Stock Code: 1315

Tahsin Industrial Corporation
Parent Company Only Financial Statements and Independent Auditor's Report
For the Years Ended December 31, 2020 and 2019

Address: No. 51, 35th Road, Taichung Industrial Park, Xitun District, Taichung City

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For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China 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 financial statements shall prevail.

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Crowe (TW) CPAs
Floor 19-1, No.
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Independent Auditors' Report

To Tahsin Industrial Corporation:

Audit Opinion

Tahsin Industrial Corporation's Parent Company Only Balance Sheets as of December 31, 2020 and 2019, in addition to the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including the Summary of Significant Accounting Policies) from January 1 to December 31, 2020 and 2019, have been audited by the CPAs.

According to our opinion, the Parent Company Only Financial Statements mentioned above have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" in all material aspects, and are considered to have reasonably expressed the parent company only financial conditions of Tahsin Industrial Corporation as of December 31, 2020 and 2019, as well as the parent company only financial performance and cash flows from January 1 to December 31, 2020 and 2019.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the section titled "Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements." We are independent from the Company pursuant to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities in accordance with these requirements. We believe we have obtained sufficient and appropriate audit evidence to serve as 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 Parent Company Only Financial Statements of Tahsin Industrial Corporation for the year ended December 31, 2020. Such matters have been dealt with in the course of auditing and compiling the parent company only financial statements and in the preparation of our audit opinion. As such, we do not respond to each key matter individually. The key audit matters for the parent company only financial statements of Tahsin Industrial Corporation for the year ended December 31, 2020 are as follows:

Revenue recognition

Please refer to Note 4 (18) of the Parent Company Only Financial Statements for accounting policies regarding revenue recognition; please see Note 5 (1)3 of the Parent Company Only Financial Statements for critical accounting judgments, estimates, and assumptions regarding revenue recognition; please see Note 6 (21) of the Parent Company Only Financial Statement for disclosure of information related to income.

Key Audit Matters

The operating revenue of Tahsin Industrial Corporation comes mainly from sale of products. Recognition of sales revenue is mainly to verify whether the control over goods is transferred to buyers and whether there are no non-performance obligations that may affect the acceptance of products, and also is the main indicator for investors and the management to assess the financial or business performance of the Company. As the accuracy of the amount and timing of revenue recognition has a great influence on the financial statements, we have thus included it as one of the key audit matters.

Audit procedures adopted:

Our audit procedures include (i) understanding and testing the effectiveness of internal control mechanisms adopted by the management on revenue recognition; (ii) sampling and reviewing records of sales revenue recognition (including shipping documents) over a certain period of time before the balance sheet date, and determining the appropriateness of recognition timing thereof; (iii) testing selected underlying transactions before and after the end of the reporting date to verify if they were recognized in the correct period; (iv) assessing whether the risks and rewards of goods, of which the revenue had been recognized, have been transferred; and (v) performing a trend analysis on major buyers and revenues by product to determine if material irregularities exist.

Cash and cash equivalents

Please refer to Note 4 (5) of the parent company only financial statements for details of the accounting policies for cash and cash equivalents; please refer to Note 6 (1) of the parent company only financial statements for details of the accounting items for cash and cash equivalents and time deposits with an original maturity of more than three months.

Key Audit Matters

As of December 31, 2020, the carrying amount of cash and cash equivalents and time deposits with initial term maturity date over three months (shown under other financial assets – current) held by Tahsin Industrial Corporation amounted to NTD5,260,037 thousand, accounting for approximately 41.38% of the total assets and the amounts are significant to the overall parent company only financial statements. We identified these as one of the key audit items due to the inherent risk of cash and cash equivalents and time deposits with initial term maturity date of over three months.

Audit procedures adopted:

1. Evaluate and test the effectiveness of the design and implementation of the internal control system for cash and cash equivalents and time deposits with initial terms of over three months.

2. Conduct significant transactions test and verification procedures for frequent bank accounts, including understanding the purpose of bank accounts, and review relevant transaction voucher to ascertain the reasonableness of the situation of income and expenses of large bank deposits.

3. Conduct an inventory verification process on cash and time deposits, including checking whether time deposits have provided guarantees or pledged to confirm consistency with the disclosures in the financial statements.

4. Obtain a breakdown of the balances of cash and cash equivalents and time deposits with initial terms maturity date of over three months and check the bank statements and the related relevant transaction voucher to confirm their existence. In addition, for all correspondence with financial institutions to check the amount of correspondence and check if there are limitations and has made appropriate disclosures.

Responsibilities of the Management and the Governance Unit for the Parent Company Only Financial Statements

To ensure that the parent company only financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and for preparing and maintaining necessary internal control procedures pertaining to the parent company only financial statements.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing Tahsin Industrial Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatements, 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 in the parent company only financial statements. There may still be material misstatements due to fraud or errors.

If it could be reasonably anticipated that misstated amounts, individually or in aggregate, could have influenced the economic decisions made by the users of the parent company only financial statements, it will be deemed as material.

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 have also performed the following tasks:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the parent company only financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Tahsin Industrial Corporation.

3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.

4. Conclude on the appropriateness of the 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 Tahsin Industrial Corporation's ability to operate as a going concern. If we believe that there may be factors causing significant uncertainties, we are required to remind the users of the parent company only financial statements in our audit report of the relevant disclosures therein, or to amend our report if inappropriate disclosure was made. Our conclusions are based on information available at the date of the auditor's report. However, future events or circumstances may cause the Company to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant Notes), and whether the parent company only financial statements fairly present relevant transactions and matters.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the parent company only financial statements within Tahsin Industrial Corporation to express opinions on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Matters that 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 other considerations, (including relevant protective measures).

From the matters communicated with those charged with governance, we determine the key audit items of Tahsin Industrial Company's parent company only financial statements for the year ended December 31, 2020. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decide not to communicate such matters in our audit report in consideration that the reasonably anticipated adverse impacts of such communication would be greater than the public interest it would promote.

Crowe Horwath (TW) CPAs

CPA: Chang, Fu-Lang

CPA: Chiu, Kuei-Ling

No. of the official approval: FSC No. 10200032833

March 22, 2021

Tahsin Industrial Corporation

Parent Company Only Balance Sheets
December 31, 2020 and 2019
Unit: Thousand NTD

		December 31, 2020		December 31, 2019	
Code	Assets	Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6 (1))	$ 3,770,037	30	$ 505,757	5
1120	Financial assets at fair value through other comprehensive income - current (Notes 6 (2)	3,034,533	24	2,373,280	25
1150	Notes receivable, net (Note 6 (3))	34,070	-	32,079	-
1160	Accounts receivable – related parties (Note 6 (3))	1,118	-	1,208	-
1170	Accounts receivable - net (Note 6 (4))	261,088	2	214,427	2
1180	Accounts receivable – related parties (Note 6 (4))	56,532	-	82,203	1
1200	Other receivables	5,519	-	2,750	-
1210	Other receivables - related parties	1,566	-	576	-
1220	Current income tax assets	2,586	-	1,071	-
130x	Inventories (Notes 4 and 6 (5))	451,084	4	459,922	5
1410	Prepayments	53,602	-	49,144	1
1460	Non-current assets held for sale (or disposition group), net (Notes 6 (6))	-	-	2,597,758	27
1476	Other financial assets - current	1,490,000	12	-	-
11xx	Total current assets	9,161,735	72	6,320,175	66
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6 (7))	344,400	3	347,000	3
1550	Investments accounted for using the equity method (Notes 4 and 6 (8))	1,729,690	13	1,427,575	15
1600	Property, plant and equipment (Notes 4 and 6 (9))	1,122,488	9	1,116,361	12
1755	Right-of-use asset (Notes 4 and 6 (10))	253	-	51	-
1760	Investment properties - net (Notes 4 and 6 (11))	271,896	2	271,930	3
1840	Deferred tax assets (Note 6 (27))	78,023	1	74,410	1
1920	Refundable deposits	567	-	607	-
1970	Other long-term investment - net	810	-	810	-
1990	Other non-current assets - others	330	-	1,441	-
15xx	Total non-current assets	3,548,457	28	3,240,185	34
1xxx	Total Assets	$ 12,710,192	100	$ 9,560,360	100

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Tahsin Industrial Corporation

Parent Company Only Balance Sheets
December 31, 2020 and 2019
Unit: Thousand NTD

		December 31, 2020		December 31, 2019	
Code	Liabilities and equity	Amount	%	Amount	%
	Current liabilities				
2100	Short-term loans (Note 6 (12))	$ -	-	$ 77,000	1
2110	Short-term notes payable (Note 6 (13))	-	-	39,988	-
2150	Notes payable	92,939	1	117,232	1
2170	Accounts payable	51,983	-	29,820	-
2180	Accounts payable - related parties	1,664	-	-	-
2200	Other payables	155,788	1	114,832	1
2220	Other payables - related parties	19,437	-	28,953	-
2250	Provisions - current (Note 4 and 6 (4))	9,467	-	9,467	-
2260	Liabilities related to non-current assets held for sale (Note 6 (6))	-	-	527,820	6
2280	Lease liabilities - current (Note 6 (10))	202	-	51	-
2300	Other current liabilities	5,957	-	4,860	-
21xx	Total current liabilities	337,437	2	950,023	9
	Noncurrent liabilities				
2570	Deferred tax liabilities (Note 6 (27))	180,746	2	181,524	2
2580	Lease liabilities - non-current (Notes 6 (10))	51	-	-	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 6 (5))	7,920	-	50,245	1
2645	Guarantee deposits received	4,912	-	7,268	-
25xx	Total non-current liabilities	193,629	2	239,037	3
2xxx	Total liabilities	531,066	4	1,189,060	12
	Equity				
3100	Share capital (Note 4 and 6 (16))	1,386,000	11	1,980,000	21
3200	Capital surplus (Note 6 (17))	151,782	1	105,429	1
3300	Retained earnings (Note 6 (18))	8,350,263	66	4,196,822	44
3400	Other equity (Note 6 (19))	2,388,550	19	2,207,928	23
3500	Treasury shares (Note 6 (20))	(97,469)	(1)	(118,879)	(1)
3xxx	Total equity	12,179,126	96	8,371,300	88
	Total liabilities and equity	$ 12,710,192	100	$ 9,560,360	100

(The accompanying notes are an integral part of the Parent Company Only Financial Statements.)

Chairman: Wu, Zi-Cong　　Manager: Huang, Chun-Jia　　Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporation

Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2020 and 2020
Unit: Thousand NTD

Code	Item	December 31, 2020 Amount	%	December 31, 2019 Amount	%
4000	Operating revenue (Notes 4 and 6 (21))	$ 1,796,398	100	$ 2,015,798	100
5000	Operating costs (Note 6 (5) (22))	(1,583,505)	(88)	(1,757,722)	(87)
5900	Gross profit (loss)	212,893	12	258,076	13
5910	Unrealized gain (loss) from sale, net (loss)	(3,939)	-	(2,315)	-
5920	Realized gain (loss) from sale (Loss)	2,315	-	3,551	-
5950	Net Gross Profit (loss)	211,269	12	259,312	13
	Operating expenses (Notes 6 (22))				
6100	Marketing expenses	(108,404)	(6)	(118,471)	(6)
6200	Administrative expenses	(93,680)	(6)	(108,382)	(5)
6450	Expected credit impairment loss (gain)	(1,249)	-	1,502	-
6000	Total operating expenses	(203,333)	(12)	(225,351)	(11)
6900	Operating profit (loss)	7,936	-	33,961	2
	Non-operating income and expenses				
7100	Interest income (Note 6 (23))	19,877	1	13,499	1
7010	Other income (Note 6 (24))	140,272	8	264,548	13
7020	Other gains and losses (Notes 4 and 6 (25))	5,656,038	315	401,761	20
7050	Finance costs (Notes 4 and 6 (26))	(547)	-	(3,027)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method	106,055	6	10,140	-
7000	Total non-operating income and expenses	5,921,695	330	686,921	34
7900	Net profit (loss) before tax	5,929,631	330	720,882	36
7950	Benefit of income tax (expense) (Note 6 (27))	(500,371)	(28)	(24,632)	(1)
8000	Income from Continuing Operations	5,429,260	302	696,250	35
8200	Net Income	5,429,260	302	696,250	35
	Other comprehensive income (Note 6 (28))				
	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 6 (15))	(3,113)	-	(24,627)	(1)
8316	Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	70,196	4	(144,020)	(7)
8336	Unrealized valuation gain or loss on investments in equity instruments measured at FVTOCI - subsidiaries, associates, and joint ventures	128,514	7	374,271	18
8310	Total items that will not be reclassified subsequently to profit or loss:	195,597	11	205,624	10
	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign operating organizations' financial statements	(17,118)	(1)	(17,151)	(1)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	3,424	-	3,430	-
8360	Total items that may be reclassified subsequently to profit or loss:	(13,694)	(1)	(13,721)	(1)
8300	Other comprehensive income - net	$ 181,903	10	$ 191,903	9
8500	Total Comprehensive Income for the Year	$ 5,611,163	312	$ 888,153	44
	Earnings Per Share				
9750	Basic earnings per share (Note 6 (29))	$ 31.97		$ 3.65	
9850	Diluted earnings per share (Note 6 (29))	$ 31.89		$ 3.65	

(The accompanying notes are an integral part of the Parent Company Only Financial Statements.)

Chairman: Wu, Zi-Cong Manager: Huang, Chun-Jia Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporation

Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2020 and 2020
Unit: Thousand NTD

Items	Share capital of common stock	Capital Surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Undistributed earnings	Other Equity: Exchange differences on translation of foreign operating organizations' financial statements	Other Equity: Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Treasury stock	Total Equity
Balance as of January 1, 2019	$1,980,000	$ 96,162	$ 736,766	$2,581,834	$ 444,199	$ (56,561)	$2,047,959	$ (118,879)	$ 7,711,480
Appropriation and distribution of earnings:									
Provision for legal reserve	-	-	22,947	-	(22,947)	-	-	-	-
Ordinary cash dividends	-	-	-	-	(237,600)	-	-	-	(237,600)
Reversal of special reserve	-	-	-	(66,543)	66,543	-	-	-	-
Other changes in capital surplus	-	702	-	-	-	-	-	-	702
Net income for 2019 (net loss)	-	-	-	-	696,250	-	-	-	696,250
Other comprehensive income for 2019	-	-	-	-	(24,627)	(13,721)	230,251	-	191,903
Total comprehensive income in 2019	-	-	-	-	671,623	(13,721)	230,251	-	888,153
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	8,565	-	-	-	-	-	-	8,565
Balance as of December 31, 2019	$1,980,000	$ 105,429	$ 759,713	$2,515,291	$ 921,818	$ (70,282)	$2,278,210	$ (118,879)	$8,371,300
Balance as of January 1, 2020	1,980,000	105,429	759,713	2,515,291	921,818	(70,282)	2,278,210	(118,879)	8,371,300
Appropriation and distribution of earnings:									
Provision for legal reserve	-	-	73,817	-	(73,817)	-	-	-	-
Ordinary cash dividends	-	-	-	-	(1,277,100)	-	-	-	(1,277,100)
Reversal of special reserve	-	-	-	(1,941,491)	1,941,491	-	-	-	-
Other changes in capital surplus	-	319	-	-	-	-	-	-	319
Net income for 2020	-	-	-	-	5,429,260	-	-	-	5,429,260
Other comprehensive income for 2020	-	-	-	-	(3,113)	(13,694)	198,710	-	181,903
Total comprehensive income for 2020	-	-	-	-	5,426,147	(13,694)	198,710	-	5,611,163
Capital reduction	(594,000)	-	-	-	-	-	-	-	(594,000)
Retirement of treasury shares	-	-	-	-	-	-	-	21,410	21,410
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	46,034	-	-	-	-	-	-	46,034
Disposals of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,394	-	(4,394)	-	-
Balance as of December 31, 2020	$1,386,000	$ 151,782	$ 833,530	$ 573,800	$6,942,933	$ (83,976)	$2,472,526	$ (97,469)	$ 12,179,126

(The accompanying notes are an integral part of the Parent Company Only Financial Statements.)

Chairman: Wu, Zi-Cong　　Manager: Huang, Chun-Jia　　Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporation

Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2020 and 2020
Unit: Thousand NTD

Item	December 31, 2020	December 31, 2019
Cash flows from operating activities-indirect method		
Net profit (loss) before tax	$ 5,929,631	$ 720,882
Adjustments		
Total adjustments to reconcile profit (loss)		
Depreciation expenses	25,755	25,754
Expected credit losses (benefits)	1,249	(1,502)
Interest expenses	547	3,028
Interest revenue	(19,877)	(13,499)
Dividend income	(109,477)	(228,000)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	(106,055)	(10,140)
Loss (gain) on disposal and disposition of property, plant and equipment	(2,166)	(444,250)
Loss (gain) on disposal of investment property	-	(14,315)
Loss (gain) on disposal of non-current assets classified as held for sale	(5,754,207)	-
Gain on reversal of impairment loss on non-financial assets	-	(19,633)
Unrealized gain (loss) from sale, net (loss)	3,939	2,315
Realized loss (gain) on sales	(2,315)	(3,551)
Unrealized exchange loss (gain)	2,996	5,544
Other items	319	702
Total adjustments to reconcile profit (loss)	(5,959,292)	(697,547)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	(2,052)	24,274
Decrease (increase) in notes receivable - related parties	90	1,085
Decrease (increase) in accounts receivable	(49,501)	70,105
Decrease (increase) in accounts receivable - related parties	24,327	26,285
Decrease (increase) in other receivables	(644)	2,210
Decrease (increase) in other receivables - related parties	(1,044)	(151)
Decrease (increase) in inventories	8,838	27,616
Decrease (increase) in prepayments	(4,458)	(8,223)
Total changes in operating assets	(24,444)	143,201
Changes in operating liabilities		
Increase (decrease) in notes payable	(24,293)	(25,128)
Increase (decrease) in accounts payable	22,163	(14,822)
Increase (decrease) in accounts payable - related parties	1,664	-
Increase (decrease) in other payables	44,989	(11,363)
Increases (decreases) in other payables - related parties	(9,516)	14,629
Increase (decrease) in other current liabilities	1,097	(2,723)

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Tahsin Industrial Corporation

Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2020 and 2020
Unit: Thousand NTD

Item	December 31, 2020	December 31, 2019
Increase (decrease) in net defined benefit liabilities	$ (45,438)	$ (81,789)
Total changes in operating liabilities	(9,334)	(121,196)
Total changes in operating assets and liabilities	(33,778)	22,005
Total adjustments	(5,993,070)	(675,542)
Cash generated from operations	(63,439)	45,340
Interest received	19,931	13,701
Dividends received	125,352	249,600
Interest paid	(561)	(3,087)
Income tax refunded (paid)	(1,515)	(520)
Net cash provided by (used in) operating activities	79,768	305,034
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(635,291)	-
Disposal of financial assets at fair value through other comprehensive income	46,834	-
Investments accounted for using the equity method	(36,844)	(57,883)
Disposal of non-current assets held for sale	8,351,965	-
Acquisition of property, plant and equipment	(35,779)	(26,303)
Disposal of property, plant, and equipment	2,292	529,428
Increase in refundable deposits	-	(39)
Decrease in refundable deposits	40	-
Disposal of investment properties	-	16,887
Increase in other financial assets	(1,490,000)	-
Decrease in other non-current assets	1,111	674
Income tax refunded (paid)	(1,029,158)	-
Net cash provided by (used in) investing activities	5,175,170	462,764
Cash flows from financing activities		
Decrease in short-term loans	(77,000)	(259,000)
Decrease in short-term bills payable	(40,000)	(230,000)
Increase in guarantee deposits received	84	3,564
Decrease in guarantee deposits received	(2,440)	(4,908)
Repayments of principal portion of the lease	(202)	(203)
Cash dividends paid	(1,277,100)	(237,600)
Capital reduction	(594,000)	-
Net cash provided by (used in) financing activities	(1,990,658)	(728,147)
Increase (decrease) in cash and cash equivalents	3,264,280	39,651
Cash and cash equivalents, beginning of the period	505,757	466,106
Cash and cash equivalents, end of the period	$ 3,770,037	$ 505,757

(The accompanying notes are an integral part of the Parent Company Only Financial Statements.)

Chairman: Wu, Zi-Cong Manager: Huang, Chun-Jia Chief Accountant: Lai,Ken-Min

(Amount in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. Company History

Tahsin Industrial Corporation ("The Company") was incorporated under the Company Act of Taiwan, the Republic of China (R.O.C.) in 1958. The Company and its subsidiaries are primarily engaged in manufacturing and trading of a variety of plastic raincoats, nylon raincoats, overalls, wardrobes, nylon jackets, PP corrugated boards, TC garments, leather goods, handbags, file folders, plastic film, carrier bags and laminating machines, etc. The Company was approved by the Securities and Futures Bureau under the Financial Supervisory Commission (formerly the Securities and Futures Commission) for listing in 1992.

