UK), Inc.	1	Revenue from sale of goods	133,843	No comparable transactions available	-
		〃	1	Trade receivables	79,837	-	-
		Brighton-Best International (AU), Pty Ltd.	1	Revenue from sale of goods	436,244	No comparable transactions available	1
		〃	1	Trade receivables	220,368	-	-
		〃	1	Other receivables	186,968	-	-
		Brighton-Best International (NZ), Limited	1	Revenue from sale of goods	5,814	No comparable transactions available	-
		〃	1	Trade receivable	3,010	-	-
		Brighton-Best International (Brasil), Limited - Comercio de Parafusos Ltdu.	1	Revenue from sale of goods	33,682	No comparable transactions available	-
		〃	1	Trade receivable	21,811	-	-
		〃	1	Other receivable	29,012	-	-
		Ta Chen Empire Co., Ltd.	1	Other income	3,415	No comparable transactions available	-
		〃	1	Other receivable	3,586	-	-
7	Brighton-Best International, Inc.	Brighton-Best International (Canada), Inc.	3	Revenue from sale of goods	135,682	By contractual terms	1
		〃	3	Trade receivables	56,444	-	-
		Brighton-Best International (AU), Pty Ltd.	3	Revenue from sale of goods	39,280	By contractual terms	-
		〃	3	Trade receivable	23,724	-	-
		Brighton-Best International (UK), Limited	3	Revenue from sale of goods	14,195	By contractual terms	-
		Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	3	Other receivables	85,440	-	-
	Brighton-Best International (AU), Pty Ltd.	Brighton-Best International (NZ), Limited	3	Revenue from sale of goods	13,864	By contractual terms	-
		〃	3	Trade receivable	6,439	-	-
		〃	3	Other receivable	39,365	-	-

Note 1: The relationships with counterparties are as follows:

1) Parent to subsidiaries

2) Subsidiaries to parent

3) Subsidiaries to subsidiaries

(Concluded)

