

Stock : 1609

Ta Ya Electric Wire & Cable Co., Ltd.

2020 Annual Report

Printed on May 20,2021

<http://mops.twse.com.tw>

<http://www.taya.com.tw>

一、Spokesperson

Name : Chung Kuang Chen

Title : Deputy General Manager of Business Administration Group

Telephone : (06)595-3131 #250

Email : ck_chen@mail.taya.com.tw

Deputy Spokesperson

Name : Chung Ming Hung

Title : Financial Assistant Vice President

Telephone : (06)595-3131 #252

Email : cm_hung@mail.taya.com.tw

二、Address and Phone Number of Head Office, Branches and Plants

Headquarter and Guanmiao factory : No.249, Sec. 2, Chung Shan Rd., Kuan Miao Dist, Tainan City 71847

Telephone : (06)595-3131

Dawan factory :No.15, Nanxing Rd., Yongkang Dist., Tainan City 71064

Telephone : (06)272-6131

Taipei Branch Office : 7F., No.149, Wu Kung Rd., New Taipei Industrial Park, Wu Ku Dist., New Taipei City 24886

Telephone : (02)2299-7070

三、Stock share Transfer Agent and Registrar

Name : KGI Securities

Address : 5F, No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City

Telephone : (02)2389-2999

Website : <http://www.kgi.com>

四、Independent Auditors

Firm : Solomon & Co., CPAs

Auditors : Song Yu Lu, Yu Tzu Chen

Address : 32F., No.787, Zhongming S. Rd., South Dist., Taichung City

Telephone : 04-2261-2200

Website : <http://www.slmcpas.com.tw>

五、Overseas Securities Exchange

None

六、Corporate Website : <http://www.taya.com.tw/>

Contents

壹、Letter to Shareholders	1
一、2020 Business Report	2
二、Summary of 2021 Business Plan	7
貳、Company Profile	10
參、Corporate Governance Report	18
一、Organization Chart.....	18
二、Profiles of Board Directors, President, Vice President and Department Heads.....	22
三、Remunerations to Directors, President, Vice Presidents in the Most Recent Year	34
四、Corporate Governance Status	44
五、Information on CPA Fees	98
六、Information on the replacement of CPAs.....	99
七、Chairman, President, or managers responsible for financial or accounting affairs who worked for the firm to which the certifying CPA belongs or its affiliate in the most recent year.....	101
八、Transfer and Pledge of shares by the directors, managers and shareholders holding more than 10% of the company's shares	101
九、Information on relationships among the top 10 shareholders and their relationships with spouses or relatives within the second degree of kinship	104
十、The number of shares of the same investee held by the Company, its directors, managers and which the Company controls directly or indirectly, with the aggregate shareholding percentage	108
肆、Funding Status	110
一、Capital and Shares	110
二、Issuance of Corporate Bonds	119
三、Preferred Shares	120
四、Overseas Depository Shares	120
五、Issuance of Employee Stock Options	120
六、Status of New Share Issuance for Mergers and Acquisitions	120
七、Financing Plans and Implementation.....	120
伍、Operation Overview	121
一、Business Activities	121
二、Overview for Market, Production and Sales.....	126
三、Information on Employees.....	139
四、Information on the Environmental Protection expenditure	139
五、Labor Relations.....	140
六、Important Contracts	148

陸、Financial Highlights.....	148
一、Condensed balance sheet, income statement	148
二、Financial Analysis for the last five years	153
三、Supervisors or audit committee’s review reports of the most recent annual financial statements.....	157
四、Most Recent Financial Reports	158
五、Parent Company Only Financial Statements Audited and Attested by CPAs for the Most Recent Year	158
六、Impact on the Company and its affiliates during the last fiscal year up to the publication date of this report.....	158
柒、Review and Analysis of Financial Position and Performance and Associated Risks.....	159
捌、Special Notes	167
一、Affiliated enterprises information.....	167
二、Private Placement of Securities Within the most recent year up to the publication date of this report	175
三、Holding or disposal of the Company’s shares by subsidiaries within the most recent year up to the publication date of this report.....	175
四、Other necessary supplementary notes	175
玖、Any event which has a material impact on shareholders’ right and interests or the Company’s securities as prescribed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that has occurred within the most recent year up to the publication date of this report	176