2. Date and Procedures of Authorization for Issuance of the Financial Statements

The parent company only financial statements have been approved and released by the Board of Directors on March 22, 2021.

3. Application of Newly Issued, Revised, and Amended Standards and Interpretations

a. The impact of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as "IFRSs") endorsed and effected by the Financial Supervisory Commission (hereinafter referred to as the "FSC"):

The following table summarizes the new, amended, and revised standards and interpretations of IFRSs endorsed by the FSC and applicable in 2020.

New release /Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
IFRS 3 Amendment "Definition of a Business"	January 1, 2020
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020
Amendments to IFRS 9, IAS 39, and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020
Amendments to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020 (Note)

Note: The FSC allows application in advance on January 1, 2020.

With the exception of the following, the application of the latest IFRSs endorsed and issued into effect by the FSC should not result in significant changes in the accounting policies of the Company:

Amendments to IAS 1 and IAS 8 "Definition of Material"

This amendment clarifies the definition of materiality. If the omission, misrepresentation or ambiguity of information can be reasonably expected to influence the decisions made by primary users of general-purpose financial statements based on those financial statements (which provide financial information of parent company only financial statements), then such information is material. The Company adopted the amendment on January 1, 2020. The threshold for materiality was amended to be "could reasonably be expected to influence users" and the disclosures in the individual financial statements were adjusted by removing immaterial information which may obscure material information.

b. Effects of not yet applying the newly-announced and revised IFRSs endorsed by FSC:

The following table summarizes the new, revised, amended standards and interpretations of IFRSs endorsed by the FSC and are applicable in 2021.

New release /Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
The Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)	Released on June 25, 2020
Extension of Amendments to IFRS 16 "Covid-19-Related Rent Concessions"	Effective from the date of June 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Change in Interest Rate Indicators – Second Stage"15	January 1, 2021 (Note 2)

Note 1: This amendment applies to annual reporting periods beginning after June 1, 2020.
Note 2: This amendment applies annual reporting periods beginning after January 1, 2021.

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

c. Effects of IFRSs issued by IASB but not yet endorsed by FSC:

The following table summarizes the newly issued, amended and revised standards in the IFRSs that have already been issued by the IASB but are yet to be endorsed by the FSC and related interpretations:

New release /Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture" between Its Associate/Joint Venture"	Yet to be decided
IFRS 17 - "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS1 "Classify Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use" Price before use"	January 1, 2022 (Note 2)

Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 3)
Amendments to References to the Conceptual Framework in IFRS 3	January 1, 2022 (Note 4)
Annual improvement of IFRS 2018-2020	January 1, 2022 (Note 5)
Amendments to IAS 1 in "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 in "Accounting estimate"	January 1, 2023

Note 1: Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2: A company applies the amendments retrospectively only to items of 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 the beginning of the earliest period (January 1, 2021) presented in the financial statements.

Note 3: This amendment applies to contracts that have not fulfilled all their obligations on January 1, 2022.

Note 4: The amendments are to be applied prospectively to business mergers whose acquisition date starts in the annual reporting periods beginning on or after January 1, 2022.

Note 5: The amendments to IFRS 9 apply to the exchanges of financial liabilities or the alterations in its terms that occur during the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 apply to the measurement of fair value for annual reporting periods beginning on or after January 1, 2022; the amendments to IFRS 1 apply retroactively to annual reporting periods beginning on or after January 1, 2022.

1) Amendments to IAS1 "Classifying Liabilities as Current or Non-current"

The amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the end of the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right. If the right to defer the settlement of liabilities of the Company is subject to the compliance with specific conditions, the Company must have met certain conditions on the terminal date of the reporting period, regardless of whether the lender has tested whether the Company has complied with such conditions at a later date. For the purpose of debt classification, the aforementioned full repayment refers to the transfer of cash, other economic resources or equity instruments of the Company to the transaction counterparty to eliminate the liabilities. However, if the terms of the liability may be based on the choice of the counterparty to transfer the equity instrument of the Company, which resulted in its settlement, and if the option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Expression," it will not affect the classification of liabilities.

2) Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of these items is measured in accordance with IAS 2 "Inventories," while any proceeds from selling these items and the cost of these items are recognized in profit or loss in accordance with applicable standards.

The amendments apply to property, plant and equipment that arrived at the location and achieved the condition required for their operating method expected by the management on or after January 1, 2021 (starting date of the earliest expression period). Upon initial application of the amendments, the cumulative effect of initial application of the amendments is recognized as an adjustment to the opening balance of the retained earnings (or other components of equity, as appropriate), at the beginning date of the earliest period presented, and recompile the information of the comparison period.

3) Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"

The amendments specify that when assessing whether a contract is onerous, the "cost of fulfilling a contract" includes both the incremental costs of fulfilling that contract (e.g., direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g., an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract). The Company will recognize the cumulative effect as retained earnings at the date of first-time adoption of the amendment when the amendment is first applied.

4) Amendment to IFRS 3 "Amendments to References to the Conceptual Framework"

The amendment is to update the index of the conceptual framework and add the provision that the purchaser should apply IFRIC 21 "Levies" to determine whether there is any obligation for the public course to pay liabilities on the acquisition date.

5) Annual Improvements to IFRSs 2018-2020

The Annual Improvements to IFRS Standards 2018-2020 amended certain standards. For the amendments to IFRS 9, in order to assess whether the exchange of financial liabilities or amendments to terms is significantly different, compare whether there is a 10% difference between the discounted cash flow of the new and old contract terms (including the net amount of fees paid or charged for entering into new contracts or amending contracts), the above fees charged only include fees paid or charged between such borrower and lender.

6) Amendment to IAS 1, "Disclosure of Accounting Policies"

The objective of the amendment was to improve accounting policy disclosures and help stakeholders provide more relevant information for investors and primary users of financial statements.

7) Amendments to IAS 8 "Accounting estimate"

The amendment defines accounting estimates as monetary amounts that are subject to measurement uncertainty in financial statements and provides further explanations and examples to assist companies in differentiating between changes in accounting policies and changes in accounting estimates.

As of the date of authorization of the Parent Company Only Financial Statements, the Company has continued to assess the effects of amendments to other standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. Summary of Significant Accounting Policies

The main accounting policies used in preparing the parent company only financial statements are described below. Unless otherwise stated, these policies are consistently applicable throughout all reporting periods.

a. Compliance declaration

The parent company only financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

b. Preparation basis

1) Except for the following significant items, these parent company only financial statements have been prepared under the historical cost convention:

a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

b) Financial assets measured at fair value through other comprehensive income.

c) Liability based on cash-settled share-based payment arrangement measured at fair value.

d) Defined benefit liability is derived from retirement plan assets less the present value of net defined benefit obligation.

2) Significant accounting estimates are required when preparing financial statements based on the IFRSs recognized by FSC. When the Company adopts the accounting policies, the management is required to exercise judgments on highly judgmental or complex items or significant assumptions and estimates with regard to the financial statements. For more details, please refer to Note 5.

3) When preparing parent company only financial statements, the Company adopts the equity method for investments in subsidiaries, affiliates or joint ventures. In order to align profit or loss, other comprehensive income, and equity from the current year in the Parent Company Only Financial Statements with those attributable to the Company's owners, the differences in accounting treatment with individual and consolidated basis have led to adjustments in "investments accounted for using the equity method," "share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method," "share of other comprehensive income of subsidiary, associates, and joint ventures accounted for using the equity method" and related equity items.

4) During the first-time retrospective application of IFRS 16 on January 1, 2019, the Company chose not to restate the parent company only financial statements and notes for the year ended December 31, 2018, and recognized the difference as retained earnings or other rights on January 1, 2019.

c. Translation of foreign currency

1) Foreign currency transactions and balances

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

b) Balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such adjustments are recognized in profit or loss.

c) Non-monetary assets and liabilities denominated in foreign currencies that are measured at FVTPL, are retranslated at the exchange rates prevailing at the balance sheet date, where their translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies measured at FVTOCI are retranslated at the exchange rates prevailing at the balance sheet date, where their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the initial transaction dates.

2) Conversion of foreign operations

a) The operating results and financial position of all subsidiaries, affiliates, and jointly controlled entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the end of the financial reporting period;

ii. Income and expenses on the statements of comprehensive income are translated at the average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

b) When the foreign operation partially disposed of or sold is a related enterprise or jointly controlled entity, exchange differences that were recorded in other comprehensive income are proportionately reclassified to income as part of the profit or loss of sale. However, if the Company still holds partial interests in the former associate or jointly controlled entity but has already lost influence over the related enterprise or lost joint control over the jointly controlled entity, such transaction is accounted for as disposal of all interests in such foreign operation.

c) When the foreign operation that is partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interests in this foreign operation. However, if the Company still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in this foreign operation.

d. Standards for distinguishing between current and non-current assets and liabilities

1) Assets that meet one of the following criteria are classified as current assets:

a) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.

b) Holders primarily for trading purposes.

c) Assets expected to be realized within 12 months after the balance sheet date.

d) Cash or cash equivalents, except for those used for exchange, settlement of liabilities or other restrictions more than 12 months after the balance sheet date.

The Company classifies all the assets that do not meet the above-mentioned criteria as non-current.

2) Liabilities that meet one of the following criteria are classified as current liabilities:

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

b) Holders primarily for trading purposes.

c) Those who are restricted by the exchange or liquidation of debts within 12 months after the balance sheet date (even if a long-term refinancing or rescheduling payment agreement is completed after the balance sheet date and before the financial statements are approved, it is also a current liability).

d) Those who cannot unconditionally deferred the repayment schedule to at least twelve months after the publication of the balance sheet. Terms of a liability that could, at the option of the counter-party, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all the liabilities that do not meet the above-mentioned criteria as non-current.

e. Cash and cash equivalents

The cash and cash equivalents include cash in treasury, bank discount and short-term investments that can be converted into fixed cash at any time with little change in value at risk and high liquidity (including fixed deposit with an original date due within three months).

f. Financial instrument

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

Initially, financial assets and liabilities should be recognized at fair value. Upon initial recognition, transaction costs that are directly attributable to the acquisition or issuance of the financial assets and financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss) should be added to, or subtracted from the fair value of such financial assets and financial liabilities. Transaction costs that are directly attributable to financial assets and financial liabilities measured at FVTPL are immediately recognized in profit or loss.

1) Financial assets

a) Types of measurement

Financial assets purchased or sold in a regular way are recognized using transaction date accounting.

Financial assets held by the Company comprise financial assets measured at fair value through profit or loss, financial assets at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, and investments in equity instruments measured at fair value through other comprehensive income.

i. Financial assets at fair value through profit or loss

Financial assets measured at FVTPL include financial assets measured at FVTPL and financial assets designated as measured at FVTPL. Financial assets measured at FVTPL include investments in equity instruments not designated by the Company as measured at FVTOCI and investments in debt instruments not classified as measured at amortized cost or FVTOCI.

When a financial asset meets one of the following criteria, the Company shall, at initial recognition, designate the financial asset as a financial asset measured at FVTPL:

(a) It is a hybrid (combined) contract; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) It is managed on a fair value basis and its performance is evaluated in accordance with a documented risk management or investment strategy.

Financial assets measured at fair value through profit and loss are measured at fair value, of which any dividends and interest accrued are recognized as other revenue and remeasurement gains or losses are recognized in profits or losses. Please refer to Note 12 (3) for the methods of determining fair values.

ii. Financial assets at amortized cost

A financial asset of the Company is measured at amortized cost if both of the following conditions are met:

(a) Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and

(b) The terms of the contract generate a cash flow on a specified date that is entirely for the payment of interest on the principal and the amount of principal in circulation.

After initial recognition, financial assets measured at amortized cost are measured at the gross carrying amount determined based on the effective interest method less any impairment losses, and any gains or losses on foreign exchange are recognized in profit or loss.

Except for the following two situations, interest revenue is calculated by the effective interest rate multiplied by the gross carrying amount of financial assets:

(a) For purchased or create credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

(b) For financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost balance of such financial assets.

iii. Investments in debt instruments at fair value through other comprehensive income

Investments in debt instruments of the Company are classified as financial assets at FVTOCI if both of the following conditions are met:

(a) Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and

(b) The terms of the contract generate a cash flow on a specified date that is entirely for the payment of interest on the principal and the amount of principal in circulation.

Investments in debt instruments at FVTOCI are measured at fair value. Among changes in the carrying amount, interest revenue calculated using the effective interest method, gain or loss on foreign exchange, and impairment loss of foreign exchange or gain on reversal of impairment loss of foreign exchange are recognized in profit or loss; other changes are recognized in other comprehensive income and reclassified as profit or loss upon disposal of investments.

iv. Investments in equity instruments at fair value through other comprehensive income

At the time of original recognition, the Company make an irrevocable decision to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments at FVTOCI are measured at fair value, and subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, the cumulative profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity instruments at FVTOCI are recognized in profit or loss when the Company's right to receive payments is established, unless such dividends clearly represent the recovery of the investment cost in part.

b) Impairment of financial assets

i. The Company assesses financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date, debt instrument investments measured at fair value through other comprehensive income, operating lease receivables, and Impairment losses on contract assets.

ii. Accounts receivable, contract assets and operating lease receivables are recognized as allowance losses based on expected credit loss during the term of duration. For other financial assets, whether there is a significant increase in credit risk after initial recognition shall be determined first. If there is no significant increase in credit risk, the allowance for loss is recognized based on the 12-month expected credit losses. If there is a significant increase in credit risk, the allowance for loss is recognized based on the lifetime expected credit losses.

iii. The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses refer to expected credit losses arising from possible default of financial instruments within 12 months after the reporting date. The lifetime expected credit losses refer to expected credit losses arising from all possible default of financial instruments in the expected duration.

iv. Through the loss allowance account, the carrying amount of all financial assets is reduced for the impairment loss, but the allowance loss of debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The Company will derecognize a financial asset when one of the following conditions is met:

i. The right to a contract from the financial asset cash flow is void.

ii. Transfer of contractual rights to receive cash flow from financial assets, and transfer of almost all risks and rewards of ownership of financial assets.

iii. Almost all risks and rewards of ownership of financial assets have neither been transferred nor retained, but control over financial assets has not been retained.

On de-recognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. On derecognizing an investment in a debt instrument in its entirety at FVTOCI, the difference between the carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognizing an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, rather than reclassified as profit or loss.

2) Equity instruments

The debt and equity instruments issued by the Company are classified as financial liabilities or equity instruments in accordance with the definition of financial liabilities and equity instruments and the contractual substance.

Equity instruments refer to any contracts containing an enterprise's residual interest after subtracting liabilities from assets. Equity instruments issued by the Company are recognized as the net of proceeds less direct issuance costs.

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities measured at fair value through profit and loss refer to financial liabilities held for trading or designated as financial liabilities at fair value through profit and loss at the time of initial recognition A financial liability is classified as held for trading if has been acquired principally for the purpose of repurchasing it in the near term and is a derivative that is not designated and effective as a hedging instrument. When financial liabilities meet one of the following criteria, the Company designates them to be measured at FVTPL on initial recognition:

   (a) It is a hybrid (combined) contract; or

   (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

   (c) It is a tool to manage and evaluate its performance on a fair value basis based on a documented risk management or investment strategy.

ii. Financial liabilities measured at fair value through profit and loss are measured at fair value at the time of initial recognition, and related transaction costs are recognized as profit and loss. For subsequent fair value measurements, changes in fair value are recognized in current profit or loss.

iii. Designated as a financial liability measured at fair value through profit or loss, the amount of changes in fair value due to changes in credit risk is recognized in other comprehensive income, and will not be reclassified to profit or loss in the future. The remaining fair value changes in the liability are reported in profit or loss. However, if the above accounting treatment causes or exacerbates the improper accounting ratio, the profit or loss of the liability will be fully listed in profit or loss.

b) Derecognition of financial liabilities

The Company will derecognize a financial liability only when the obligation is discharged, cancelled or expired. When financial liabilities are derecognized, the difference between the carrying amount and the amount of paid consideration (including any transferred non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

g. Inventories

Inventories are measured at the lower of cost and net realizable value. The perpetual inventory system is adopted and the cost is determined using the weighted average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item-by-item approach is used in applying lower of cost and net realizable value. Net realizable value refers to the balance of the estimated selling price in the ordinary course of business less the estimated costs to be incurred till completion and related variable selling expenses.

h. Non-current assets held for sale (or disposal groups)

When the carrying amount of a non-current assets (or a disposal groups) is mainly recovered through a sale transaction rather than continuing use, and the asset is highly likely to be sold, the non-current assets shall be classified as an asset held for sale, and measured at the lowest of their carrying amount and fair value less costs to sell.

i. Subsidiaries and affiliates using the equity method

1) Subsidiaries refer to all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

2) Unrealized gains or losses arising from the transactions between the Company and its subsidiaries have been eliminated. Accounting policies of its subsidiaries have been adjusted where necessary, and are consistent with the policies adopted by the Company.

3) The Company's share of profit or loss in subsidiaries after acquisition is recognized in profit or loss, whereas its share of other comprehensive income in subsidiaries after acquisition is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the company shall continue to recognize losses in proportion to its shareholding.

4) A change in the shareholding of a subsidiary that does not result in loss of control (a transaction with a non- controlling interest) is treated as an equity transaction, that is, a transaction with the owner. The difference between the adjusted amount of non-controlling interest and the fair value of the consideration paid or received is directly recognized in equity.

5) When the Company loses control over a subsidiary, the retained investment in such former subsidiary is remeasured and the remeasured value is regarded as the fair

value on initial recognition of a financial asset, or as the cost on initial recognition of an investment in an associate or joint venture. Difference between fair value and carrying amount is recognized in profit or loss. All amounts recognized in other comprehensive income in relation to that subsidiary should be accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the company reclassifies the gain or loss from equity to profit or loss.

6) Associates are entities over which the Company has significant influence but not control. In general, it is presumed that an investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates by the Company are treated using the equity method and recognized at cost when acquired.

7) The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. If the Company's share of loss in any of its related enterprises equals or exceeds its interest in the related enterprise (including other unsecured receivables), it does not recognize further losses, unless it has legal obligations and constructive obligations in the related enterprise, or makes payments on behalf of the related enterprise.

8) Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been adjusted as necessary, and are consistent with the policies adopted by the Company.

9) Where an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, the "capital surplus" and "investments accounted for under the equity method" shall be adjusted for the increase or decrease of its share of equity interest. Where its investment proportion decreases, in addition to the above adjustments, the profit or loss previously recognized in other comprehensive income due to decrease in its ownership interest and the profit or loss to be reclassified to profit or loss during the disposal of assets or liabilities shall be reclassified to profit or loss based on the proportion of decrease.

10) Upon loss of significant influence over an associate, the Company shall remeasure the remaining investment retained in the former associate at its fair value. Any

difference between the fair value and the carrying amount is recognized in profit or loss for the period.

11) When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are handled on the same basis as would be required if the relevant assets or liabilities were disposed of. That is, the profits or losses recognizes in other comprehensive income are reclassified to profit or loss upon disposal of such assets or liabilities. In circumstances where the Company loses significant influence over this associate, such assets or liabilities are reclassified to profit or loss. If the Company still has a significant influence on the related enterprise, only the amount of previously recognized in other comprehensive income is transferred according to the above-mentioned method.

12) When the Company disposes of its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

13) According to "Regulations Governing the Preparation of Financial Reports by Securities Issuers," the profit or loss of the period and other comprehensive income presented in parent company only financial statements shall be the same as the allocations of profit or loss of the period and of other comprehensive income attributable to owners of the parent presented in the financial statements prepared on a consolidated basis, and the owners' equity presented in the parent company only financial statements shall be the same as the equity attributable to owners of the parent presented in the financial statements prepared on a consolidated basis.

j. Property, plant, and equipment

1) Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

2) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The replaced part of the carrying amount is derecognized. All other repair and maintenance costs incurred are recognized in current profit or loss during the period in which they are incurred.

3) Land is not depreciated. The cost model is adopted for other property, plant and equipment, which is depreciated on a straight-line basis based on the estimated useful life. The Company reviews the residual values, useful lives, and depreciation

methods of each asset at the end of each financial year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The useful life of each asset is as follows:

Buildings	5 - 55 years
Machinery and utilities equipment	5 - 18 years
Transportation equipment	5 - 12 years
Miscellaneous equipment	5 - 15 years

4) Property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The amount of gain or loss arising from the derecognition of property, plant and equipment is the difference between the net disposal value and the carrying amount of the asset, and is recognized in current profit or loss.

k. Leases

The Company assesses whether the contract is (or includes) a lease on the date of its establishment. Where a contract includes a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to the lease component on the basis of the relative separate price of each lease component and the aggregate separate price of non-lease components.

1) The Company is a lessee:

The Company recognizes right-of-use assets and lease liabilities at the beginning of the lease start date for other leases, except for leases of low-value underlying assets and short-term leases that recognize expenses on a straight-line basis.

Right-of-use assets

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease commencement date minus the lease incentive received, the original direct cost and the estimated cost of the recovery target asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability.