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares	%	Carrying Amount			
The Company	Ta Chen International, Inc.	U.S.A	Manufacture and sale of stainless steel pipes, rolls and pipe fittings	$ 23,327,317	$ 21,512,317	$ 734,836	100	$ 27,189,529	$ (842,865)	$ (847,556)	Note 2
	Ta Chen (B.V.I.) Holdings Ltd.	British Virgin Islands	Investment	990,817	990,817	32,625,300	100	1,833,617	(9,946)	1,888	Note 3
	Brighton-Best International (Taiwan) Inc.	Taiwan	Import, export and sale of screws and nuts	7,099,391	6,181,424	399,804,040	39.08	5,264,398	942,256	285,062	Note 7
	Pyramid Stainless Steel Co., Ltd.	Taiwan	Manufacture and sale of stainless steel rolls and plates	100,000	100,000	10,000,000	100	566	(259)	(260)	
	Lung Mei Cloth. Ltd.	Taiwan	Manufacture and sale of curtains and cloth products	124,800	124,800	9,750,000	48.75	129,555	8,635	3,291	
	Ta Chen (Hong Kong) Limited.	Hong Kong	Investment	279,720	279,720	10,000,000	100	240,831	(17,302)	(17,302)	
	TA CHEN (SAMOA) Holdings Ltd.	Samoa	Investment	-	-	-	-	-	-	-	Note 4
Ta Chen International, Inc.	TCI Investment Group, Inc.	U.S.A	Import, export and sale of screws and nuts	94,950	94,950	3,000	100	155,403	38,534		
	Empire Resources, Inc.	U.S.A	Import, export and sale of stainless steel and aluminum products	1,714,340	1,714,340	8,250,455	100	3,028,635	(100,320)		
	Primus Pipe and Tube Holding, Inc.	U.S.A	Investment	877,540	877,540	29,000	100	848,534	(6,453)		
	TCI Texarkana, Inc.	U.S.A	Manufacture and sale of aluminum products	9,286,500	9,286,500	60,000	100	6,480,461	(959,790)		
Primus Pipe and Tube Holding, Inc.	Primus Pipe and Tube, Inc.	U.S.A	Manufacture and sale of stainless steel	873,575	873,575	1,000	100	611,737	(7,166)		
Empire Resources, Inc.	Empire Resources Pacific, Ltd.	U.S.A	Import, export and sale of stainless steel and aluminum products	-	-	100	100	2,786	(2,125)		Note 6
	Imbali Metals BVBA	Belgium	Import, export and sale of stainless steel and aluminum products	-	-	1,000	100	211,657	2,481		〃
	Empire Resources (UK) Ltd.	United Kingdom	Import, export and sale of stainless steel and aluminum products	-	-	5,400,000	100	313,756	21,057		〃
	8911 Kelso Drive	U.S.A	Import, export and sale of stainless steel and aluminum products	-	-	-	100	-	103,803		〃
Brighton-Best International (Taiwan) Inc.	Brighton-Best International, Inc.	U.S.A	Import, export, and sale of screws and nuts	5,801,521	5,801,521	186,480	100	6,401,530	469,082		Note 2
	Brighton-Best International(AU), Pty Ltd.	Australia	Import and sale of screws and nuts	1,498,544	1,498,544	54,000,000	100	932,995	1,157		〃
	Brighton-Best International(Canada), Inc.	Canada	Import and sale of screws and nuts	381,149	381,149	12,003,893	100	544,447	43,676		〃
	Brighton-Best International(UK), Limited	United Kingdom	Import and sale of screws and nuts	453,097	453,097	9,200,000	100	374,453	8,691		〃
	Brighton-Best International(NZ), Limited	New Zealand	Import and sale of screws and nuts	19,328	19,328	1,000	100	10,378	(452)		〃
	Ta Chen Empire Co., Ltd.	Taiwan	Import, export, and sale of aluminium products	5,300,000	5,300,000	530,000,000	100	5,325,277	18,725		
	Brighton-Best(Hong Kong) Limited	Hong Kong	Investment	-	-	-	-	-	-		Note 8
	Brighton-Best International Inc.(Cayman)	Cayman	Investment	-	-	-	-	-	-		Note 5
Brighton-Best International, Inc.	Brighton-Best International (Brasil), Comercio de Parafusos Ltda.	Brazil	Import and sale of screws and nuts	6,486	6,486	3,996,000	99.9	(69,228)	(12,412)		
Brighton-Best (Hong Kong) Limited	Brighton-Best (Hong Kong) Holding Inc.	Hong Kong	Investment	-	-	-	-	-	-		Note 8
Ta Chen (B.V.I.) Holding, Inc.	TMCT Products, Inc.	U.S.A	Investment	14,740	14,990	500	100	7,900	(5,527)		
	Los Osos Holdings, Inc.	U.S.A	Investment	68,462	-	-	100	47,112	-		
	Clarke St. Property Holding, LLC	U.S.A	Investment	14,240	-	-	100	14,238	(2)		
TMCT Products, Inc.	Amerinox Texarkana, LLC.	U.S.A	Investment	28	-	-	49	28	-		

Note 1: Refer to Table 11 for information regarding investment in mainland China.

Note 2: The difference between the share of profit (loss) and net income (loss) of the investee was the effect of tax rate of unrealized gross profit.

Note 3: The difference between the share of profit (loss) and net income (loss) of the investee was the effect of realized gross profit from upstream transactions with sub-subsidiaries.

Note 4: Established in December 2015 and no investment funding has been remitted.

Note 5: Established in February 2016 and no investment funding has been remitted.

Note 6: It's the trans-investment company of the acquired company; hence, no original investment amount is listed.

Note 7: The difference between the share of profit (loss) and net income (loss) of the investee was the effect of unrealized gross profit from sidestream transactions among subsidiaries.

Note 8: Established in May 2019 and no investment funding has been remitted.