Except for right-of-use assets that meet the definition of investment property, right-of-use assets are listed on parent company only balance sheets as separate line items.

The right-of-use assets shall be depreciated on a straight-line basis from the beginning of the lease to the expiration of the term of the useful life or the expiration of the lease period, whichever is earlier. However, if the ownership of the underlying assets will be acquired at the end of the lease term, or if the cost of the right-of-use assets reflects the exercise of the purchase option, the depreciation shall be accrued from the beginning of the lease to the expiration of the term of the useful life of the underlying assets.

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments (including fixed payments; substantive fixed payments; variable lease payments depending on the index or a rate; amounts expected to be paid by the lessee under residual value guarantees. The exercise price of a purchase option that is reasonably certain to be exercised and penalties for terminating the lease reflected in the lease term minus the present value measurement of the lease incentives received. If the implied interest rate on the lease is easy to defined, the lease payment is discounted with that interest rate. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liability is measured on the basis of amortized cost using the effective interest method, and the interest expense is apportioned during the lease period. When there is a change in a lease term, valuation of exercise price of a purchase option of the underlying asset, expected payable amount based on residual value, or indexes or rates which are used to determine variable lease payments, resulting in a change in future lease payments, the Company re-measures 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 re-measurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

Changes in leases that do not depend on an index or a rate in lease agreements are recognized as expenses in the period in which they take place.

2) The Company is a lessor:

Leases in which the lessee assumes substantially all of the risks and rewards of ownership are classified as finance leases. Otherwise, it is classified as an operating lease.

When a lease includes elements of land and buildings, the Company assesses the classification of each element as a financial lease or an operating lease, and apportions the lease payment (including any one-time front-end payment) to the land and buildings according to the fair value of the lease right of the land and buildings on the establishment date of the contract. 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.

When the Company sublets the right-of-use asset, it judges the classification of sublease based on the right-of-use asset (not the underlying assets). However, if the main lease is a short-term lease where the recognition exemption is applicable to the Company, the sublease is classified as an operating lease.

The lease payments of finance lease include fixed payments, substantive fixed payments, variable lease payments depending on the index or rate, guaranteed residual value, the exercise price of the purchase option that is reasonably certain to be exercised, and has been reflected in the penalties for terminating minus incentives receivable. The net amount of lease investment is measured as the sum of the present value of lease receivables and unguaranteed residual value plus the original direct cost and expressed as finance lease receivable. The Company allocates the financing income to the lease term on a systematic and reasonable basis to reflect the fixed rate of return that the unexpired net lease investment can obtain on a regular basis.

Under operating leases, the amount of lease income after deducting lease incentives will be recognized as lease income on a straight-line basis. The initial direct costs incurred in acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight-line basis over the lease term.

The changes in leases that do not depend on an index or a rate in lease agreements are recognized as expenses in the period in which they take place.

l. Investment Properties

Investment real estate is real estate (including real estate in the construction process) held for the purpose of earning rent or capital appreciation or both Investment property also includes land whose future use is yet to be decided. Investment property also includes right-of-use assets that meet the definition of investment property.

Investment property is initially measured at cost (including transaction costs), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized on a straight-line basis.

Investment property under construction is recognized at cost less accumulated impairment loss. Cost includes professional service fees and borrowing costs that are eligible for capitalization. Depreciation of such assets begins when they reach the expected state of use.

Except the amount of interest or loss listed in the investment real estate, that is, the difference between the net disposal price and carrying amount is recognized as profit and loss.

m. Impairment on non-financial assets

The Company estimates the recoverable amount of assets that have signs of impairment on the balance sheet date. When the recoverable amount is lower than its carrying amount, impairment loss is recognized. Recoverable amount refers to the fair value of an asset less costs to sell or its value in use, whichever is higher. When the recognition of asset impairment in the previous year no longer exists, the impairment loss is reversed to the extent of the amount of losses recognized in the previous year.

n. Liability reserve

Provision is a present legal or constructive obligation arising from a past event, where an inflow of economic benefits is probably required to pay off the obligation. The obligation can also be recognized when its amount can be estimated reliably. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

o. Employee benefits

1) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and should be recognized as expenses in the period when the employees render service.

2) Pension

a) Defined contribution plan

Under a defined contribution plan, the amount of pension funds that should be contributed on an accrual basis is recognized as current pension expense. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

b) Defined benefit plan

i. The determination of the net obligation under the defined benefit plan is based on the discounted amount of future benefits earned by employees during the current or past periods when services are (were) rendered. Such obligation is recognized at the amount of the net of the present value of the net defined obligation less the fair value of the plan asset. The defined benefit obligations are calculated each year by the actuary through the projected unit credit method. The discount rate is determined by referring to the market yield rate of high-quality corporate bonds whose balance sheet date is consistent with the currency and period of the determined benefit plan. In countries where there is no deep market for such bonds, the market yield rates (on the balance sheet date) of government bonds are used.

ii. B. Determine the re-measurement amount caused by the benefit plan and recognize it as other comprehensive profits or losses during the occurrence period, and express it as retained earnings.

iii. C. Expenses related to past service costs are immediately recognized as gains or losses.

c) Compensation to employees, directors and supervisors

Employees' compensation and directors' and supervisors' compensation are recognized in expenses and liabilities when they are subject to legal or constructive obligations, and when the amounts can be reasonably estimated. Any difference between the actual amount allocated after the resolution and the estimated amount is treated as changes in accounting estimates.

d) Termination benefits

Termination benefits refer to the benefits provided when the employee terminates his employment before the normal retirement date or when the employee decides to accept the Company's offers in exchange for termination of employment. The Company recognizes expenses at the earlier of when it can no longer withdraw the termination contracts or when it recognizes relevant restructuring costs. Benefits that are not expected to be fully settled within 12 months after the balance sheet date shall be discounted.

p. Share capital and treasury shares

1) Share capital

Common stock is listed as equity. An incremental cost directly attributable to the issuance of new shares or warrants stated in equity is presented under equity as a deduction to proceeds.

2) Treasury shares

Issued shares repurchased by the Company are recognized in "treasury stock" as a deduction to equity based on the amount of consideration paid during share buyback (including directly attributable costs). When the disposal price for a treasury stock is higher than its carrying amount, the difference between its disposal price and its carrying amount is listed as capital reserve - treasury stock transactions. When its disposal price is lower than its carrying amount, the difference between the above shall offset against capital reserve arising from the trading of the same type of treasury stock. If deficiency arises, it is debited into retained earnings. The carrying amount of a treasury stock is determined using weighted average and calculated separately based on reasons for repurchase.

During retirement, treasury stock is debited into capital reserve - premium on issued shares and share capital according to the proportion of shares. If its carrying amount is higher than the sum of its face value and premium on issued shares, the difference between both of the above shall be offset against capital reserve arising from the trading of the same type of treasury shares. If deficiency arises, it is then offset against retained earnings. If its carrying amount is lower than the sum of its face value and premium on issued shares, the difference between the aforementioned shall be debited into capital reserve arising from the trading of the same type of treasury share.

q. Income tax

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

2) The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date where the Company generates taxable income. Senior management regularly assesses the status of income tax returns in accordance with applicable income tax-related regulations, and shall estimate income tax liabilities based on taxes that are expected to be paid to the tax authority when necessary. An additional income tax is levied on undistributed earnings in accordance with the Income Tax Act. After the distribution plan for the earnings generated in the current year is approved at the shareholders' meeting in the following year, undistributed earnings shall be recognized as income tax expense based on the actual distribution of earnings.

3) Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheets. The deferred income tax liabilities arising from the originally recognized goodwill are not recognized. If

the deferred income tax originates from the initial recognition of assets or liabilities in transactions (excluding merger) and does not affect accounting profits or taxable incomes (taxable losses) at the time of transactions, it is not recognized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4) Deferred income tax assets are recognized to the extent that temporary differences, unused tax losses and unused tax credits are likely to be available for future tax income. The unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.

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

6) Tax incentives from acquisitions of equipment or technology, research and development expenditures, employees' training costs and equity investments are recognized in the form of tax credits.

r. Revenue recognition

The recognition principle on the revenue of the Company from customer contracts is as follows:

1) Identify the customer contracts;

2) Identify the performance obligations in the contract;

3) Determine the transaction price;

4) Allocate the transaction price to the performance obligations in contracts; and

5) Recognize revenue upon satisfaction of performance obligations.

a) Sales revenue of commodities

The Company recognizes revenue when control over products is transferred to customers. The transfer of control over products means that products are delivered to customers with no unfulfilled obligations that may affect customers' acceptance of the products. Deliver refers to the time when customers accept products based on the terms of transactions, the risk of obsolescence and loss is transferred to customers, and the Company has objective evidence that all acceptance conditions are met.

The Company recognizes accounts receivable when goods are delivered, as it has the right to receive the payment unconditionally at that time.

When material is supplied for processing, control over the ownership of processed goods is not transferred. Thus, supply of material is not recognized as revenue.

b) Service revenue

The Company provides service as an OEM and recognizes revenue when service is transferred to customers (that is, control over assets is obtained by customers) without subsequent obligations.

s. 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 capital expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

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

5. Major Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

When the Company prepares the parent company only financial statements, the significant judgments, estimates, and assumptions used in the accounting policies adopted by the Company are as follows:

a. Significant judgments for applying the accounting policies

1) Judgments on the business model of classification of financial assets

The Company assesses the business model of financial assets based on the class of financial assets managed to achieve the specific business purpose. This assessment requires all relevant evidence, including the measurement method for asset performance, risk of impact on performance, and compensation for the management, and also requires judgment. The Company continues to assess whether the business model is judged appropriately and monitor the financial assets measured at amortized cost and investments in debt instruments at FVTOCI derecognized before maturity to determine whether such disposal is consistent with the purpose of the business model. If it finds that the business model has changed, the Company will reclassify financial assets in accordance with IFRS 9 requirements, and applied prospectively from the date of reclassification.

2) Investment properties

The Company holds a portion of its properties for the purposes of earning rentals or capital appreciation, whereas the rest portion is for own use. When each part of a property cannot be sold separately and the part held for own use is less than 20 percent of the individual property, the property is classified as investment property

3) Revenue recognition

According to IFRS 15, the Company judges whether control over specific goods or service is obtained prior to the transfer of such products or service to customers and whether it is the principal or agent in the transaction. If the Company is the agent in the transaction, the net amount of the transaction is recognized as revenue.

The Company is the principal if any of the following conditions applies:

a) The Company acquires control of the goods or assets in advance from another party before they are transferred to customers; or

b) By controlling the right of provision of service by another party, the Company has the discretion to have another party to provide services to customers on behalf of the Company; or

c) The goods or services provided to customers are a combination of other goods or services and the goods and services of which the control is obtained by the Company from another party.

Indicators used to help judge whether the Company controls specific products or service before the transfer of such products or service to customers include (but are not limited to):

a) The Company takes main responsibility for the commitment of completing the provision of specific commodity or labor service.

b) The Company bears the inventory risk before and after the specific goods or services is transferred to the customer.

c) The Company has discretionary power to set prices.

4) Lease term

In determining the lease term, the Company considers all relevant facts and circumstances that give rise to an economic incentive to exercise (or not to exercise) the option, including all expected changes in facts and circumstances from the commencement date to the exercise date of the option. Factors to be considered include the contractual terms and conditions for the period covered by the option, significant leasehold improvements made (or anticipated) during the contract period, the significance of the underlying assets to the Company's operations, etc. The lease period is reassessed whenever there are significant events or changes in circumstances within the control of the Company.

b. Significant accounting related estimates and assumptions

1) Estimated impairment loss on financial assets.

The estimated impairment of accounts receivable is based on the Company's assumed default rate and expected loss rate. The Company considers the historical experience, current market conditions, and forward-looking information to make assumptions and select the inputs for impairment assessment. Where the future cash flows are less than expected, a material impairment loss may arise.

2) Fair value measurement and valuation process

When assets and liabilities measured at fair value have no quoted prices in an active market, the Company determines based on relevant laws and regulations or its judgment whether assets and liabilities are valuated externally and determines the appropriate fair value valuation techniques. If the estimated fair value cannot be derived from Level 1 inputs, the Company shall determine the inputs with reference to the analysis of financial conditions and operating results of investees, recent transaction prices, quoted prices of the same equity instruments in a non-active market, quoted prices of similar instruments, and valuation multiples of comparable companies. If changes in future inputs are not as expected, changes in the fair value may occur. The Company regularly updates inputs based on market conditions to monitor the appropriateness of fair value measurement. For a description of fair value measurement technology and input values, please refer to Note 12 (3) for details.

3) Impairment assessment of tangible assets and intangible assets

The company assesses the impairment of assets based on its subjective judgment and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and their industrial characteristics. Any changes in these estimates arising from changes in economic conditions or business strategies could lead to significant impairment losses in the future.

4) Investment loss assessment using the equity method

When there is an indication that an investment accounted for using the equity method may be impaired, the company will immediately assess the impairment of the investment. The company assesses the recoverable amount based on the discounted value of the expected future cash flows from the investee or the discounted value of future cash flows arising from expected cash dividends and disposal of the investment, and assesses the reasonableness of underlying assumptions.

5) Realizability of deferred income tax assets

Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilized in the future. When the realizability of deferred tax assets is assessed, it is necessary to involve significant accounting judgments and estimates of the senior management, including assumptions on future growth in sales revenue and profit margins, tax exemption periods, available tax credits, and tax planning. Any changes in the global economic environment and industrial environment, as well as changes in laws and regulations may result in major adjustments to deferred tax assets.

6) Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgments and estimates.

The Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value.

7) Calculation of net defined benefit liability

When calculating the present value of the defined benefit obligations, the Company must use judgments and estimates to determine the relevant actuarial assumptions on the balance sheet date, including the discount rate and the future growth rate of salaries. Any changes in actuarial assumptions may lead to significant effects on the amount of the Company's defined benefit obligations.

8) Lessee's incremental borrowing rate of interest

When determining the lessee's incremental borrowing rate of interest used for lease payment discounting, the reference interest rate is the risk-free interest rate of the same currency and the relevant period, and the estimated lessee credit risk discount and lease specific adjustment (such as asset specific and secured factors) are taken into account.

6. Explanation of Important Accounting Items

a. Cash and cash equivalents

Items	December 31, 2020	December 31, 2019
Cash	$ 1,127	$ 1,265
Bank deposits	2,627,619	354,592
Cash equivalents (short-term commercial papers due within three months)	1,141,291	149,900
Total	$ 3,770,037	$ 505,757

1) The Company deals with financial institutions having high credit quality. The Company also deals with various financial institutions in order that credit risks can be diversified. Therefore, the expected risk of default is pretty low.

2) The Company's original maturity date is more than three months' time deposits transferred to other financial assets - current, the details are as follows:

Items	December 31, 2020	December 31, 2019
Time deposit (Original maturities of more than three months)	$ 1,490,000	-

3) The Company did not pledge cash or equivalent cash as of December 31, 2020 and 2019.

b. Financial assets measured at fair value through other comprehensive income - current

Items	December 31, 2020	December 31, 2019
Equity instruments		
Stocks listed in TWSE or TPEx	$ 1,558,964	$ 976,174
Fun beneficiary certificate	10,061	-
Subtotal	$ 1,569,025	$ 976,174
Valuation adjustments	1,465,508	1,397,106
Total	$ 3,034,533	$ 2,373,280

1) The Company has chosen to classify the equity investments of domestic listed companies with stable dividends as financial assets measured at FVTOCI, which were valued at NTD3,034,533 thousand and NTD2,373,280 thousand respectively for year December 31, 2020 and 2019.

2) In 2020, the Company adjusted its investment position to diversify risk, and sold part of the common shares of the listed company at the fair value of NTD46,834 thousand. The remaining equities - the unrealized appraisal profits and losses of financial assets

measured at fair value through other comprehensive income of NTD4,394 thousand were transferred to retained earnings.

3) The Company did not pledge financial assets (current) measured at fair value through other comprehensive income as of December 31, 2020 and December 31, 2019.

4) Please refer to Note 12 for details of relevant credit risk management and assessment methods.

c. (Net) Notes receivable and net notes receivable - related parties

Item	December 31, 2020	December 31, 2019
Notes receivable		
Arising by operations	$ 35,124	$ 33,071
Less: Allowance for loss	(1,054)	(992)
Notes receivable net amount	$ 34,070	$ 32,079
Notes receivable - related parties		
Arising by operations	$ 1,118	$ 1,208
Less: Allowance for loss	-	-
Accounts receivable - related parties, net	$ 1,118	$ 1,208

1) As of December 31, 2020 and 2019, the Company did not pledge any notes receivable as collateral.

2) Please refer to the following accounts receivable for the disclosure of the allowance for loss of notes receivable.

d. (Net) Net accounts receivable and accounts receivable-related party

Items	December 31, 2020	December 31, 2019
Trade receivables		
Measured at amortized cost		
Total carrying amount	$ 269,456	$ 221,468
Less: Allowance for loss	(8,368)	(7,041)
Net accounts receivable	$ 261,088	$ 214,427
Trade receivables - related party		
Measured at amortized cost		
Total carrying amount	$ 57,004	$ 82,815
Less: Allowance for loss	(472)	(612)
Accounts receivable - related parties, net	$ 56,532	$ 82,203

1) The Company's accounts receivable from the sale of goods met the credit standards according to the industry characteristics, business scale, and profitability of its counterparties, where the average credit period was between 60-120 days.

2) The Company did not pledge the accounts receivable as of December 31, 2020 and 2019.

3) The Company adopts the simplified method to recognize the allowance loss of notes receivable and accounts receivable according to the expected credit loss during the duration. The lifetime expected credit losses took into account the past history of default and the current financial and operating conditions of customers. There was no significant difference in the loss patterns between different customer bases according to the historical experience of the company's credit losses. Therefore, the provision matrix did not further differentiate customer bases but only set the expected credit loss rate based on the overdue days of accounts receivable.

The Company uses the provision matrix to measure the loss of allowance on notes receivable and accounts receivable (including related parties) as follows:

December 31, 2020	Total Carrying Amount	Loss allowance (lifetime ECLs)	Amortized Cost
Not past due	$ 332,559	$ 9,118	$ 323,441
0 to 30 days overdue	16,149	748	15,401
31 to 180 days overdue	13,986	24	13,962
181 to 365 days overdue	8	4	4
More than one year overdue	-	-	-
Total	$ 362,702	$ 9,894	$ 352,808

December 31, 2019	Total Carrying Amount	Loss allowance (lifetime ECLs)	Amortized Cost
Not past due	$ 298,385	$7,746	$ 290,639
0 to 30 days overdue	38,926	774	38,152
31 to 180 days overdue	1,251	125	1,126
181 to 365 days overdue	-	-	-
More than one year overdue	-	-	-
Total	$ 338,562	$ 8,645	$ 329,917

The expected credit loss rate of the Company in each of the age of receivables mentioned on above (excluding abnormal accounts, 100% of which shall be presented), not overdue as 0%-3%, 2% -10% within 30 days overdue, 10%-15% within 180 days overdue, and 100% overdue for more than one year.

4) The changes in the allowance loss of notes receivables and accounts receivables (including notes receivables, accounts receivables and collections) are as follows:

Items	December 31, 2020	December 31, 2019
Beginning balance	$ 8,645	$ 10,147
Add: Provision of impairment loss	1,249	-
Less: Reversal of impairment loss	-	(1,502)
Less: Write-off of unrecoverable accounts	-	-
Effect of foreign currency exchange differences	-	-
Ending balance	$ 9,894	$ 8,645

The amounts shown above did not include other credit enhancements.

5) Please refer to Note 12 for details of relevant credit risk management and assessment methods.

e. Inventories and operating cost

Items	December 31, 2020	December 31, 2019
Raw materials	$ 106,043	$ 85,744
Materials	38,034	43,553
Work in process	157,469	165,719
Finished goods	154,456	170,206
Subtotal	$ 456,002	$ 465,222
Less: loss allowance	(4,918)	(5,300)
Net Amount	$ 451,084	$ 459,922

1) The losses (gains) related to inventories recognized as operating costs in the current period are as follows:

Items	December 31, 2020	December 31, 2019
Cost of goods sold	$ 1,586,935	$ 1,770,334
Unallocated manufacturing costs	2,387	7,485
Allowance for inventory valuation and obsolescence loss (gain from price recovery)	(382)	(8,349)
Loss on discarding of inventory	-	-
Loss on physical inventory	28	14
Income from sale of scraps	(5,463)	(11,762)
Total operating costs	$ 1,583,505	$ 1,757,722

2) In 2020 and 2019, the Company offset the inventory to the net realizable value or recovered the net realizable value of the inventory due to the digestion of inventory. As a result, the loss (gains on inventory value recoveries) of inventory depreciation recognized by the Company was (NTD382 thousand) and (NTD8,349 thousand), respectively.

3) The Company did not pledge the inventory as of December 31, 2020 and 2019.

f. Non-current Assets Held for Sale and Liabilities Directly Related to Non-current Assets Held for Sale

On November 12, 2019, the Board of Directors of the Company had approved and decided to put on the sale of land at Plot No. 90, Huiguo Section, Xitun District, Taichung City, thereby transferring relevant assets and liabilities to "for sale" disposal group. The sale transaction was signed on February 26, 2020 and completed on May 25, 2020 at a sale price of NTD8,375,890,000, with estimated gain on disposal value of NTD5,754,207 thousand (the net amount after tax is NTD5,252,869 thousand). The land was revalued before 2012, in accordance to Order No. 1010012865 issued by the FSC issued on provision for setting aside of special reserve on April 6, 2012, NTD1,941,491 thousand shall be reversed to unappropriated earned surplus.

1) Assets of disposal groups held for sale

Items	December 31, 2020	December 31, 2019
Investment properties	-	$ 2,597,758

2) Liabilities directly associated with non-current assets held for sale

Items	December 31, 2020	December 31, 2019
Deferred income tax liabilities - land value added tax	-	$ 527,820

g. Financial assets at fair value through other comprehensive income - non-current

Item	December 31, 2020	December 31, 2019
Investments in equity instruments		
Domestically unlisted stocks	$ 125,000	$ 125,000
Valuation adjustments	219,400	222,000
Total	$ 344,400	$ 347,000

1) The Company invests in the stocks of the aforementioned domestic OTC companies pursuant to its medium-term and long-term strategies for the purpose of making a profit. The management of the Company believes that if the short-term fair value fluctuations of these investments are included in the profit and loss, it is inconsistent with the aforementioned long-term investment plan, so they choose to designate these investments as measured at fair value through other comprehensive income.

2) As of December 31, 2020 and 2019, The Company did not pledge any financial assets measured at fair value through other comprehensive income.

3) Please refer to Note 12 for details of relevant credit risk management and assessment methods.

h. Investment by equity method

Investee	December 31, 2020	December 31, 2019
Subsidiaries		
Tahsin Shoji Co., Ltd.	$ 75,990	$ 55,274
Tahsin Industrial Corporation U.S.A.	13,144	30,093
Tai Ho Co., Ltd. (Tai Ho Co.,)	37	39
Dafu Plastic Industry Co., Ltd.	153,810	134,822
Tah Viet Co., Ltd.	125,885	137,030
Tah Fa Investment Co., Ltd.	1,239,329	981,522
Myanmar Tah Hsin Industrial Co., Ltd.	213,199	194,776
Less: Recognized as treasury stock (Tah Fa Investment)	(97,469)	(118,879)
Subtotal	$ 1,723,925	$ 1,414,677
Affiliated companies:		
Individually insignificant affiliated companies	5,765	12,898
Subtotal	$ 5,765	$ 12,898
Total	$ 1,729,690	$ 1,427,575

1) Subsidiaries

a) For information of the subsidiaries, please refer to Note 4 (3) of the Company's consolidated financial statements for the year ended December 31, 2020.

b) The profit or loss and other comprehensive income of investments accounted for using the equity method of the Company were calculated based on the financial statements audited by the CPAs, except for Tai Ho Co., Ltd. However, the Company's management believed that the unaudited financial statements of Tai Ho Co., Ltd. would not lead to significant adjustments.

2) Associates

The Company's share of individually insignificant associates is summarized as follows:

	December 31, 2020	December 31, 2019
The Company's share of:		
Net income	$(7,272)	$ (891)
Other comprehensive income (net income)	138	561
Total Comprehensive Income for the Year	$(7,134)	$ (330)

3) The Company did not provide pledges for its investments using the equity method on December 31, 2020 and 2019.

i. Property, plant, and equipment

Items	December 31, 2020	December 31, 2019
Owner-occupied	$ 1,040,874	$ 1,035,024
Leased out under operating lease	81,614	81,337
Total	$ 1,122,488	$ 1,116,361

1) Owner-occupied

Items	December 31, 2020	December 31, 2019
Land	$ 831,397	$ 831,397
Buildings	481,229	481,229
Machinery and equipment	276,816	462,333
Transportation equipment	15,526	16,236
Other equipment	42,269	42,330
Construction in progress and equipment to be inspected	4,277	25,413
Total cost	$ 1,651,514	$ 1,858,938
less: accumulated depreciation	(610,640)	(823,914)
Accumulated impairment	-	-
Total	$ 1,040,874	$ 1,035,024

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost							
Balance as of January 1, 2020	$ 831,397	$ 481,229	$ 462,333	$ 16,236	$ 42,330	$ 25,413	$ 1,858,938
Purchase	-	-	18,440	-	4,663	8,117	31,220
Disposal	-	-	(231,199)	(710)	(6,735)	-	(238,644)
Reclassification	-	-	27,242	-	2,011	(29,253)	-
Balance as of December 31, 2020	$ 831,397	$ 481,229	$ 276,816	$ 15,526	$ 42,269	$4,277	$ 1,651,514
Accumulated depreciation and impairment							
Balance as of January 1, 2020	-	$ 342,664	$ 434,678	$ 15,150	$ 31,422	-	$ 823,914
Depreciation expenses	-	10,328	9,685	378	4,868	-	25,259
Disposal	-	-	(231,155)	(710)	(6,668)	-	(238,533)
Balance as of December 31, 2020	-	$ 352,992	$ 213,208	$ 14,818	$ 29,622	-	$ 610,640

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost							
Balance as of January 1, 2019	$ 1,000,434	$ 502,232	$ 506,649	$ 19,721	$ 121,481	-	$ 2,150,517
Purchase	-	-	1,623	-	3,053	$ 26,526	31,202
Disposal	(94,844)	(4,060)	(46,122)	(3,485)	(83,134)	-	(231,645)
Transferred to "investment properties"	(74,193)	(16,943)	-	-	-	-	(91,136)
Reclassification	-	-	183	-	930	(1,113)	-
Balance at December 31, 2019	$ 831,397	$ 481,229	$ 462,333	$ 16,236	$ 42,330	$ 25,413	$ 1,858,938
Accumulated depreciation and impairment							
Balance as of January 1, 2019	-	$ 353,214	$ 471,783	$ 17,996	$ 108,667	-	$ 951,660
Depreciation expenses	-	10,445	7,555	635	6,515	-	25,150
Disposal	-	(4,061)	(40,407)	(3,481)	(68,380)	-	(116,329)
Transferred to "investment properties"	-	(16,934)	-	-	-	-	(16,934)
Recognized (reversed) impairment loss	-	-	(4,253)	-	(15,380)	-	(19,633)
Balance at December 31, 2019	-	$ 342,664	$ 434,678	$ 15,150	$ 31,422	-	$ 823,914

a) Amount of borrowing costs capitalized for property, plant and equipment and interest rate collars on such borrowing costs:

	December 31, 2020	December 31, 2019
Amount capitalized	-	-
Interest rate collars	-	-

b) For information on guarantees provided by owner-occupied property, plant and equipment, please refer to Note 8.

c) In July 2017, as the Company passed a resolution to temporarily suspend the operations of a coating plant, resulting in the reduction of future economic benefit of equipment and machinery for production of coating and laminating products. The recoverable value is lesser than carrying value and as the said machinery and equipment were partially disposed of in 2019, the profit and loss of sale of the said equipment was recorded in the 2019 parent company only statements of comprehensive income as other profits and losses. The cumulative reversal of impairment was NTD19,633 thousand. As of March 31, 2020, there is no sign of impairment of the properties, plants and equipment, so no impairment assessment has been made.

The Company measures the recoverable cost for machinery and equipment using the fair value less costs of disposal method, with related fair value at Level 3 fair value measurement, and this takes reference from market transaction and possible price for machinery and equipment given its state.

2) Operating lease rental

Items	December 31, 2020	December 31, 2019
Land	$ 80,936	$ 80,936
Buildings	30,475	30,475
Machinery and equipment	1,233	1,940
Other equipment	341	78
Total cost49	$ 112,985	$ 113,429
less: accumulated depreciation	(31,371)	(32,092)
Accumulated impairment	-	-
Total	$ 81,614	$ 81,337

	Land	Buildings	Machinery and equipment	Other equipment	Total
Cost					
Balance as of January 1, 2020	$ 80,936	$ 30,475	$ 1,940	$ 78	$ 113,429
Purchase	-	-	211	341	552
Disposal	-	-	(918)	(78)	(996)
Balance as of December 31, 2020	$ 80,936	$ 30,475	$ 1,233	$ 341	$ 112,985
Accumulated depreciation and impairment					
Balance as of January 1, 2020	-	$ 30,377	$ 1,650	$ 65	$ 32,092
Depreciation expenses	-	37	173	51	261
Disposal	-	-	(905)	(77)	(982)
Balance as of December 31, 2020	-	$ 30,414	$ 918	$ 39	$ 31,371

	Land	Buildings	Machinery and equipment	Other equipment	Total
Cost					
Balance as of January 1, 2019	$ 173,072	$ 30,475	$ 1,994	$ 78	$ 205,619
Purchase	-	-	53	-	53
Disposal	-	-	(107)	-	(107)
Transferred to "investment properties"	(92,136)	-	-	-	(92,136)
Balance at December 31, 2019	$ 80,936	$ 30,475	$ 1,940	$ 78	$ 113,429
Accumulated depreciation and impairment					
Balance as of January 1, 2019	-	$ 30,291	$ 1,544	$ 50	$ 31,885
Depreciation expenses	-	86	212	15	313
Disposal	-	-	(106)	-	(106)
Balance at December 31, 2019	-	$ 30,377	$ 1,650	$ 65	$ 32,092

a) The Company leases part of lands, plants and offices, and other assets under operating lease with lease terms of 1-2 years. The lessee has no preferential right to take over the asset at the end of the lease term.

b) The total amount of lease payments that will be collected in the future for operating leases of owner-occupied property, plant and equipment is as follows:

	December 31, 2020	December 31, 2019
Year 1	$ 7,484	$ 6,470
Year 2	6,239	-
Year 3	-	-
Year 4	-	-
Year 5	-	-
Over 5 years	-	-
Total	$ 13,723	$ 6,470

c) The Company did not pledge real estate, plant and equipment leased under operating leases for others on December 31, 2020 and 2019.

3) The adjustments to the acquisition of properties, plants and equipment listed in the statements of cash flows are as follows:

Items	December 31, 2020	December 31, 2019
Increased amount of property, plant and equipment	$ 31,772	$ 31,255
Increase or decrease in equipment payment	4,007	(4,952)
Cash paid for acquisition of property, plant, and equipment	$ 35,779	$ 26,303

j. Tenancy agreement

1) Right-of-use assets

Items	December 31, 2020	December 31, 2019
Buildings	$ 404	$ 254
less: accumulated depreciation	(151)	(203)
Accumulated impairment	-	-
Net amount	$ 253	$ 51

Cost	Buildings	Total
Balance as of January 1, 2020	$ 254	$ 254
Increase in the period	404	404
Decrease in the period	(254)	(254)
Balance as of December 31, 2020	$ 404	$ 404
Accumulated depreciation and impairment		
Balance as of January 1, 2020	$ 203	$ 203
Depreciation expenses	202	202
Recognized (reversed) impairment loss	(254)	(254)
Balance as of December 31, 2020	$ 151	$ 151

Cost	Buildings	Total
Balance as of January 1, 2019	-	-
Adjustments to first applying IFRS 16	$ 254	$ 254
Increase in the period	-	-
Decrease in the period	-	-
Balance at December 31, 2019	$ 254	$ 254
Accumulated depreciation and impairment		
Balance as of January 1, 2019	$ -	$ -
Depreciation expenses	203	203
Recognized (reversed) impairment loss	-	-
Balance at December 31, 2019	$ 203	$ 203

2) Lease liabilities

Items	December 31, 2020	December 31, 2019
Carrying amount of lease liabilities		
Current	$ 202	$51
Non-current	$51	-

The discount rate range for lease liabilities is 1%.

Information on lease liability maturity analysis is as follows:

	December 31, 2020	December 31, 2019
Less than one year	$ 204	$ 51
1-5 year(s)	51	-
5-10 years	-	-
10-15 years	-	-
15-20 years	-	-
20 years or more	-	-
Total undiscounted lease payments	$ 255	$ 51

3) Important lease activities and terms

The Company leases the building as a sales office for 2 years. In accordance to the contract, the Company may not sublet the leased assets to others without the consent of the lessor.

As of December 31, 2020 and 2019, there is no sign of impairment of the right to use assets, so there is no need to make an impairment assessment.

4) Other lease information

a) Please refer to Note 6 (9) " Property, plant and equipment" and Note 6 (11) " Investment properties" for the agreement on the lease of the Company's own property, plant and equipment and investment property under operating leases.

b) In 2020 and 2019, the Company decided to apply recognition exemption to short-term lease and low value asset lease, and not recognize related right-of-use assets and lease liabilities for the said leases.

c) The information on lease-related expenses of the Company in 2020 and 2019 is as follows:

Items	December 31, 2020	December 31, 2019
Expenses relating to short-term leases	$ 452	$ 488
Expenses relating to low-value asset lease	$ 124	$ 94
Variable lease payments not included in lease liability measurement	$ -	$ -
Total cash flows on lease	$ 780	$ 787

k. Investment properties

Items	December 31, 2020	December 31, 2019
Land	$ 271,832	$ 271,832
Buildings	22,348	22,348
Total cost53	$ 294,180	$ 294,180
less: accumulated depreciation	(22,284)	(22,250)
Accumulated impairment	-	-
Total	$ 271,896	$ 271,930

1) The changes in the costs, accumulated depreciation and impairments of investment property are as follows:

	Land	Buildings	Total
Cost			
Balance as of January 1, 2020	$ 271,832	$ 22,348	$ 294,180
Balance as of December 31, 2020	$ 271,832	$ 22,348	$ 294,180
Accumulated depreciation and impairment			
Balance as of January 1, 2020	-	$ 22,250	$ 22,250
Depreciation expenses	-	34	34
Balance as of December 31, 2020	-	$ 22,284	$ 22,284

	Land	Buildings	Total
Cost			
Balance as of January 1, 2019	$ 2,707,125	$ 5,405	$ 2,712,530
Purchase	-	-	-
Disposal	(3,864)	-	(3,864)
Reclassified as non-current assets held for sale	(2,597,758)	-	(2,597,758)
From property, plant and equipment	166,329	16,943	183,272
Balance at December 31, 2019	$271,832	$ 22,348	$294,180
Accumulated depreciation and impairment			
Balance as of January 1, 2019	-	$ 5,228	$ 5,228
Depreciation expenses	-	88	88
Disposal	-	-	-
From property, plant and equipment	-	16,934	16,934
Balance at December 31, 2019	-	$ 22,250	$ 22,250

2) Rental revenue and direct operating expenses of investment property:

Items	December 31, 2020	December 31, 2019
Rental income from investment property	$12,719	$20,367
Direct operating expenses incurred from investment properties that generate current rental income (Note) that generates rental income in the current period	$ 1,119	$38,884
Direct operating expense from investment property that do not generate rental income in the current period	-	-

Note: The rental income from property, plant, and equipment in 2019 was NTD4,415 thousand, direct operating expenses incurred was NTD458 thousand. As of December 31, 2019, the rental income from non-current assets transferred to "for sale" classification was NTD11,400 thousand, and direct operating expenses incurred was NTD36,622 thousand.

3) The lease term of investment property is 2-5 years. The lessee does not have a bargain purchase option to acquire the asset at the expiration of the lease periods.

4) In addition to the fixed lease payment, some lease contracts also stipulate that the lessee shall pay the pre agreed percentage of the variable lease payment according to his monthly turnover exceeding the specified amount.

5) The total amount of lease payments that to be collected in the future for investment property by operating leases is as follows:

	December 31, 2020	December 31, 2019
Year 1	$ 8,082	$ 12,257
Year 2	5,433	7,579
Year 3	-	5,055
Year 4	-	-
Year 5	-	-
More than 5 years	-	-
Total	$ 13,515	$ 24,891

6) Depreciation of investment property-housing and construction on a straight-line basis in 10 to 20 years.

7) The fair value of the investment property held by Tahsin Group as at December 31, 2020 and 2019 was NTD1,168,913 thousand as estimated from the transaction prices of land or buildings located in the adjacent areas inquired by the "Registering the

Actual Selling Price of Real Estate" of Department of Land Administration, Ministry of the Interior.

8) The Company did not provide investment properties as collateral for others as of December 31, 2020 and 2019.

l. Short-term loans

December 31, 2020: None

Nature of borrowing	December 31, 2019	
	Amount	Interest Rate
Credit loan	$ 77,000	0.93% - 0.95%

For short-term borrowings, the Company pledged part of properties and plants as collateral. Please refer to Note 8 for details.

m. Short-term notes payable

Items	December 31, 2020	December 31, 2019
Payable to commercial paper	-	$ 40,000
less: unamortized discount	-	(12)
Net amount	-	$ 39,988
Range of interest rates	-	0.938%

The Company has no short-term notes payable pledged to others.

n. Provisions - current

Items	December 31, 2020	December 31, 2019
Beginning balance	$ 9,467	$ 9,467
Current additional provisions recognized	6,572	6,904
Current reductions arising from payments	(6,572)	(6,904)
Ending balance	$ 9,467	$ 9,467

Provisions were calculated by estimating compensation for employees' accumulated leaves that could occur based on the historical experience, judgments of the senior management, and other known reasons.

o. Pension

1) Defined contribution plans

a) The Company adopts a pension plan under the "Labor Pension Act," which is a state-managed defined contribution plan. According to the Labor Pension Act, the Company makes monthly contributions at 6% of their monthly salaries to employees' individual pension accounts in the Bureau of Labor Insurance.

b) Contributions made in accordance with the specific percentage stipulated in the defined contribution plan amounted to NTD4,600 thousand and NTD4,740 thousand for the years ended December 31, 2020 and 2019, respectively, and were recognized as expenses in the parent company only statements of comprehensive income.

2) Defined benefit plans

a) The Company's pension system under the "Labor Standards Act" of the Republic of China (Taiwan) is a defined welfare retirement plan managed by the government. The payment of the employee's pension is based on the period of service and the average salary of 6 months before the approved retirement date. The Company contributes monthly an amount equal to 9% of the employees' monthly salaries to a retirement fund that is deposited in Bank of Taiwan under the name of The Supervisory Committee of Workers' Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit for the shortfall should be made once before the end of March of the following year. However, as the Company considers using its working capital for its operations, the Company plans to make up the difference totaling NTD300 million in two installments every year over five years (between 2016 and 2020). The Company has submitted the full-installment contribution plan to the Labor Affairs Bureau which has acknowledged receipt of the plan in May 2016. The Bureau of Labor Funds, Ministry of Labor administers the account. The Company has no right over its investment and administration strategies.

b) The amounts recognized in the balance sheet for obligations from defined benefit plans are as follows:

Items	December 31, 2020	December 31, 2019
Present value of defined benefit obligations	$(281,040)	$(286,327)
Fair value of plan assets	273,120	236,082
Net Defined Benefit (Liabilities) Assets	$ (7,920)	$ (50,245)

c) The changes in net definite benefit liabilities are listed as follows:

Items	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2020	$ (286,327)	$ 236,082	$ (50,245)
Service costs			
Current Service costs	(3,088)	-	(3,088)
Previous Service costs	(140)	-	(140)
Interest expenses (income)	(2,119)	1,915	(204)
Recognized in profit or loss	(5,347)	1,915	(3,432)
Remeasurements			
Return on planned assets (excluding the amounts included in net interest)	-	6,169	6,169
Actuarial (gains) losses -			
Changes in demographic assumptions	-	-	-
Changes in financial assumptions	(7,103)	-	(7,103)
Experience adjustments	(2,179)	-	(2,179)
Recognized in other comprehensive income	(9,282)	6,169	(3,113)
Contribution by the employer	-	45,687	45,687
Welfare payment amount	19,916	(16,733)	3,183
Balance as of December 31, 2020	$ (281,040)	$ 273,120	$(7,920)

Items	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2019	$ (271,220)	$ 163,813	$ (107,407)
Service costs			
Current Service costs	(3,349)	-	(3,349)
Interest expenses (income)	(3,029)	2,276	(753)
Recognized in profit or loss	(6,378)	2,276	(4,102)
Remeasurements			
Return on planned assets (excluding the amounts included in net interest)	-	3,766	3,766
Actuarial (gains) losses -			
Changes in demographic assumptions	(6)	-	(6)
Changes in financial assumptions	(10,856)	-	(10,856)
Experience adjustments	(17,531)	-	(17,531)
Recognized in other comprehensive income	(28,393)	3,766	(24,627)
Contribution by the employer	-	80,891	80,891
Welfare payment amount	19,664	(14,664)	5,000
Balance as of December 31, 2019	$ (286,327)	$ 236,082	$ (50,245)

d) The Company is exposed to the following risks due tothe implementation of the pension system under the Labor Standards Act: The Company is exposed to the following risks due to:

i. Investment Risks

The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, the distributed amount from the plan assets received by the Company shall not be lower than interest on a two-year time deposit at a local bank.

ii. Interest rate risk

The decline in the interest rate of government bonds will increase the present value of defined welfare obligations, and at the same time, the debt investment return of the planned assets will also increase accordingly. Both of which will partially offset the impact of the net defined welfare liabilities.

iii. Investment Risks

The calculation basis for determining the present value of the benefit obligation is to refer to the future salaries of the project members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

e) The present value of the determined benefit obligation formulated by the Company is calculated by certified actuaries. The principal assumptions adopted on the valuation date are as follows:

	Valuation date	
Items	December 31, 2020	December 31, 2019
Discount rate	0.50%	0.75%
Rate of future salary increase	1.50%	1.50%
Average duration of defined benefit obligations	10.4 years	10.8 years

i. Future Mortality Rate is estimated based on the 2012 Taiwan Standard Ordinary Experience Mortality Table.

ii. If the major actuarial assumptions are subject to reasonably possible changes with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

Items	December 31, 2020	December 31, 2019
Discount rate	0.75%	0.75%
Increase by 0.25%	$(7,130)	$(7,305)
Decrease by 0.25%	$ 7,366	$ 7,585
Rate of future salary increase	1.50%	1.50%
Increase by 0.25%	$ 7,163	$ 7,391
Decrease by 0.25%	$(6,943)	$(7,156)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

f) The Company expects to make contributions of NTD6,000 thousand to the pension plans in the year ended December 31, 2021.

p. Capital Shares

1) The reconciliation of the Company's outstanding number of common stocks and its amounts at beginning and end of period is as follows:

Items	December 31, 2020	
	Number of Shares (Thousands)	Amount
Balance at January 1	198,000	$ 1,980,000
Capital reduction	(59,400)	(594,000)
Balance at December 31	138,600	$ 1,386,000

Items	December 31, 2019	
	Number of Shares (Thousands)	Amount
Balance at January 1	198,000	$ 1,980,000
Balance at December 31	198,000	$ 1,980,000

2) As of December 31, 2020 and 2019, the Company had an authorized capital of NTD 2,415,227 thousand, which is divided into 241,523 thousand shares at par value of NTD10 per share. The paid-in capital was NTD1,386 million and NTD1,980 million, respectively. The actual number of shares issued was 138,600 thousand shares and 198,000 thousand shares, respectively.