TABLE 11

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment (Note 4)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 2)	Remittance of Funds (Note 2)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 1 and 7)	Carrying Amount as of December 31,2020	Accumulated Repatriation of Investment Income as of December 31,2020	Note
					Outward	Inward							
Ta Chen (Shijiazhuang) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	$ 145,248	(2) Ta Chen (B.V.I.) Holdings Ltd.	$ 119,710	$ -	$ -	$ 119,710	$ 22,911	93.14	$ 21,339	$ 293,598	$ -	
Ta Chen (Boye) Co., Ltd.	Manufacture and sale of stainless steel valves and casting products	339,909	(2) Ta Chen (B.V.I.) Holdings Ltd.(Note 5)	283,148	-	-	283,148	22,710	100	22,710	423,220	-	
Ta Chen (Changshu) Co., Ltd.	Manufacture and sale of automotive casting products	284,800	(2) Ta Chen (B.V.I.) Holdings Ltd.	284,800	-	-	284,800	(5,606)	100	(5,606)	412,093	-	
Yinrong（Shanghai） Investment Management Limited	Investment	2,200	(3) The Company	2,200	-	-	2,200	(131)	100	(131)	6,022	-	
Cheng-Rong (Shanghai) International Trading Ltd. (Note 6)	Investment	-	(2) Brighton-Best International Inc. （Cayman）	-	-	-	-	-	-	-	-	-	

Accumulated Outward Remittance for Investment in Mainland China as of December 31,2020(Note 2)	Investment Amount Authorized by Investment Commission, MOEA(Note 2)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA(Note 3)
$ 689,858	$ 907,157	$ 17,086,641

Note 1: Calculated from the financial statements reviewed and attested by Taiwan parent company’s CPA.

Note 2: The amounts were calculated based on the foreign exchange rate as of December 31, 2020. (USD1:NTD28.48)

Note 3: The limit on investment in mainland China pursuant to “Principle of investment or Technical Cooperation in mainland China” is calculated as shown below:
$28,477,735 thousand x 60% = $17,086,641 thousand

Note 4: Methods of investment are classified as below:

1) Direct investment.

2) Investments through a holding company registered in a third region.

3) Others

Note 5: Inclusive of $61,424 thousand (US$1,993 thousand) capital increase out of retained earnings.

Note 6: Established in June 2016 and no investment funding has been remitted.

Note 7: The difference is caused by the recognition of amortization attributed to unrealized gain on selling assets.

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price Transaction Details			Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss
		Amount	%	Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Ta Chen (Changshu) Co., Ltd.	Purchase	$ 122,173	3	No comparable transactions available	1-3 months	The payment term for third parties is 1-3 months.	$ (12,110)	(6)	$ 6,921