3) The Company's Board of Directors decided on June 5, 2020, in order to adjust the capital structure, enhance the return of shareholders' equity and profit per share, and proposed to return NTD594,000 thousand of capital shares, eliminate 59,400 thousand shares, and reduce the capital ratio by 30%. The application was approved with Order No. 1090350493 issued by the FSC on August 4, 2020; On August 12, 2020, the Board

of Directors set the base date of cash reduction to be August 19, 2020. The registration of capital reduction was completed at the Ministry of Economic Affairs on August 26, 2020. The payment date of cash distribution for the capital reduction is October 29, 2020.

q. Capital surplus

Items	December 31, 2020	December 31, 2019
Treasury share transactions	$ 148,648	$ 102,614
Difference between the price received from acquisition or disposal of interest in subsidiaries and book value	2,113	2,113
Value of the acquired or disposed shares of subsidiaries		
Others (return of overdue unclaimed dividends)	1,021	702
Total	$ 151,782	$ 105,429

r. Retained earnings and dividend policy

1) The surplus distribution policy stipulated in the original articles of association stipulates that if there is profit in its general final account, the Company shall first pay all taxes and dues and cover accumulated losses, and then set aside 10% of such profits as a legal reserve. However, where such legal reserve amounts to the total amount of capital stock, this provision shall not apply. In addition, special surplus reserve shall be allocated or reversed in accordance with laws and regulations or regulations of the competent authority. If there is any surplus, the balance shall be added to the accumulated undistributed surplus. The Board of Directors shall prepare a distribution motion, to be submitted to the shareholders' meeting for resolution before issuance of new shares.

   After the shareholders' meeting on June 5, 2020, it was revised as follows: The Company's surplus distribution or loss allowance can be made after the end of each semi-financial year, if there is any surplus in the semi-financial year's final accounts, the Company shall first pay all taxes and dues and cover accumulated losses, and then set aside 10% of such profits as a legal reserve. However, where such legal reserve amounts to the total amount of capital stock, this provision shall not apply. As stipulated by laws or regulations or competent authority, the remaining balance shall then be appropriated for provisions and rotating special reserves. If there are still surplus and/or accumulated undistributed earnings, the Board of Directors drafts a distribution proposal to issue new shares, it shall be submitted to the shareholders meeting for resolution after the distribution.

Pursuant to Paragraph 5 of Article 240 of the Company Act, the Company may authorize the distributable dividends and bonuses or in whole or in part legal reserve and capital reserve as provided in Paragraph 1 of Article 241 of the Company Act may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two- thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company has too diverse products to be divided by the stages of growth. With steady profitability and sound financial structure, the Company is able to distribute dividends and bonuses in cash at a ratio of 20% to 100% in principle. However, when there is any important investment, the Company may reallocate all dividends and bonuses for a capital increase.

2) The statutory surplus reserve shall not be used except for the loss of the Company and the issuance of new shares or cash in proportion to the original share of the shareholders. However, if new shares or cash is issued, it shall be limited to the surplus exceeding 25% of the paid-in capital.

3) Appropriated retained earnings

   a) The Company may allocate earnings only after providing special reserve for debt balance under other equity on the balance sheet date, and the reversal of debit balance under other equity, if any, may be stated as distributable earnings.

   b) When initial application of IFRSs in accordance with Order No. 1010012865 issued by the FSC dated April 6, 2012 shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified, the proportion of the original special reserve may be converted into distributable retained earnings. In May 2020 and June 2019, due to the disposal of land revalued before the year 2012, NTD1,941,491 thousand and NTD66,543 thousand were transferred from special reserves to retained earnings.

4) The Company's resolutions on earnings distribution and dividend per share for the years of 2019 and 2018 approved by the shareholders' meeting on June 5, 2020 and June 14, 2019 are as follows:

Items	Profit distribution plan		Dividends per Share (NTD)	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Legal reserve	$ 73,817	$ 22,947		
Ordinary cash dividends	722,700	237,600	3.65	1.20

5) The appropriations of earnings and dividends per share for earnings distribution for the first half of the year of 2020 had been proposed by the Board of Directors on November 11, 2020, and they were as follows:

Items	Profit distribution plan First half of 2020	Dividends per Share (NTD) First half of 2020
Ordinary cash dividends	$ 554,400	4.00

6) The appropriations of earnings and dividends per share for the second half of the year had been proposed by the Company's Board of Directors on March 22, 2021, and they are as follows:

Items	December 31, 2020	Dividends per Share (NTD)
Legal reserve	$ 737,203	
Ordinary cash dividends	554,400	4.00

7) Information on employee compensation resolved by the Board meetings is available on the "Market Observation Post System" of the Taiwan Stock Exchange Corporation.

s. Other Equities

Items	Exchange differences on translation of foreign operating organizations' financial statements	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2020	$ (70,282)	$2,278,210	$ 2,207,928
Exchange differences on translation of financial statements of foreign operations	(13,694)		(13,694)
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income		70,196	70,196
The shares of subsidiaries, affiliates and joint ventures are recognized by the equity method		128,514	128,514
Disposals of investments in equity instruments designated at fair value through other comprehensive income		(4,394)	(4,394)
Balance as of December 31, 2020	$ (83,976)	$2,472,526	$ 2,388,550

Items	Exchange differences on translation of foreign operating organizations' financial statements	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Total
Balance as of January 1, 2019	$ (56,561)	$2,047,959	$ 1,991,398
Exchange differences on translation of financial statements of foreign operations	(13,721)		(13,721)
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income		(144,020)	(144,020)
The shares of subsidiaries, affiliates and joint ventures are recognized by the equity method		374,271	374,271
Balance at December 31, 2019	$ (70,282)	$2,278,210	$ 2,207,928

t. Treasury shares

December 31, 2020

Unit: Thousand shares

Subsidiary Name	Number of shares at the beginning of the period	Net increase (decrease)	Number of shares at the end of the period
Tah Fa Investment Co., Ltd.	7,137	(2,141)	4,996

December 31, 2019

Unit: Thousand shares

Subsidiary Name	Number of shares at the beginning of the period	Net increase (decrease)	Number of shares at the end of the period
Tah Fa Investment Co., Ltd.	7,137	-	7,137

Investments in the Company's shares held by its subsidiaries are regarded as treasury stock, where these subsidiaries can still receive dividends from the Company but are not able to exercise their voting rights. As of December 31, 2020 and December 31, 2019, the Company's investment company, Tah Fa Investment Co., Ltd., held 4,996 thousand shares and 7,137 thousand shares issued by the Company, respectively, with a total cost of NTD97,469 thousand and NTD118,879 thousand, respectively. The investment company continued to hold its shares due to a stable share price, where its market price per share was NTD72.20 and NTD47.35 as of December 31, 2020 and December 31, 2019, respectively.

u. Operating revenue

Items	December 31, 2020	December 31, 2019
Revenue from Customer Contracts		
Sales revenue	$ 1,803,540	$ 2,023,224
Less: Sales Return	(5,227)	(2,053)
Sales Allowances	(1,915)	(5,373)
(Net) Revenue from Contracts with Customers	$ 1,796,398	$ 2,015,798

1) Explanation regarding customer contract

The Company produces plastic products for the midstream and downstream of the plastics industry. Applied to daily supplies, the main products include rainwear, garments, PP corrugated boards, and binding machines, and laminators. In terms of export, materials of rainwear and garments are prepared in Taiwan for production overseas; in terms of domestic sales, rainwear and garments, including workwear, are sold by distributors. The Company's products are sold at fixed prices according to the contractual terms.

2) Customer contract revenue breakdown

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following operating segments:

Product Category	December 31, 2020	December 31, 2019
Raincoat	$ 848,280	$ 1,097,750
Garment	423,898	407,742
Binding machine	134,071	171,957
PP corrugated board	234,955	241,548
Other	155,194	96,801
Total	$ 1,796,398	$ 2,015,798

Region	December 31, 2020	December 31, 2019
Taiwan	$ 379,213	$ 414,291
South America	273,917	510,521
Europe	641,551	614,817
Japan	330,611	266,977
Others	171,106	209,192
Total	$ 1,796,398	$ 2,015,798

3) Contract balane

The Company's accounts receivable and contract liabilities relating to revenue from contracts with customers are as follows:

Items	December 31, 2020	December 31, 2019
Notes receivable and payments	$ 362,702	$ 338,562
Less: provision for losses	(9,894)	(8,645)
Total	$ 352,808	$ 329,917
Contract liabilities - current (recognized in other current liabilities - others)	$ 5,463	$ 4,361

a) Significant changes in contract assets and liabilities

The changes in contract assets and contract liabilities mainly arise from the difference between the time of fulfilling the obligations and the time of customer payment, and there are no other significant changes.

b) The amount of contract liabilities from the beginning of the year that are recognized in operating revenue in 2020 and 2019 were NTD4,361 thousand and NTD7,135 thousand, respectively.

4) Unfulfilled customer contracts

The Company's unfulfilled contracts for the sale of goods or services as of December 31, 2020 and 2019 are expected to last for less than one year and are expected to be fulfilled and recognized as revenue in the next year.

v. Employee benefits, depreciation and amortization expenses

Category	December 31, 2020		
	Belonging to operating costs	Belonging to operating expenses	Total
Employee benefits expense			
Salary expenses	$ 106,175	$ 105,279	$ 211,454
Labor and health insurance	9,813	9,500	19,313
Pension expenses	3,311	4,330	7,641
Director's remuneration	-	6,326	6,326
Other employee benefits	4,509	5,976	10,485
	$ 123,808	$ 131,411	$ 255,219
Depreciation expenses	$ 20,241	$5,514	$ 25,755
Amortization expense	-	-	-

Category	December 31, 2019		
	Belonging to operating costs	Belonging to operating expenses	Total
Employee benefits expense			
Salary expenses	$ 110,765	$ 110,835	$ 221,600
Labor and health insurance	10,515	9,706	20,221
Pension expenses	3,778	4,602	8,380
Director's remuneration	-	8,231	8,231
Other employee benefits	4,939	8,353	13,292
	$ 129,997	$ 141,727	$ 271,724
Depreciation expenses	$ 19,492	$6,262	$ 25,754
Amortization expense	-	-	-

1) Additional information on the number of employees and employee benefits expenses of the company as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Numbers of Employees	356	376
Number of directors who are not employees	5	4
Average employee benefits expenses	$ 709	$ 708
Average employee salary expenses	$ 602	$ 596
Adjustment of average employee salary expenses	1.08%	0.33%
Supervisor's Remuneration	$ 874	$ 2,249

The Company's salary and remuneration policies are as follows:

a) The remuneration of the Directors and Supervisors of the Company is divided into two categories: 1) Monthly fixed remuneration and according to Article 27 of the Company's Articles of Incorporation. and 2) If the company makes a profit during the distribution period, the profits distributed as employee compensation shall be no less than 0.5% of the total profits and that distributed as remuneration to Directors and Supervisors shall be no more than 0.5% of the total profits. However, when the Company has accumulated losses, the amount to cover the losses should be reserved in advance. The resolution on the compensation of the employees and the remuneration of directors and supervisors in the preceding paragraph shall be approved and adopted by a special resolution of the board of directors and submitted to the shareholders' meeting. If the Director is also an employee, additional remuneration is provided according to the provisions of (2) and (3) below.

The total amount of staff remuneration and directors' remuneration allocated in accordance with the Articles of Association for the year ended December 31, 2020 was NTD59,900 thousand, which was mainly due to the non-operating gains and losses of NTD5,754,207 thousand in the year ended December 31, 2020. Due to the significant amount and considering the reasonableness of the comparison between before and after the financial statements, the accounts are separately listed as follows:

	Operating Expenses	Non-Operating Expenses	Total
Employees' Compensation	$ 1,230	$ 28,770	$ 30,000
Director Remuneration	976	24,847	25,823
Supervisor's Remuneration	154	3,923	4,077
	$ 2,360	$ 57,540	$ 59,900

b) For remuneration of General Manager and Deputy General Managers, in addition to fixed monthly salary in accordance to corporate standards, year-end bonus and festive bonuses are issued based on the operation of the Company. The remuneration of the General Manager and Deputy General Manager of the Company shall be paid in monthly fixed salary, and year-end bonus, festival bonus, etc. according to the Company's operating conditions. The salary structure of the manager and the payment standard of year-end bonus shall be reviewed by the salary Committee and submitted to the Board of Directors for approval.

c) Employees' salaries are paid monthly at fixed rates in accordance with the Company's salary standards, and year-end bonuses, holiday bonuses, etc. are paid according to the Company's year-end bonus calculation methods and in accordance with Article 27 of the Company's Articles of Association: No less than 0.5% of the Company's profit shall be allocated for employees and no more than 0.5% for Directors and Supervisors, if the company makes a profit during the distribution period. However, when the Company has accumulated losses, the amount to cover the losses should be reserved in advance. The resolution on the compensation of the employees and the remuneration of directors and supervisors in the preceding paragraph shall be approved and adopted by a special resolution of the board of directors and submitted to the shareholders' meeting.

2) The compensation to employees and remuneration to directors and supervisors for the years of 2020 and 2019 were resolved and approved by the Board of Directors of the Company on March 22, 2021 and March 16, 2020. Relevant amounts recognized in the financial statement are as follows:

	2020		December 31, 2019	
	Employees' Compensation	Remuneration of directors	Employees' Compensation	Remuneration of directors
Approved amount of distribution	$30,000	$29,900	$3,650	$3,640
Amounts recognized in the annual financial statements	30,000	29,900	3,650	3,640
Differences	-	-	-	-

a) The employee remunerations listed above are all paid in cash.

b) If there are changes made to the amount after the annual financial report is published, the changes shall be handled as changes in accounting estimates and recognized in the next year's financial statements.

3) For information on the Company's remunerations for employee and Directors as resolved by the Board of Directors, please visit the "Market Observation Post System" of Taiwan Stock Exchange.

w. Interest income

Items	December 31, 2020	December 31, 2019
Interest income		
Interest on bank deposits	$ 18,747	$ 11,064
Other interest income (overdue interest)	1,130	2,435
Total	$ 19,877	$ 13,499

x. Other income

Items	December 31, 2020	December 31, 2019
Rental income		
Investment properties		
Not depending on index or rate changes and	$ 15,526	$ 20,367
Contingent rent		
Other operating leases		
Not depending on index or rate changes and	7,508	7,508
Contingent rent		
Other rental	219	230
Total rental income	23,253	28,105
Dividend revenue	109,477	228,000
Other income	7,542	8,443
Total	$ 140,272	$ 264,548

y. Other gains and losses

Items	December 31, 2020	December 31, 2019
Gain (loss) on disposal of property, plant and equipment	$ 2,166	$ 444,250
Gain (loss) on disposal of investment property	-	14,315
Gain on disposal of non-current assets held for sale (group) (Note)	5,754,207	-
Net foreign exchange gains (losses)	(23,112)	(10,933)
Impairment of property, plant and equipment	-	19,633
Miscellaneous expenses	(77,223)	(65,504)
Total	$ 5,656,038	$ 401,761

(Note) The Company sold land at Plot No. 90, Huiguo Section, Xitun District, Taichung City on February 26, 2020. The sale price was NTD 8,375,890 thousand. The ownership transfer was completed on May 25, 2020, resulting in a gain on disposal benefit of NTD5,754,207 thousand.

z. Finance costs

Items	December 31, 2020	December 31, 2019
Interest expense:		
Bank loans	$ 545	$ 3,026
Interest on lease liabilities	2	1
Subtotal	$ 547	$ 3,027
Less: Amount qualified for capitalization	-	-
Financial costs	$ 547	$ 3,027

aa. Income tax

Income Tax Expense

1) Income tax expense (benefit) components:

Items	December 31, 2020	December 31, 2019
Current income tax		
Income tax generated in the current period	-	-
Income tax overestimate/underestimate for previous years	-	$ 3,843
Surtax on unappropriated earnings	-	410
Land appreciation tax	$ 1,029,157	-
Total income tax for the year	1,029,157	4,253
Deferred income tax		
Origination and reversal of temporary differences	(528,786)	20,379
Impact of changes in tax rate	-	-
Deferred income tax expenses	(528,786)	20,379
Income tax expense (gains)	$ 500,371	$ 24,632

2) Income tax expense (benefit) related to other comprehensive income:

Items	December 31, 2020	December 31, 2019
Exchange differences on translation of foreign operating organizations' financial statements	$ (3,424)	$ (3,430)
Total	$ (3,424)	$ (3,430)

The reconciliation of accounting income and income tax expense recognized in profit and loss for the current year is as follows:

Items	December 31, 2020	December 31, 2019
Net profit before taxes	$ 5,929,631	$ 720,882
Net profit before tax is calculated at the statutory tax rate	$ 1,185,926	$ 144,176
Tax effect of adjusting items:		
Effect of items not included when calculating taxable income		
Unpaid pensions	(9,088)	(16,358)
Loss (Gain) on investments accounted for using equity method	(21,211)	(2,028)
Tax-free income and stopped taxable income from securities transactions	(1,172,736)	(139,471)
Impairment loss (reversal of impairment loss)	-	(3,926)
Unrealized exchange gains and losses	3,048	4,888
Other adjustments	14,062	12,720
Income tax adjustment for the previous year	-	3,843
Additional income tax on unappropriated earnings	-	409
Land appreciation tax	1,029,157	-
Net change in deferred income tax	(528,787)	20,379
Income tax expense (gains) recognized in profit or loss	$ 500,371	$ 24,632

The tax rate applicable to the Company was 20% and, and the tax rate applicable to undistributed earnings since year of 2018 is 5%.

In July of 2019, the President announced the amendment to the Statute for Industrial Innovation, which clearly stipulated that the undistributed earnings from 2018 onwards to build or purchase specific assets or technologies to reach a certain amount can be recognized as deduction items in the calculation of undistributed earnings. The Company only deducted the capital expenses that has actually been invested when calculating the tax on unappropriated earnings.

3) Deferred income tax assets or liabilities from temporary difference, loss carry forwards and investment credits:

	2020			
Items	Beginning balance	Recognized in profit (loss)	Recognized in other comprehensive income	Ending balance
Deferred tax assets:				
Temporary differences				
Unrealized inventory valuation losses	$ 196	$ (76)	-	$ 120
Unrealized employee benefit liabilities	1,893	-	-	1,893
Impairment loss of financial assets	2,708	(2,708)	-	-
Unrealized loss on disposal of assets	201	(75)	-	126
Unrealized exchange losses	2,759	3,048	-	5,807
Foreign investment losses under the equity method	49,083	-	-	49,083
Debit (credit) accounting by foreign operating agencies	17,570	-	$ 3,424	20,994
Exchange differences in financial statement translation				
Subtotal	$74,410	$ 189	$ 3,424	$78,023
Deferred tax liabilities				
Temporary differences				
Unrealized benefits of disposing of assets	$ (778)	$ 778	-	-
Land appreciation tax	(708,566)	527,820	-	$ (180,746)
Subtotal	$ (709,344)	$ 528,598	-	$ (180,746)
Total	$ (634,934)	$ 528,787	$ 3,424	$ (102,723)

	2019			
Items	Beginning balance	Recognized in profit (loss)	Recognized in other comprehensive income	Ending balance
Deferred tax assets:				
Temporary differences				
Unpaid pensions	$ 4,981	$(4,981)	-	-
Unrealized inventory valuation losses	1,866	(1,670)	-	$ 196
Unrealized employee benefit liabilities	1,893	-	-	1,893
Impairment loss of financial assets	2,708	-	-	2,708
Unrealized loss on disposal of assets	279	(78)	-	201
Impairment loss of non-financial assets	3,927	(3,927)	-	-
Unrealized exchange losses	-	2,759	-	2,759
Foreign investment losses under the equity method	63,703	(14,620)	-	49,083
Debit (credit) of exchange difference on translation of	14,140	-	$ 3,430	17,570
Exchange differences on translation of financial statements of foreign operations				
Subtotal	$93,497	$ (22,517)	$ 3,430	$74,410
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gains	$(2,129)	$ 2,129	-	-
Unrealized benefits of disposing of assets	(787)	9	-	$ (778)
Land Value Increment Tax (Note)	(739,997)	31,431	-	(708,566)
Subtotal	$ (742,913)	$33,569	-	$ (709,344)
Total	$ (649,416)	$11,052	$ 3,430	$ (634,934)

Note: The balance at the end of the period includes a total of NTD527,820 thousand of deferred income tax liabilities transferred to the "Liabilities directly related to non-current assets to be sold."

4) Items not recognized as deferred tax assets

Items	December 31, 2020	December 31, 2019
Loss on investment accounted for using the equity method	$ 51,210	$ 53,520

5) The Company's corporate income tax returns have been assessed by the Tax Authorities until 2018.

bb. Other comprehensive income

Items	December 31, 2020 Pre-tax	Income Tax Expense (Gain)	Net Amount After Taxes
Items that are not reclassified to profit or loss:			
Re-measurements of defined benefit plans	$ (3,113)	-	$ (3,113)
Unrealized valuation gains (losses) of investment in equity instrument measured at fair value through other comprehensive income	70,196	-	70,196
FVTOCI			
Unrealized gains (losses) of investments in equity instruments measured at fair value through other comprehensive income by subsidiaries, affiliates and joint ventures	128,514	-	128,514
Subtotal	195,597	-	195,597
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on financial statement translation of foreign operation organization	(17,118)	$3,424	(13,694)
Subtotal	(17,118)	3,424	(13,694)
Recognized in other comprehensive income	$178,479	$3,424	$181,903

Items	December 31, 2019 Pre-tax	Income Tax Expense (Gain)	Net Amount After Taxes
Items that are not reclassified to profit or loss:			
Re-measurements of defined benefit plans	$(24,627)	-	$(24,627)
Unrealized valuation gains (losses) of investment in equity instrument measured at fair value through other comprehensive income	(144,020)	-	(144,020)
Unrealized gains (losses) of investments in equity instruments measured at fair value through other comprehensive income by subsidiaries, affiliates and joint ventures	374,271	-	374,271
Subtotal	205,624	-	205,624
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on financial statement translation of foreign operation organization	(17,151)	$3,430	(13,721)
Subtotal	(17,151)	3,430	(13,721)
Recognized in other comprehensive income	$188,473	$3,430	$191,903

cc. Earnings per Share

Items	2020	2019
A. Basic earnings per share:		
Net profit attributable to common shareholders of the parent company	$ 5,429,260	$ 696,250
Weighted average number of outstanding shares (thousand shares)	169,842	190,863
Basic earnings per share (after tax) (NTD)	$ 31.97	$3.65
B. Diluted earnings per share:		
Net profit attributable to common shareholders of the parent company	$ 5,429,260	$ 696,250
Weighted average number of outstanding shares	169,842	190,863
The effect of diluting potential common stocks:		
Number of employees' compensation impacts (note)	433	95
Calculate the weighted average number of outstanding shares of diluted earnings per share	170,275	190,958
Diluted earnings per share (after tax) (NTD)	$ 31.89	$3.65

(Note) If the Company chooses to offer employee compensation or share profits in the form of cash or stock, while calculating diluted earnings per share, and assuming that the compensation is paid in the form of stock, the dilutive potential common shares will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The dilutive effect of such potential common shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year.

dd. Reconciliation of liabilities from fund-raising activities

Items	January 1, 2020	Cash flow	Non-cash changes		December 31, 2020
			Fluctuation in exchange	Other non-cash changes	
Short-term loans	$77,000	$ (77,000)	-	-	-
Short-term notes payable	39,988	(40,000)	-	$ 12	-
Lease liabilities (including current and non-current)	51	(202)	-	404	253
Guarantee deposits received	7,268	(2,356)	-	-	4,912
Total liabilities from financing activities	$ 124,307	$ (119,558)	-	$ 416	$5,165

Items	January 1, 2019	Cash flow	Non-cash changes		December 31, 2019
			Fluctuation in exchange	Other non-cash changes	
Short-term loans	$ 336,000	$ (259,000)	-	-	$ 77,000
Short-term notes payable	269,936	(230,000)	-	$ 52	39,988
Lease liabilities (including current and non-current)	254	(203)	-	-	51
Guarantee deposits received	8,612	(1,344)	-	-	7,268
Total liabilities from financing activities	$ 614,802	$ (490,547)	-	$ 52	$ 124,307

7. **Related Party Transactions**

a. The parent company and the ultimate controlling party

The Company has no parent company and ultimate controller.

b. Name and relation of related party

Name of Related Party	Relationship with the Company
Tahsin Shoji Co., Ltd. (Tahsin Shoji. Japan)	Subsidiary
TAHSIN INDUSTRIAL CORP U.S.A. (T.H.U.S.A.)	Subsidiary
Tai Ho Co., Ltd. (Tai Ho Co.,)	Subsidiary
Fujian Putian DAFU Plastic Industry Co., Ltd. (Dafu Company)	Subsidiary
Tah Viet Co., Ltd. (Tah Viet)	Subsidiary
Myanmar Tah Hsin Industrial Co., Ltd. (Myanmar Tahsin)	Subsidiary
Tahsin Plastic Industrial (Dongguan) Co., Ltd. (Tahsin Dongguan)	Subsidiary (Note: it completed liquidation in September 2019 and company registration was cancelled)
Tah Fa Investment Co., Ltd. (Tah Fa)	Subsidiary
Tah Fa Industrial Co., Ltd. (Tah Fa Industrial)	Sub-Subsidiary (Note: it completed liquidation in April 2020 and company registration cancelled thereafter)
Tah Chi Enterprise Co., Ltd. (Tah Chi Co.)	Sub-subsidiary
Good Harvest Machinery Industrial Co., Ltd. (Good Harvest Co.)	Related enterprise
Truong Giang Garment Joint-stock Company (TGC)	Associate of subsidiary
Tahhsin Phu My Joint Stock Company (formerly known as Phu My Kim Anh Garment Company Limited)	Affiliate of subsidiary (Became a sub-subsidiary due to increase in investment in December 2019)
Tah Chun Trading Co., Ltd. (Tah Chun)	Other related parties
Fujian Putian DAFU Plastic Industry Co., Ltd. (DAFU Co., Ltd.)	Other related parties
TAMERICA PRODUCTS, INC.(T.P.I.)	Other related parties
HAVE OUR PLASTIC INC. CANADA (HOP CANADA)	Other related parties
ORGANIZE-IT-ALL, INC. (OIA)	Other related parties
HOP INDUSTRIAL CORP. U.S.A. (HOP U.S.A.)	Other related parties
Yuk Wing Development Limited (Yuk Wing Limited)	Other related parties
All directors, presidents, and vice presidents	Main members of the senior management

c. Substantial Transaction with Related Party

The Company's transactions with related parties are disclosed as follows:

1) Operating revenue

Ledger account	Type/name of related party	December 31, 2020	December 31, 2019
Sales revenue	Subsidiary		
	T.H.U.S.A.	$ 59,394	$ 227,474
	Others	137,054	141,035
	Sub-subsidiary	8,779	7,166
	Other related parties	91,900	114,965
Total		$ 297,127	$ 490,640

The Company's transaction price of sales revenue to related parties is based on the transaction prices and conditions of customers, the terms and conditions conformed to normal business practices, and payment period is about 1 to 3 months.

2) Purchases

Type/name of related party	December 31, 2020	December 31, 2019
Subsidiary	$ 33,580	-

The transaction price of purchases made by the company from related parties is determined based on transaction prices and terms of general manufacturers.

3) Contract asset: None.

4) Contract liability: None.

5) Accounts receivable from related parties (excluding loans and contract assets to related parties)

Items	Type/name of related party	December 31, 2020	December 31, 2019
Notes receivable	Sub-subsidiary	$1,118	$1,208
Trade receivables	Subsidiary		
	Tahsin Shoji	$ 21,824	$ 29,463
	T.H.U.S.A.	18,633	32,255
	Sub-subsidiary	812	708
	Other related parties		
	Others	15,735	20,389
Total		$ 57,004	$ 82,815

Items	Type/name of related party	December 31, 2020	December 31, 2019
Less: provision for losses		(472)	(612)
Net amount		$ 56,532	$ 82,203
Other receivables	Subsidiary		
	Tahsin Shoji	$ 517	$ 338
	Others	81	234
	Other related parties	968	4
Total		$1,566	$ 576
Less: provision for losses		-	-
Net amount		$1,566	$ 576

6) Accounts payable from related parties (excluding loans from related parties)

Items	Type/name of related party	December 31, 2020	December 31, 2019
Accounts payable	Subsidiary	$1,664	-
Other payables	Subsidiary	$ 12,569	$ 22,746
	Sub-subsidiary	2,077	-
	Other related parties	4,791	6,207
Total		$ 19,437	$ 28,953

7) Prepayment

Items	Type/name of related party	December 31, 2020	December 31, 2019
Prepayments	Subsidiary	$2,637	$2,637

8) Property transaction: None.

9) Tenancy agreement: None.

10) Rental agreement:

The Company leases part of its offices, machineries and equipment and other assets to Ta Chun and DAFU as operating lease. The machinery and equipment leased is used for processing products, and the rental income is calculated based on the amount of depreciation.

The lease term of all the above contracts is one year As of December 31, 2020 and 2019, the total future lease payment to be received is zero. The rental income recognized for years 2020 and 2019 were NTD243 thousand and NTD254 thousand respectively.

11) Loan to related parties: None.

12) Loan from related parties: None.

13) Endorsements/Guarantees Provided for Others

Details of guarantee and endorsement provided by the Company for related parties' bank loans are as follows:

Type/name of related party	December 31, 2020	December 31, 2019
Subsidiary	$ 138,150 Including JPY 500,000 thousand	$ 138,000 Including JPY 500,000 thousand

14) Others

a) Income items

Ledger account	Type/name of related party	December 31, 2020	December 31, 2019
Commission income	Subsidiary	$ 283	$ 242
	Other related parties		
	OIA	-	2,859
Total		$ 283	$3,101

b) Expenses

Ledger account	Type/name of related party	December 31, 2020	December 31, 2019
Processing fees	Subsidiary		
	Tah Viet Co., Ltd.	$ 72,188	$ 80,756
	Myanmar Tahhsin Industrial Co., Ltd.	174,871	173,196
	Others	17,021	25,022
	Sub-subsidiary	16,967	-
	Other related parties		
	Truong Giang Garment Joint-stock Company (TGC)	39,727	59,335
	Others	9,649	25,016
Total		$ 330,423	$ 363,325
Business expenses	Subsidiary	$ 153	-
	Other related parties		
	Yuk Wing Limited	1,085	$1,114
Total		$1,238	$1,114

d. Remuneration to the top management

Item	December 31, 2020	December 31, 2019
Salaries and other short-term employee benefits	$ 54,502	$ 32,867
Post-employment benefits	-	-
Other long-term employee benefits	-	-
Benefits for departing employees	-	-
Share-based payments	-	-
Total	$ 54,502	$ 32,867

8. Pledged Assets

The following assets were provided as collateral for various borrowings and performance guarantees:

Items	December 31, 2020	December 31, 2019
Property, Plant, and Equipment	$ 692,822	$ 700,519

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

a. For the years ended December 31, 2020 and 2019, the guaranteed notes received by the Company for project performance guarantees and ensure payment claims, etc. were NTD15,108 thousand and NTD13,931 thousand, respectively.

b. As of December 31, 2020 and 2019, the guarantee notes issued by the Company for processing and other guarantees on behalf of customers were 0 and NTD2,020 thousand respectively.

c. For information on the Company's endorsements and guarantees for others as of December 31, 2020 and 2019, please refer to Note 7 (3)11. and Note 13 (1)2.

10. Significant Disaster Losses

The Company's operating income for the year of 2020 was reduced due to the impact of the global outbreak of COVID 19. Despite the slowdown of domestic epidemics and the government's policies were gradually loosened. However, many countries are implementation of social distancing/mandatory lockdown, the global economic situation continues to shrink, consumption patterns have also changed, and the follow-up operation schedule of the Company is still uncertain.

After assessing the impact of the aforementioned epidemic, the Company's ability to continue operations, the impairment of assets and the financing risks have no material impact.

11. Significant Events after the Balance Sheet Date

The Company's Board of Directors decided on March 22, 2021, in order to adjust the capital structure, enhance the return of shareholders' equity and profit per share, and proposed to return NTD395,010 thousand of capital shares, eliminate 39,501 thousand shares, and reduce the capital ratio by 28.50%. The proposal will be raised for discussion during the shareholders' meeting on June 11, 2021.

12. Others

a. Capital Risk Management

The Company plans its needs for working capital and dividend payments in the future based on the characteristics of the industries to which its operations belong and future development of the company, and by taking into consideration changes in the external environment, to ensure that it can continue the operations, give back to shareholders, and protect the interests of stakeholders at the same time, as well as maintain the best capital structure to enhance shareholder value in the long run. To maintain an adjustable capital structure, the Company may adjust the amount of dividends paid to shareholders by issuing new shares, distributing cash to shareholders or buying back its shares.

The Company monitors its funds by regularly reviewing the asset-to-debt ratio.

b. Financial instruments

1) Financial risk of financial instruments

a) Financial risk management policies

The daily operations of the Company are affected by a number of financial risks, including market risk (exchange risk, interest rate risk, and other price risk), credit risk, and liquidity risk. To reduce related financial risks, the company is committed to identifying, assessing and avoiding market uncertainties, so as to reduce potentially unfavorable effects of market changes on its financial performance.

The Company's major financial activities are reviewed by its Board of Directors according to the relevant regulations and its internal control system. During the implementation of a financial plan, the Company must strictly comply with the financial procedures relating to overall financial risk management and segregation of duties.

b) The nature and degree of significant financial risks

i. Market risks

(a) Exchange rate risk

The Company is exposed to exchange rate risks arising from sales, purchases and net investments in foreign operating entities that are not denominated in the functional currency of the Company. The company's functional currency is New Taiwan dollar. Such transactions are mainly denominated in U.S. dollars. The company's receivables and payables due in foreign currencies are denominated in the same currency. At this moment, natural hedges may arise in various sections. To avoid the decrease in the value of foreign currency assets and fluctuations in future cash flows due to changes in exchange rates, the company uses derivative instruments (including pre-sale forward exchange contracts) to hedge exchange rate risks. The use of such derivative instruments can assist the company in reducing the effects of changes in foreign exchange rates, but is still unable to fully eliminate such effects. The use of such derivative instruments can assist the company in reducing the effects of changes in foreign exchange rates, but is still unable to fully eliminate such effects.

Due to the fact that net investments in foreign operating entities are strategic investments, the company has not hedged these investments.

(i) The analysis of foreign exchange exposures and sensitivity is as follows:

Item	December 31, 2020			December 31, 2019		
	Foreign currency (in thousands)	Exchange rate currency (NTD)	Presented amount (New Taiwan Dollars)	Foreign currency (in thousands)	Exchange rate currency (NTD)	Presented amount (New Taiwan Dollars)
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 31,095	28.48	$ 885,584	$ 23,981	29.98	$ 718,965
Non-monetary items						
USD:NTD	17,768	28.48	506,038	16,573	29.98	496,866
JPY:NTD	275,027	0.2763	75,990	200,268	0.276	55,274
Financial liabilities						
Monetary items						
USD:NTD	1,078	28.48	30,711	948	29.98	28,428

The sensitivity analysis of the Company's exchange rate risk is mainly performed to assess the effects of appreciation/depreciation of foreign currency monetary and non-monetary items on the company's profit or loss and equity at the end of the reporting period. The exchange rate risk of the

Company is mainly affected by the fluctuation of the exchange rate of USD and JPY. When the appreciation/depreciation of USD and JPY is 5%, the after-tax net profit of the Company in 2020 and 2019 will increase/decrease by NTD34,195 thousand and NTD28,657 thousand respectively, and the equity will increase/decrease by NTD24,041 thousand and NTD23,384 thousand respectively.

(ii) Due to the exchange rate volatility, total exchange gains and losses (including realized and unrealized) on the Company's monetary items amounted to (NTD23,112 thousand) and (NTD10,933 thousand) as of December 31, 2020 and 2019, respectively.

(b) Other price risk

As the investment in equity instruments held by the Company in the parent company only balance sheets is classified as financial assets measured at fair value through other comprehensive income, the Company is exposed to the price risk of equity instruments.

The Company mainly invests in stocks and beneficiary certificate of domestic listed and OTC companies. The price of these equity instruments will be affected by the certainty of the future value of the investment targets. If the price of equity instruments rises or falls by 5%, other comprehensive profit and loss after tax in 2020 and 2019 will increase or decrease by NTD168,947 thousand and NTD136,014 thousand due to the rise or decrease of fair value of financial assets measured by fair value through other comprehensive income.

(c) Interest rate risk

The Company's financial assets and financial liabilities subject to interest rate exposure on the reporting date are as follows:

	Carrying amount	
Items	December 31, 2020	December 31, 2019
Interest rate risk with fair value		
Financial liabilities	-	$ 40,000
Interest rate risk with cash flow		
Financial assets	$ 5,213,522	$492,887
Financial liabilities	-	(77,000)
Net amount	$ 5,213,522	$415,887

(i) Sensitivity analysis of interest rate risk with fair value instruments

The Company has yet to classify any fixed-rate financial assets and liabilities as measured at fair value through profit or loss. Besides, it has also yet to designate derivative instruments (interest rate swaps) as a hedging tool under the fair value hedge accounting model. Therefore, changes in interest rates on the reporting date will not affect profit or loss.

(ii) Sensitivity analysis of interest rate risk with cash flow

The company's variable interest rate financial instruments belong to floating interest rate assets (liabilities). Therefore, changes in market interest rates will result in changes in effective interest rates, thereby causing fluctuations in future cash flows. Every 1% increase in the market interest rate would lead to an increase in net profit before tax for 2020 and 2019 by NTD52,135 thousand and NTD4,159 thousand, respectively.

ii. Credit risk

Credit risk refers to the risk that a counterparty violates contractual obligations and causes financial loss to the company. The Company's credit risk comes mainly from accounts receivable arising from its operating activities, bank deposits arising from its investing activities, and other financial instruments. Operations-related credit risks and financial credit risks are managed separately.

(a) Operational-related credit risk

To maintain the quality of accounts receivable, the company has established procedures for the management of operations-related credit risks.

Factors that may affect customers' ability to pay, such as the financial status of a customer, the Company's internal credit rating, historical transaction records, and current economic conditions, are taken into account in the risk assessment of individual customers.

(b) Financial credit risk

The credit risks of bank deposits and other financial instruments are measured and monitored by the Company's financial department. The Company does not expect significant credit risk because the counterparties are creditworthy and investment-graded financial institutions, companies and government agencies without any significant default concerns.

(i) The risk of credit concentration

As of December 31, 2020 and 2019, the top ten clients accounted for 77.65% and 77.78%, respectively, of Tahsin Group's accounts receivable. No significant credit concentration risk was shown from the remaining accounts receivables.

(ii) Measurement of expected credit impairment losses

1-1. Accounts receivable: A simplified approach is adopted, please refer to Note 6 (4) for more information.

2-1. Basis for judging whether the credit risk increases significantly: None. (The Company has no investments in debt instruments measured at amortized cost or investments in debt instruments measured at FVTOCI.))

3-1. The Company obtained collateral of NTD95,000 thousand from some customers to avoid the credit risks of some financial assets.

iii. Liquidity risk

(a) Liquidity risk management:

The objective of the company's liquidity risk management is to maintain cash and cash equivalents, highly liquid securities and sufficient bank facilities required for its operations, so as to ensure that the company possesses adequate financial flexibility.