TABLE 13

TA CHEN STAINLESS PIPE CO., LTD. AND SUBSIDIARIES

MOVEMENTS OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Land	Land Improvements	Buildings	Machinery and Equipment	Storage Equipment	Electrical Equipment	Transportation Equipment	Office Equipment	Molding Equipment	Leasehold Improvements	Leased Assets	Other Equipment	Property Under Construction	Total
Cost														
Balance at January 1, 2019	$ 3,649,226	$ 87,738	$ 3,609,303	$ 8,261,088	$ 1,744,917	$ 273,232	$ 153,902	$ 603,604	$ 244,701	$ 200,488	$ 1,854	$ 202,660	$ 967,977	$ 20,000,690
Additions	454,031	6,956	230,047	143,928	96,080	22,220	25,518	53,988	5,401	32,922	-	22,139	776,678	1,869,908
Disposals	-	-	(3,973)	(180,513)	(3,083)	(235)	(3,888)	(17,961)	(989)	-	-	(9,072)	(5)	(219,719)
Reclassifications	(50,392)	60,887	490,249	755,604	12,550	25,100	-	46,072	264	265	-	11,137	(729,554)	622,182
Effects of foreign currency exchange differences	(21,432)	(2,386)	(71,658)	(159,611)	(42,606)	-	(2,549)	(16,221)	-	(33,149)	(44)	(1,115)	(1,957)	(352,728)
Balance at December 31, 2019	$ 4,031,433	$ 153,195	$ 4,253,968	$ 8,820,496	$ 1,807,858	$ 320,317	$ 172,983	$ 669,482	$ 249,377	$ 200,526	$ 1,810	$ 225,749	$ 1,013,139	$ 21,920,333
Accumulated Depreciation														
Balance at January 1, 2019	$ -	$ 34,818	$ 970,409	$ 3,676,897	$ 1,181,397	$ 141,641	$ 108,272	$ 463,931	$ 231,191	$ 150,662	$ 1,854	$ 144,106	$ -	$ 7,105,178
Depreciation expenses	-	7,018	158,558	309,407	139,207	17,575	18,278	46,311	12,840	12,400	-	21,473	-	743,067
Disposals	-	-	(3,973)	(47,859)	(2,973)	(235)	(3,471)	(16,977)	(989)	-	-	(8,410)	-	(84,887)
Reclassifications	-	758	(758)	36	-	-	-	(14)	-	-	-	(2)	-	20
Effects of foreign currency exchange differences	-	(304)	(21,312)	(50,223)	(30,466)	-	(1,605)	(11,595)	-	(1,837)	(44)	(991)	-	(118,377)
Balance at December 31, 2019	$ -	$ 42,290	$ 1,102,924	$ 3,888,258	$ 1,287,165	$ 158,981	$ 121,474	$ 481,656	$ 243,042	$ 161,225	$ 1,810	$ 156,176	$ -	$ 7,645,001
Carrying amounts at December 31, 2019	$ 4,,031,433	$ 110,905	$ 3,151,044	$ 4,932,238	$ 520,693	$ 161,336	$ 51,509	$ 187,826	$ 6,335	$ 39,301	$ -	$ 69,753	$ 1,013,139	$ 14,275,332
Cost														
Balance at January 1, 2020	$ 4,031,433	$ 153,195	$ 4,253,968	$ 8,820,496	$ 1,807,858	$ 320,317	$ 172,983	$ 669,482	$ 249,377	$ 200,526	$ 1,810	$ 225,749	$ 1,013,139	$ 21,920,333
Additions	389,100	8,487	260,035	362,935	14,319	7,292	3,626	10,196	2,597	3,583	-	14,911	321,416	1,398,497
Disposals	(372,337)	(28,195)	(557,363)	(135,340)	(8,050)	(4,232)	(3,644)	(17,338)	(27,161)	-	-	(14,047)	(815)	(1,168,522)
Reclassifications	12,809	500	117,123	406,872	17,745	18,750	15,681	1,594	240	(1,505)	-	36,788	(363,741)	262,586
Effects of foreign currency exchange differences	(21,982)	(3,492)	36,785	(245,948)	(84,682)	-	(15,495)	(20,715)	-	(5,417)	(91)	49	25,378	(335,610)
Balance at December 31, 2020	$ 4,039,023	$ 130,495	$ 4,110,548	$ 9,209,015	$ 1,747,190	$ 342,127	$ 173,151	$ 643,219	$ 225,053	$ 197,187	$ 1,719	$ 263,450	$ 995,377	$ 22,077,554
Accumulated Depreciation														
Balance at January 1, 2020	$ -	$ 42,290	$ 1,102,924	$ 3,888,258	$ 1,287,165	$ 158,981	$ 121,474	$ 481,656	$ 243,042	$ 161,225	$ 1,810	$ 156,176	$ -	$ 7,645,001
Depreciation expenses	-	(246)	188,556	334,664	122,341	21,742	16,427	47,199	3,162	9,874	-	33,934	-	777,653
Disposals	-	-	(183,695)	(116,994)	(2,928)	(4,232)	(1,656)	(12,786)	(27,161)	-	-	(9,771)	-	(359,223)
Reclassifications	-	-	-	(106)	-	-	-	-	-	-	-	(54)	-	(160)
Effects of foreign currency exchange differences	-	(620)	(1,219)	(66,695)	(65,016)	-	244	(15,521)	-	(5,164)	(91)	(120)	-	(154,202)
Balance at December 31, 2020	$ -	$ 41,424	$ 1,106,566	$ 4,039,127	$ 1,341,562	$ 176,491	$ 136,489	$ 500,548	$ 219,043	$ 165,935	$ 1,719	$ 180,165	$ -	$ 7,909,069
Carrying amounts at December 31, 2020	$ 4,039,023	$ 89,071	$ 3,003,982	$ 5,169,888	$ 405,628	$ 165,636	$ 36,662	$ 142,671	$ 6,010	$ 31,252	$ -	$ 83,285	$ 995,377	$ 14,168,485