(b) Analysis of maturity of financial liabilities:

The following table shows the analysis of the company's financial liabilities based on the maturity and undiscounted due amount of these financial liabilities within the agreed repayment periods:

Non-derivative financial liabilities	December 31, 2020						
	less than 6 months	7-12 months	1-2 year(s)	2-5 years	More than 5 years	Contractual cash flows	Carrying amount
Accounts payable (including related parties)	$92,939	-	-	-	-	$92,939	$92,939
Trade payables (including related parties)	53,647	-	-	-	-	53,647	53,647
Other payables (including related parties)	115,325	$ 29,900	$ 30,000	-	-	175,225	175,225
Guarantee deposits received	861	240	3,811	-	-	4,912	4,912
Total	$ 262,772	$ 30,140	$ 33,811	-	-	$ 326,723	$ 326,723

Non-derivative financial liabilities	December 31, 2019						
	less than 6 months	7-12 months	1-2 year(s)	2-5 years	More than 5 years	Contractual cash flows	Carrying amount
Short-term loans	$77,097	-	-	-	-	$77,097	$77,000
Short-term notes payable	40,000	-	-	-	-	40,000	39,988
Accounts payable (including related parties)	117,232	-	-	-	-	117,232	117,232
Trade payables (including related parties)	29,820	-	-	-	-	29,820	29,820
Other payables (including related parties)	136,495	$3,650	$3,640	-	-	143,785	143,785
Guarantee deposits received	3,061	3,967	240	-	-	7,268	7,268
Total	$ 403,705	$7,617	$3,880	-	-	$ 415,202	$ 415,093

The Company does not expect a significant difference in the cash flows timing or the actual amount from the maturity analysis.

2) Types of financial instruments

The book value of various financial assets and financial liabilities of the Company as at December 31, 2020 and 2019 are as follows:

	December 31, 2020	December 31, 2019
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	$3,770,037	$ 505,757
Notes and accounts receivable (including related parties)	352,808	329,917
Other receivables (including related parties)	7,085	3,326
Other financial assets - current	1,490,000	-
Refundable deposits	567	607
Financial assets at fair value through other comprehensive income	3,034,533	2,373,280
Financial assets - current		
Financial assets at fair value through other comprehensive income	344,400	347,000
Financial assets -non-current		
Financial liabilities		
Financial liabilities measured at amortized cost		
(I) Short-term loans	-	77,000
(II) Short-term notes payable	-	39,988
Notes and accounts payable (including related parties)	146,586	147,052
Other payables (including related parties)	175,225	143,785
Lease liabilities (including current portion)	253	51
Guarantee deposits received	4,912	7,268

c. Information on fair value:

1) Please refer to Note 12 (3)2. for the information on fair value of financial assets and financial liabilities of the Company not measured at fair value. Please refer to Note 6 (11) for information on the fair value of financial assets and investments in real estate measured at cost of the Company.

2) Definition of fair value hierarchy

Level 1:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities. An active market is a market that meets all of the conditions set below: the items traded in the market are homogeneous, willing buyers and sellers can normally be found at any time and prices are available to the public. The Company invests in listed and OTC stocks, beneficiary certificates, investments in on-the-run Taiwan's government bonds, and derivative instruments with quoted prices in active markets are all included.

Level 2:

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g., price) or indirectly (e.g., derived from price) from the active markets. The fair value of the company's investments in off-the-run government bonds, corporate bonds, financial bonds, convertible corporate bonds, and most derivative instruments belong to this level.

Level 3:

Level 3 inputs refer to inputs that measure fair value to the extent that relevant observable inputs are not available in the market. Some of the Company's investments in derivative instruments and equity instruments without active market.

3) Financial instruments not measured by fair value:

The Company's financial instruments not measured at fair value, such as cash and cash equivalents, notes and amounts receivable, other financial assets, deposits, notes and amounts payable, and the carrying value of guarantee deposits, are reasonable approximations to their fair values.

4) Fair value hierarchy

The financial instruments measured at fair value by the Company is on a recurring basis, and the information on the fair value hierarchy of the Company is as follows:

	December 31, 2020			
Items	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through other comprehensive income				
at FVTPL				
Equity securities	$ 3,034,533	-	$ 344,400	$ 3,378,933
Total	$ 3,034,533	-	$ 344,400	$ 3,378,933

	December 31, 2019			
Items	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through other comprehensive income				
at FVTPL				
Equity securities	$ 2,373,280	-	$ 347,000	$ 2,720,280
Total	$ 2,373,280	-	$ 347,000	$ 2,720,280

5) Fair value valuation technique for instruments measured at fair value:

a) If a financial instrument has a quoted price in an active market, the quoted price will be adopted as the fair value.

The categories and characteristics of fair value measurement for the financial instruments with active markets held by the Company were as follows:

i. Listed company stocks: closing prices.

ii. Open-end funds: net worth.

b) The fair value of stocks of unlisted (OTC) companies without an active market held by the Company is mainly estimated by the market method, and the judgment is made with reference to the evaluation of similar companies, third-party quotations, company net worth and operating conditions.

c) Valuation of derivative financial instruments adopts valuation models that are commonly used by market participants, such as discounted cash flows method and option pricing model. Forward foreign exchange contracts are usually valuated based on the current forward exchange rates.

d) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

6) Transfers between Level 1 and Level 2 fair value hierarchy: None.

7) Statement of changes in Level 3 fair value hierarchy:

	Equity securities	
Items	December 31, 2020	December 31, 2019
Opening balance	$ 347,000	$ 403,000
Recognized in other comprehensive income	(2,600)	(56,000)
Acquisition in the current period	-	-
Disposal in the current period	-	-
Transfer into Level 3	-	-
Transfer out of Level 3	-	-
Ending balance	$ 344,400	$ 347,000

8) Quantitative information about the significant unobservable inputs (Level 3) used in the fair value measurement:

	Fair value as of December 31, 2020	Valuation Technique	Material Unobservable Inputs	Percentage	Relationship of inputs to fair value
Non-derivative equity instruments:					
Investment in shares of companies	$ 344,400	Net asset value method	Not applicable	Not applicable	Not applicable

	December 31, 2019 Fair Value	Valuation Technique	Material unobservable input value	Percentage	Relationship of inputs to fair value Fair Value
Non-derivative equity instruments:					
Investment in shares of companies	$ 347,000	Net asset value method	Not applicable	Not applicable	Not applicable

9) Valuation process for Level 3 fair value measurement:

The valuation process regarding Level 3 fair value is conducted by the Company's finance department, by which the independence of fair value of financial instruments is verified though use of independent data source in order to make the valuation results close to market conditions. Such valuation results are regularly reviewed therefrom so as to ensure their reasonableness.

d. Transfer of financial assets: none

e. Offsetting financial assets and financial liabilities: None.

13. Additional Disclosures

a. Information on significant transactions

1) Loaning to Others: None.

2) Endorsements/Guarantees Provided for Others: Table 1.

3) Securities Held at End of Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures): Table 2.

4) The Accumulated Purchase or Sale of the Same Securities Amounting to NTD300 Million or More Than 20% of Paid-in Capital: Table 3.

5) Acquisition of Property Amounting to NTD300 million or More Than 20% of Paid-in Capital: None.

6) Disposal of Property Amounting to NTD300 Million or More Than 20% of Paid-in Capital: Table 4

7) Purchases or Sales with Related Parties Amounting to NTD100 Million or More than 20% of Paid-in Capital: Table 5.

8) Receivables From Related Parties Amounting to NTD100 Million or More Than 20% of Paid-in Capital: None.

9) Derivatives Transactions: None.

b. Information on Investee Companies: Table 6.

c. Information on Investments in Mainland China

1) Information on any investee company in mainland China (name, main business, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of investment at end of period, repatriations of investment income, and limit on the amount of investment in mainland China): Table 7.

2) Significant transactions with Hong Kong Tai Ho Co., Ltd. for reinvestment in DAFU Plastic Industry Co., Ltd.:

a) Amount of sales and balance of the account payables at the end of the period: The purchase amount is NTD33,580,000 and account payable at the end of the period is NTD1,664 thousand.

b) Amount of sales and balance of the receivables at the end of the period: Sales amount is NTD876 thousand.

c) The amount of property transactions and the amount of the gains or losses: none

d) Bill endorsement, guarantee or provision of collateral: none

e) Financial accommodation: None

f) In 2020, product processing fees of NTD17,021 thousand by DAFU Plastic Industry Co., Ltd. through Tai Ho Co., Ltd. Other payables (include purchasing of raw materials) at the end of the period were NTD3,025 thousand.

g) The Company (hereafter referred to as the Principal) entrusts Tai Ho Co., Ltd. (hereafter referred to as the Agent) to invest in DAFU Plastic Industry Co., Ltd. in Putian, China, and both parties agree to abide by the following terms and conditions:

i. The client appointed the trustee to invest in mainland China to establish Fujian Putian Dafu Plastic Industry Co., Ltd. in Putian, China with a total amount of USD8,100,000.

ii. The Agent shall apply to the Chinese competent authority for investment and capital increase in DAFU Plastic Industry Co., Ltd. in the Agent's name. The fund is to be remitted to the Mainland Area from Hong Kong by the Agent.

iii. Should Fujian Putian DAFU Plastic Industry Co., Ltd. has any income or interest distribution, the trustee shall first receive the interest and then remit it to it to the client.

iv. If DAFU Plastic Industry Co., Ltd. is required to return the investment fund due to capital reduction, cessation of operation or other reasons, the Agent shall firstly obtain the said amount and then transfer the amount in full to the Principal.

v. If the Agent is required to transfer the investment fund, dividends, or profits due to the reasons listed in the preceding two paragraphs, the Agent shall notify the Principal and the payment shall be made in the way specified by the Principal.

vi. Based on the entrusted investment relationship, the rights and obligations of the trustee to Fujian Putian DAFU Plastic Industry Co., Ltd. are transferred to the client, and the trustee does not guarantee its profits and losses

vii. The Agent shall exercise due care of a prudent administrator in discretionary investment, capital increase, exchange settlement, and receipt of dividends.

viii. The Agent shall send the financial statements of DAFU Plastic Industry Co., Ltd. to the Principal regularly, and the Principal may entrust a certified public accountant or other audit personnel to audit the financial statements.

ix. Matters not stipulated in this power of attorney shall be handled in accordance with relevant laws and regulations of the Republic of China on domestic and foreign financial practices, etc.

h) The Company increased investment in Tai Ho Co., Ltd. by HKD10,075,000 (equivalent to USD1,300,000), which was then to be re-invested in DAFU Plastic Industry Co., Ltd.

d. Information of Major Shareholders: Table 8

TABLE 1

Tahsin Industrial Corporation

Endorsements/Guarantees Provided for Others
January 1 to December 31, 2020
Unit: Thousand NTD

Number	Endorser/Guarantor	Counterparty of endorsements/guarantees		Limit on Endorsements/Guarantees Provided for Single Entity	Maximum balance of endorsement/guarantee amount for current period	Endorsement/Guarantee Balance, End of Period	Actual drawdown amount	Endorsement/Guarantee Amount Secured by Property	Ratio of Cumulative Endorsement/Guarantee Amount to Net Worth in Latest Financial Statements	Endorsement/Guarantee Ceiling	Endorsements/guarantees provided by the parent company to the subsidiaries	Endorsements/guarantees provided by the subsidiaries to the parent company	Endorsement/Guarantee to Investee in the Mainland Area
		Name	Relationships										
0	Tahsin Industrial Corporation Ltd	Tahsin Shoji Co., Ltd.	(2) The subsidiaries in which the Company directly holds more than 50% of their common shares.	$ 2,435,825	$ 141,150	$ 138,150	$ 124,335	$ -	1.13%	$ 6,089,563	Y	N	N

Note 1: The amounts/guarantees of endorsement by the Company to a single enterprise shall not exceed 20% of the net worth of the Company's latest financial statements (December 31, 2020).

Note 2: The total amount of the Company's external endorsements/guarantees is limited to 50% of the Company's net worth as stated in its latest financial statements (as of December 31, 2020).

TABLE 2

Tahsin Industrial Corporation

Securities Held at End of Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)
December 31, 2020
Unit: NTD Thousand/ Number of shares: 1000

Holding Company	Type and Name of Securities	Relationship with Securities Issuer	Ledger account	End of the period				Remarks
				Shares	Carrying amount	Shareholding Ratio		
Tahsin Industrial Corporation	Stocks, Nan Ya Plastic Corporation	-	Financial assets at fair value through other comprehensive income - current	32,600	$ 2,343,940	0.41%	$ 2,343,940	
	Stocks/Formosa Taffeta Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	200	6,210	0.01%	6,210	
	Stocks /Feng Hsin Steel Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	200	14,220	0.03%	14,220	
	Stocks/Mega Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	3,160	94,168	0.02%	94,168	
	Stocks/Formosa Plastics Corporation	-	Financial assets at fair value through other comprehensive income - current	1,175	113,270	0.02%	113,270	
	Stocks/Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through other comprehensive income - current	850	450,500	-%	450,500	
	Beneficiary certificates/Yuanta/P-shares Taiwan Top 50 ETF	-	Financial assets at fair value through other comprehensive income - current	100	12,225	-%	12,225	
	Stocks/ Asia Pacific Investment Corporation	-	Financial assets at fair value through other comprehensive income - non-current	10,000	344,400	2.35%	344,400	
Tah Fa Investment Co., Ltd.	Stocks/Chunghwa Telecom Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	90	9,810	-%	9,810	
	Stocks/Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through other comprehensive income - current	67	35,510	-%	35,510	
	Stocks/Tahsin Industrial Corporation	The investment company which values the Company using the equity method	Financial assets at fair value through other comprehensive income - non-current	4,996	360,704	3.60%	360,704	Note 1
	Stocks/Tah Cheng Investment Co., Ltd.	The investee company which values the investment using the equity method	Financial assets at fair value through other comprehensive income - non-current	2,500	360,948	33.33%	360,948	Note 2

Note: 1. A subsidiary holding shares of the parent company has been presented as treasury stock according to the initial investment cost.

2. It was approved for dissolution on June 20, 2002 and is currently under liquidation.

TABLE 3

Tahsin Industrial Corporation

The Accumulated Purchase or Sale of the Same Securities Amounting to NTD300 Million or More Than 20% of Paid-in Capital
January 1 to December 31, 2020
Unit: NTD Thousand/ Number of shares: 1000

Company Name	Type and Name of Securities	Ledger account	Counterparty	Relationships	Beginning of Period		Purchase		Sale				End of Period	
					Shares	Amount	Shares	Amount (Note 1)	Shares	Selling Price	Carrying Cost	Gains or losses on disposal (Note 2)	Shares	Amount
Tahsin Industrial Corporation	Stocks/Taiwan Semiconductor Manufacturing Company Limited	Financial assets at fair value through other comprehensive income - current	-	-	-	$ -	950	$ 492,940	100	$ 46,834	$42,440	$ 4,394	850	$ 450,500

Note: 1. It includes the equity instruments investment appraisal gains and losses measured at fair value through other comprehensive gains and losses.

2. Gain on disposal of investments is transferred directly to retained earnings.

TABLE 4

Tahsin Industrial Corporation

Disposal of Property Amounting to NTD300 Million or More Than 20% of Paid-in Capital
January 1 to December 31, 2020
Unit: Thousand NTD

Company making disposal of real estate	Name of real estate	Date of occurrence of the event	Original date of acquisition	Carrying amount	Transaction amount	Amount collected	Gain or loss from disposal	Counterparty	Relationships	Purpose of disposal	Reference basis for price decision	Other agreed Items
Tahsin Industrial Corporation	Plot No. 90, Huiguo Section, Taichung City	Feb. 26, 2020	Nov. 1993	$ 2,597,758	$ 8,375,890	Fully charged	$ 5,754,207	Highwealth Construction corp.	None	Revitalize and enhance real estate benefits	The appraisal value from the appraisal report is NTD7,209,847,000 and NTD7,080,173,000.	None

Tahsin Industrial Corporation

Purchases or Sales with Related Parties Amounting to NTD100 Million or More than 20% of Paid-in Capital
January 1 to December 31, 2020
Unit: Thousand NTD

Purchasing (Selling) Company	Name of the counterparty	Relationships	Transaction status				Unusual Transaction Terms and Reasons		Notes/Accounts receivable (payable)		Remarks
			Purchase (Sale)	Amount	Percentage of Total Purchases (Sales)	Credit Period	Unit Price	Credit Period	Balance	Percentage total of accounts receivable (payable)	
Tahsin Industrial Corporation	Tahsin Shoji Co., Ltd.	Subsidiary	Sales	$ 122,385	6.81%	D/A 120 days	As per normal selling prices	Longer credit period of 120 days compared to normal L/C 30 days or T/T 30 days	$ 21,824	6.02%	
Tahsin Shoji Co., Ltd.	Tahsin Industrial Corporation	The company's parent company	Purchase	122,385	35.12%	D/A 120 days	As per normal purchase price	D/A 120 days	(21,824)	73.14%	

TABLE 6

Tahsin Industrial Corporation

Information on Investee Companies, Names, and Location. . . (Excluding mainland China investees)
December 31, 2020
Unit: NTD Thousand/Number of shares: 1000

Name of investors	Investee	Location	Principal Business Activities	Initial investment amount		Held at the end			Profit or Loss of Investee for Current Period	Investment Profit/Loss Recognized in the Current Period	Remarks
				End of Current Period	End of Previous Period	Shares	Ratio	Carrying amount			
Tahsin Industrial Corporation	Tahsin Shoji Co., Ltd.	8-2, 2-Chome, Imagome Higashi-Osakashi, Japan	1. Domestic trading of artificial leather, other synthetic resins and various fiber products. 2. Import and export business of handbags, packaging bags, clothing and other supplies and general goods.	$10,696 JPY100,000	$10,696 JPY100,000	200	100.00%	$ 75,990	$21,490	$21,904	Note 1
	Tahsin Industrial Corporation, USA	111 Howard Blvrd, Suite 206, Mt Arlington, N.J.07856	Sale of Tahsin products, ready-to-wear, raincoats, PVC products, etc.	183,332 USD5,960	183,332 USD5,960	1	100.00%	13,144	(15,615)	(15,472)	Note 1
	Tai Ho Co., Ltd.	No. 16 Wang Hoi Road, Kowloon Bay, Hong Kong (Room 1503, Telford Building)	Trading	35 HK10	35 HK10	-	100.00%	37	-	-	
	Tah Viet Co., Ltd.	Tân Thuận Đông, Quận 7, Hồ Chí Minh, Vietnam	Processing of raincoats, ready-to-wear garments, leather goods, wardrobes, etc.	197,009 USD6,803	197,009 USD6,803	-	100.00%	125,885	(4,624)	(4,624)	
	Myanmar Tah Hsin Industrial Co., Ltd.	Plot No. D-1 Mingaladon Industrial Park, Mingaladon	Processing of raincoats, ready-to-wear garments, leather goods, wardrobes, etc.	472,523 USD14,700	435,680 USD13,500	-	100.00%	213,199	(6,563)	(6,190)	Note 1
	Tah Fa Investment Co., Ltd.	West District, Taichung City	Generic investments	180,000	180,000	18,000	100.00%	1,239,329	147,434	101,400	Note 2
	Good Harvest Machinery Industrial Co., Ltd.	Zhunan Township, Miaoli County, Taiwan	Chemical machinery, piping cistern, rubber machinery, plastic machinery, other machineries	50,000	50,000	5,000	26.51%	5,765	(12,909)	(7,272)	Note 1

Continued on next page

Continued from previous page

TABLE 6

Tahsin Industrial Corporation

Information on Investee Companies, Names, and Location. . . (Excluding mainland China investees)
December 31, 2020
Unit: NTD Thousand/Number of shares: 1000

Name of investors	Investee	Location	Principal Business Activities	Initial investment amount		Held at the end			Profit or Loss of Investee for Current Period	Investment Profit/Loss Recognized in the Current Period	Remarks
				End of Current Period	End of Previous Period	Shares	Ratio	Carrying amount			
Tah Fa Investment Co., Ltd.	Tah Cheng Investment Co., Ltd.	West District, Taichung City	Generic investments	$21,000	$21,000	2,100	41.18%	$ 177,241	$44,884	$ -	
	Tah Quan Investment Co., Ltd.	West District, Taichung City	Generic investments	87,000	87,000	8,700	44.39%	453,667	107,484	-	
	Tah Fa Industrial Co., Ltd.	Xitun District, Taichung CIty	Parking lot management and leasing business	-	3,000	-	-%	-	(9)	-	Note 3
	Tah Chi Enterprise Co., Ltd.	No. 186, Sec. 1, Nangang Rd., Nangang Dist., Taipei City	Wholesale and retail of fabric, clothing, shoes, caps, umbrella, clothing products; furniture, bedding, kitchen appliance, installation products; daily necessities; cultural and educational products, musical instruments, sports and recreational products	20,000	15,000	2,000	100.00%	6,375	(329)	-	
Tah Viet Co., Ltd.	TRUONG GIANG GARMENT JOINT-STOCK COMPANY	No. 239, Huynh Thuc Khang St, An Xuân, Tam Kỳ, Quang Nam Province, Vietnam	Manufacture and processing of ready-to-wear garments for export and domestic sales; sales and marketing of various garment supplies, equipment and raw materials; provision of consultancy services in fashion and textile industry	8,765 USD294	8,765 USD294	29	35.00%	9,621	1,827	-	
	TAHHSIN PHU MY JOINT STOCK COMPANY	Phu My Industrial Zone, Tam, Phuoc Soci Phu Ninh District, Quang Nam Province, Vietnam	Manufacturing and processing of ready-to-wear garments for export and domestic sales	21,851 USD732	16,662 USD553	-	65.00%	19,001	(1,747)	-	

Note: 1. The investment gains and losses recognized during the period include the net (un)realized gains and losses between affiliated companies.

2. The investment gains and losses recognized in the current period include the amount of write-off of cash dividends received by the company of NTD46,034,000.

3. The company was liquidated in April 2020 and the registration was cancelled.

TABLE 7

Tahsin Industrial Corporation

Information on Investee Companies, Names, and Location. . . (Excluding mainland China investees)
December 31, 2020
Unit: NTD Thousand/Number of shares: 1000

Tahsin Industrial Corporation

Information on Investments in Mainland China
January 1 to December 31, 2020
Unit: Thousand NTD

Investees in the Mainland China	Principal Business Activities	Paid-up capital	Investment method (Note 1)	Accumulated Investment Amount Remitted from Taiwan at Beginning of Period	Investment Amount Remitted or Received in Current Period		Accumulated Investment Amount Remitted from Taiwan at End of Period	Profit or Loss of Investee for Current Period	Shareholding Percentage of Direct or Indirect Investments by the Company	Recognized Investment Profit or Loss for Current Period	Carrying Amount of Investments at End of Period	Repatriated Investment Profit or Loss as of End of Period
					Remitted	Received						
Fujian Putian DAFU Plastic Industry Co., Ltd.	Mainly produce raincoats and other plastic products.	$ 291,605	2	$263,164	$ -	$ -	$ 263,164	$ 17,886	91.26%	$ 16,309	$153,810	$-

Accumulated Investment Amount Remitted from Taiwan to the Mainland Area at End of Period	Investment Amount Approved by the Investment Commission, M.O.E.A.	Investment quota in mainland China as stipulated by Investment Commission, M.O.E.A. (Note 2)
$ 263,164	$ 263,164	$7,322,456

Note: 1. The Company entrusted Hong Kong Tai Ho Co., Ltd. to invest USD8,100,000 in the establishment of Fujian Putian DAFU Plastic Industry Co., Ltd. In 2011, the amount in Hong Kong Tai Ho Co. Ltd was increased to HKD10,075,000 (USD1,300,000) which was subsequently reinvested into Fujian Putian DAFU Plastic Industry Co., Ltd.

2. Calculate the upper limit of the cumulative amount or proportion of investment in mainland China at 60% of the net value or consolidated net value (whichever is higher) in accordance with the investment review committee of the Ministry of Economic Affairs.

TABLE 8

Tahsin Industrial Corporation

Information on Investee Companies, Names, and Location. . . (Excluding mainland China investees)
December 31, 2020
Unit: NTD Thousand/Number of shares: 1000

Name of major shareholders	Shares	
	Number of shares held	Shareholding Ratio
Tah Cheng Investment Co., Ltd.	14,091	10.16%
Tah Quan Investment Co., Ltd.	12,926	9.32%
Chang Cai Industry Co., Ltd.	12,460	8.98%

Note 1: The major shareholders in this table are shareholders holding more than 5% of the ordinary and special shares that are issued and delivered without physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, the share capital recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation basis.

Note 2: If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.

14. Department Information

Information regarding business segments has been disclosed in the consolidated financial statements. Therefore, the Company does not disclose such information in the parent company only financial statements.

Lists of Statements of Significant Accounting Items

Item	Number / index
Statements of Assets, Liabilities and Equity Items	
Statement of cash and cash equivalents	Statement 1
Statement of financial assets at fair value through other comprehensive income - current	Statement 2
Statement of notes receivable - unrelated parties	Statement 3
Statement of accounts receivable - unrelated related parties	Statement 4
Statement of other receivables	Statement 5
Statement of inventories	Statement 6
Statement of Prepayments	Statement 7
Statement of financial assets at fair value through other comprehensive income - non-current	Statement 8
Statement of changes in investments accounted for using the equity method	Statement 9
Statement of changes in property, plant, and equipment	Note 6 (9)
Statement of changes in accumulated depreciation of property, plant, and equipment	Note 6 (9)
Statement of changes in right-of-use assets	Note 6 (10)
Statement of changes in accumulated depreciation of right-of-use assets	Note 6 (10)
Statement of changes in investment properties	Note 6 (11)
Statement of changes in accumulated depreciation of investment properties	Note 6 (11)
Statement of deferred income tax assets	Note 6 (27)
Statement of changes in long-term investments	Statement 10
Statement of Notes Payable	Statement 11
Statement of Accounts Payable	Statement 12
Statement of other payables	Statement 13
Statement of provisions - current	Note 6 (14)
Statement of deferred tax liabilities	Note 6 (27)
Statement of profit or loss items	
Statement of operating revenue	Statement 14
Statement of operating costs	Statement 15
Statement of manufacturing expenses	Statement 16
Statement of marketing expenses	Statement 17
Statement of general and administrative expenses	Statement 17
Statement of employee benefits and depreciation, amortization expenses by function	Note 6 (22)
Statement of other net operating income and expenses	Statement 18
Statement of Finance Costs	Note 6 (26)

Tahsin Industrial Corporation

Statement of cash and cash equivalents
December 31, 2020
Unit: NTD and Foreign Currency / Thousand

Items	Summary	Amount
Cash		
Cash on hand		$ 412
Working capital		161
Foreign currency	Including USD4, JPY214, EUR9, HK1, CNY5	554
Subtotal in cash		1,127
Bank deposits		
Check deposits		45,387
Demand deposits - NTD		53,282
Foreign currencies demand deposits	Including USD2,774, JPY18,600, CNY16	84,205
Time deposit		2,150,000
Foreign currency time deposit	Including USD10,300, CNY320	294,745
Subtotal of bank deposits		2,627,619
Short-term notes and bills within three months	Including USD 8,500	1,141,291
Total		$ 3,770,037

Foreign currency exchange rate on December 31, 2020
USD: NTD＝1:28.48
JPY: NTD＝1:0.2763
EUR: NTD＝1:35.02
CNY: NTD＝1:4.377
SGP: NTD＝1:21.56
GBP: NTD＝1:38.90
HKD: NTD＝1:3.673

Tahsin Industrial Corporation

Statement of financial assets at fair value through other comprehensive income - current
December 31, 2020
Unit: NTD Thousand/Number of shares: 1000

Name of Financial Instruments	Summary	Number of Shares	Carrying amount (NTD)	Total Amount	Interest Rate	Acquisition cost	Accumulated impairment	Fair Value		Remarks
								Unit price (NTD)	Total Amount	
Shares of listed company	Nan Ya Plastics Corporation	32,600	10	$ 326,000	-	$ 976,174	Not applicable	$ 71.90	$ 2,343,940	
Shares of listed company	Formosa Taffeta Co., Ltd	200	10	2,000	-	5,842	Not applicable	31.05	6,210	
Shares of listed company	Feng Hsin Steel Co., Ltd.	200	10	2,000	-	10,438	Not applicable	71.10	14,220	
Shares of listed company	Mega Financial Holding Co., Ltd.	3,160	10	31,600	-	100,077	Not applicable	29.80	94,168	
Shares of listed company	Formosa Plastics Corporation	1,175	10	11,750	-	100,055	Not applicable	96.40	113,270	
Shares of listed company	TSMC	850	10	8,500	-	366,378	Not applicable	530.00	450,500	
Beneficiary certificates	Yuanta/P-shares Taiwan Top 50 ETF	100	-	10,300	-	10,061	Not applicable	122.25	12,225	
Total				$ 392,150		$1,569,025			$ 3,034,533	

Note: The fair value of public shares/beneficiary certificate is the closing market price on December 31, 2020.

Tahsin Industrial Corporation

Statement of notes receivable - unrelated parties
December 31, 2020
Unit: Thousand NTD

Supplier Name	Summary	Amount	Remark
Total amount of notes receivable			
Company A		$ 3,990	
Company B		3,041	
Company C		2,274	
Company D		1,816	
Company E		1,792	
Others		22,211	(5% and under)
Total		$ 35,124	
Less: provision for losses		(1,054)	
Net amount		$ 34,070	

Tahsin Industrial Corporation

Statement of accounts receivable - unrelated related parties
December 31, 2020
Unit: NTD and foreign currency/ Thousand

Supplier Name	Summary	Amount	Remark
Unrelated party			
Company A	USD3,032	$ 86,360	
Company B	USD1,541	43,897	
Company C	USD1,243	35,388	
Company D	USD 477	13,597	
Others	(including USD1,202)	90,214	(Under 5%)
Total		$ 269,456	
Less: Allowance for loss		(8,368)	
Net Amount		$ 261,088	

Foreign exchange rate on December 31, 2020
USD: NTD=1: 28.48

Tahsin Industrial Corporation

Statement of other receivables
December 31, 2020
Unit: NTD and foreign currency/ Thousand

Items	Summary	Amount		Remark
Other receivables				
	Business tax refundable	$	3,184	
	Others		2,335	
Total		$	5,519	
Other receivables - related parties				
	Overdue interest receivable	$	57	USD2
	Receivable from money advanced for others		1,509	USD45
Total		$	1,566	

Tahsin Industrial Corporation

Statement of inventories
December 31, 2020
Unit: Thousand NTD

Items	Summary	Amounts: Cost	Amounts: Net Realizable Value	Note
Raw Material		$ 106,043	$ 106,089	
	PP Compound COPO	62,803		
	DOBBY TAFFETA Laminating cloth	3,327		
	Three-layer laminated cloth	3,855		
	Others	36,058		
Materials		$ 38,034	$ 38,039	
	New machine materials	27,362		
	Others	10,672		
Work in process		$ 157,469	$ 169,411	
	Rainwear	117,320		
	Ready-to-wear garments	25,684		
	Laminator	5,176		
	PP Corrugated Board	9,289		
Finished goods		$ 154,456	$ 184,061	
	Ready-to-wear garments	55,654		
	Rainwear	53,501		
	PP Corrugated Board	18,289		
	Others	27,012		
Total inventory		$ 456,002	$ 497,600	
Less: Allowance for loss for market price decline and obsolete and slow-moving inventories.		(4,918)		
Net inventory		$ 451,084	$ 497,600	

Tahsin Industrial Corporation

Statement of Prepayments
December 31, 2020
Unit: NTD and foreign currency/ Thousand

Items	Summary	Amount		Remark
Prepayments for purchases		$	44,639	
Prepaid expenses	Prepaid insurance premiums		358	
	Prepaid repairs and maintenance		2,776	
	Prepaid processing fees		402	
	Others		4,457	
Office supplies			970	
Total		$	53,602	

Tahsin Industrial Corporation

Statement of financial assets at fair value through other comprehensive income - non-current
January 1 to December 31, 2020
Unit: NTD Thousand/Number of shares: 1000

Name	Beginning balance		Increase in the period		Decrease in the period		Ending balance		Accumulated impairment	Provide guarantee or pledge	Remarks
	Shares		Shares	Amount	Shares	Amount	Shares				
Asia Pacific Investment Corporation	10,000	$ 347,000	-	-	-	$ 2,600	10,000	$ 344,400	Not applicable	None	
Total	10,000	$ 347,000	-	-	-	$ 2,600	10,000	$ 344,400			

Description: Current period increases (decreases) are recognized as unrealized valuation gains (losses).

Tahsin Industrial Corporation

Statement of changes in investments accounted for using the equity method
January 1 to December 31, 2020
Unit: NTD Thousand/Number of shares: 1000

Name	Beginning balance		Increase in the period		Decrease in the period		Ending balance			Market value or Net Equity Value		Provide guarantee or pledge	Remarks
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding Ratio	Amount	Unit price (NTD)	Net equity		
Subsidiaries:													
Tahsin Shoji Co., Ltd.	200	$55,274	-	$ 20,716	-	-	200	100.00	$75,990	$ 384.94	$76,988	None	
Tahsin Industrial Corporation U.S.A.	1	30,093	-	-	-	$ 16,949	1	100.00	13,144	14,535.04	14,535	None	
Tai Ho Co., Ltd.		39	-	-	-	2	-	100.00	37		37	None	
Dafu Plastic Industry Co., Ltd.		134,822	-	18,988	-	-	-	91.26	153,810		168,645	None	
Tah Viet Co., Ltd.		137,031	-	-	-	11,146	-	100.00	125,885		125,885	None	
Myanmar Tah Hsin Industrial Co., Ltd.		194,776	-	36,844	-	18,421	-	100.00	213,199		213,848	None	
Tah Fa Investment Co., Ltd.	18,000	981,522	-	275,807	-	18,000	18,000	100.00	1,239,329		1,502,862	None	
Less: Recognized as treasury stock (Tah Fa Investment Co., Ltd)		(118,879)	-	21,410		-	-		(97,469)				
(Tah Fa Investment Co., Ltd)													
Subtotal of subsidiary		1,414,678		373,765		64,518	-		1,723,925				
Affiliates:													
Good Harvest Machinery Industrial Co., Ltd.	5,000	12,898	-	-	-	7,133	5,000	26.51	5,765	1.15	21,748	None	
Total		$ 1,427,576		$373,765		$ 71,651			$ 1,729,690				

Tahsin Industrial Corporation

Statement of changes in long-term investments
January 1 to December 31, 2020
Unit: NTD Thousand/Number of shares: 1000

Name	Beginning balance		Increase in the period		Decrease in the period		Ending balance		Market value or Net Equity Value		Provide guarantee or pledge	Remarks
	Shares		Shares	Amount	Shares	Amount	Shares		Unit Price	Total		
Golf license		$ 810	-	-	-	-	-	$ 810	-	-	None	
Total		$ 810	-	-	-	-	-	$ 810				

STATEMENT 11

Tahsin Industrial Corporation

Statement of Notes Payable
December 31, 2020
Unit: Thousand NTD

Object	Summary	Amount	Remark
Company A		$ 8,998	
Company B		5,403	
Company C		5,201	
Garment Company D		4,797	
Other		68,540	(Under 5%)
Total		$ 92,939	

Tahsin Industrial Corporation

Statement of Accounts Payable (Related-parties included)
December 31, 2020
Unit: (Thousand NTD/ Thousand Foreign Currency)

Object	Summary	Amount		Remark
Unrelated party				
Company A		$	11,925	
Company B			6,357	
Company C			4,129	
Company D			3,270	
Company E			2,779	
Others	Including USD 45		23,523	(Under 5%)
Total		$	51,983	
Related parties:				
DAFU Plastic Industry Co., Ltd.	Including USD58	$	1,664	

Tahsin Industrial Corporation

Statement of Notes Payable
December 31, 2020
Unit: Thousand NTD

Tahsin Industrial Corporation

Statement of Other Payables (including related party)
December 31, 2020
Unit: NTD and foreign currency/ Thousand

Items	Summary	Amount	Remark
Salary payable		$ 11,253	
Bonus payable		60,167	
	Year-end bonus payable	48,907	
	Bonuses payable to outsourced processing entities	10,828	
	Bonuses payable to distribution dealers	432	
Processing fees payable		17,152	
Equipment expenses payable		2,075	
Insurance premiums payable		3,657	
Freight payable		2,517	
Employee compensation payable		33,650	
Utility expenses payable		999	
Remuneration for directors and supervisors payable		29,900	
Pension payable		768	
Meals expenses payable		542	
Employee benefits payable		316	
Others		12,229	
Total		$ 175,225	

Tahsin Industrial Corporation

Statement of operating revenue
December 31, 2020
Unit: Thousand NTD

Items		Amount	Remarks
Rainwear	136,923Dozens	$ 849,962	
Ready-to-wear garments	867,723Pieces	425,544	
Wardrobe	5,170Sets	2,779	
Household fittings	1,887,152PCS	67,334	
Binding machine	52,574Sets	134,074	
Processing of Miscellaneous Items	20,842Dozens	50,094	
PP Corrugated Board	10,470,862PCS	235,243	
Waterproof fabrics	246,353Yard	38,510	
Total Revenue		1,803,540	
Less: Sales Return		(5,227)	
Sales Allowances		(1,915)	
Net operating revenue		$ 1,796,398	

Tahsin Industrial Corporation

Statement of operating costs
December 31, 2020
Unit: Thousand NTD

Items	Amount Subtotal		Amount Total	
Raw materials at beginning of period	$	85,744		
Purchase		568,918		
Less: Raw materials - end of period		(106,043)		
Disposals		(370)		
Raw materials consumed			$	548,249
Materials, beginning of period		43,553		
Purchase		212,434		
Inventory profit		13		
Less: Supplies, end of the period		(38,034)		
Inventory losses		(29)		
Disposals		(276)		
Materials consumed				217,661
Direct labor				42,467
Manufacturing expenses (Statement 16)				597,999
Manufacturing cost				1,406,376
Less: work-in-process at beginning of period				165,719
Less: work-in-process at end of period				(157,469)
Disposals				(5)
Cost of finished goods				1,414,621
Finished products at beginning of period				170,206
Finished goods purchased from external sources				163,777
Inventory profit				39
Less: finished products at end of period				(154,456)
Inventory losses				(51)
Disposals				(7,201)
Cost of sales				1,586,935
Add (less): Net stock gain or loss				28
Add (less): Loss due to inventory write-down (gain on recovery)				(382)
Less: Unallocated manufacturing expenses				2,387
C: Less: Gains on sale of scraps				(5,463)
Total operating costs			$	1,583,505

STATEMENT 16

Tahsin Industrial Corporation

Statement of manufacturing expenses
December 31, 2020
Unit: Thousand NTD

Items	Description	Amount
Salary expenses		$ 70,172
Rent expenses		374
Stationery		348
Traveling Expenses		162
Freight cost		361
Cable Fee		235
Repair and maintenance expenses		4,615
Water, electricity, and gas fees		15,478
Insurance expenses		7,118
Subcontract processing expenses		467,704
Entertainment expenses		5
Tax expense		28
Depreciation		20,241
Meal expenses		2,470
Training expenses		43
R&D expenses		172
Gasoline expenses		234
Pensions		2,463
Fuel expenses		114
Die-cut and printing plate expenses		754
Consumables		2,140
Sample fees		2,327
Business operation expenses		2,828
Unallocated manufacturing expenses		(2,387)
Total		$ 597,999

Tahsin Industrial Corporation

Statement of operating expenses
December 31, 2020
Unit: Thousand NTD

Items	Marketing expenses	Administrative expenses	Total
Salary expenses	$ 54,597	$ 56,751	$ 111,348
Rent expenses	16	186	202
Stationery	454	400	854
Traveling Expenses	1,055	915	1,970
Freight cost	15,230	46	15,276
Cable Fee	1,035	361	1,396
Repair and maintenance expenses	450	4,020	4,470
Advertisement expenses	288	68	356
Water, electricity, and gas fees	320	2,177	2,497
Insurance expenses	5,590	5,241	10,831
Entertainment expenses	245	219	464
Charity Donations	4,147	609	4,756
Tax expense	835	2,519	3,354
Depreciation	674	4,841	5,515
Meal expenses	1,589	1,546	3,135
Employee benefits	-	2,841	2,841
Commission expenses	244	-	244
Training expenses	6	95	101
Labor costs	6	2,440	2,446
Pensions	2,263	2,068	4,331
Harbor due	404	-	404
Gasoline expenses	704	382	1,086
Custom clearance expenses	965	-	965
Cleaning expenses	226	1,042	1,268
Sample fees	1,123	-	1,123
Air/Sea freight expenses	9,043	-	9,043
Negotiation charges	572	-	572
Building management fees	1,209	-	1,209
Business expenses	4,057	-	4,057
Business operation expenses	1,057	4,913	5,970
Subtotal	$ 108,404	$ 93,680	$ 202,084
Expected credit losses			1,249
Total			$ 203,333

Tahsin Industrial Corporation

Statement of other net operating income and expenses
December 31, 2020
Unit: Thousand NTD

Items	Summary	Amount	Remark
Gain (loss) on disposal of property, plant and equipment		$ 2,166	
Gain on disposal of non-current assets classified as held for sale		5,754,207	
Net foreign exchange gains (losses)		(23,112)	
Miscellaneous expenses		(77,223)	
	Stock affairs agency fees	(2,035)	
	House tax and land value tax on land and property leased to others	(16,791)	
	Employees' Compensation	(28,770)	
	Remuneration of directors	(28,770)	
	Others	(857)	
Total		$ 5,656,038	