壹、Letter to Shareholders

Dear Shareholders,

The Covid-19 pandemic has hit hard on the economy and numerous industries globally during year 2020. To mitigate the spread of the disease, many countries implemented lockdown, blockage of borders, and ordered to restrict movements of the population, which made global economy suffocated by demand slowdown. At the beginning of the pandemic, many enterprises and companies froze the recruitment, laid off employees, reduced employees' working hours, planned early raw material procurement, adopted new production plan and scaled down capital expenditure. Despite Taiwan Government's advance deployment, Taiwan suffered an economy slowdown in the first half year. From the third quarter, the vaccine was launched and many governments signed rescue plan to boost economy. Taiwan domestic industries thrived progressively accompanied by overseas demand rebound, and made a splendid overall economic performance in Taiwan in year 2020.

TA YA Group has benefited from three major business strategies: firstly, to enhance core business competition; secondly, to increase fixed income platform; finally, to invest in new adventurous business. In year 2020, the core business revenue declined compared with the previous year due to the pandemic. By advance deployment, TA YA Group reported its profit in the first half year with the income from fixed income platform and profit from new adventurous investment. Accompanied by the slow recovery in business activity from the second half year, the Company's total sales turnover was higher than the year before. Due to the total dedication and cooperation from management and employees, three business strategies made a fruitful performance in year 2020, of which the profitability was reported one of the best results in 65 years since its establishment. Year 2020 was first year of mass communication of TA YA Group brandname. TA YA Group launched a series of image advertisements and hosted an art exhibition in Huashan Creative Park. Both activities won a positive and enthusiastic response.

Looking forward to the prospect of 2021, TA YA Group will consistently implement three business strategies, dedicating to be a leading brand in providing total solution in renewable energy generation, transmission, storage and transformation. Post pandemic, domestic investment from overseas and government policy have considered to launch green energy; therefore, we expect the core business consistently and steadily grows upward. The re-generated energy had reached the

capacity of 120MW from the solar plant which made contribution to the fixed income platform. The Company will expand the capacity to 200MW. The regulation for highest electricity consumption tier will be implemented from January the 1st of year 2021. In the future, the highest electricity tier will need to establish it green power generator or purchase certain percentag of it from suppliers. It is believed that the Company will continue to benefit from the steady growth in energy storage market. In the construction business, the new construion site waw completed. The Company will benefit from the sales of the new houses in the booming demand Taiana market.

2021 is the 66 anniversray of TA YA Group. TA YA is dedicated to building a friendly environment and beautiful home, launching CSR to take social responsibility and consistently enhancing brand communication to improve our brand image. We encourage our employees to exercise. We implement programs to promote the sports atmosphere. For example, we co-hosted a road run with local government. We also encourage employees to take training courses to gain new knowledge, keeping pace with the times. When we move forward to the 66 anniversary, we expect to create a new record and everything goes well in year 66.

一、 Business Accomplishments in year 2020

(一) 1. Business Plan Implimentation and The Results :

Unit: NT\$ thousands

	2020	2019	Change	%
NET REVENUE	18,300,805	18,153,101	147,704	0.81%
NET INCOME	850,045	505,047	344,998	68.31%
Profit margin (%)	4.64%	2.78%		

1. Report of Sales Revenue:

(1) The net sales revenue was NT\$18,300,805 thousand in 2020, which increased by NT\$147,704 thousand from the previous year.

(2) In 2020, non-operating income was NT\$790,396 thousand which accounted for 4.32% of sales revenue.

2. Report of Expenditure:

(1) In 2020, operating cost was NT\$16,699,808 thousand which accounted for 91.25% of sales revenue.

(2) In 2020, operating expenses was NT\$1,172,725 thousand which accounted for 6.41% of sales revenue.

3. Report of Profitability:

In 2020, net profit was NT\$850,045 thousand which increased by NT\$344,998 from 2019.

(二) 2020 Financial performance and profitability:

1. financial income and expenditure

Unit: NT\$ thousands

Item	Amount
NET REVENUE	18,300,805
GROSS PROFIT	1,600,997
INCOME FROM OPERATIONS	428,272
NON-OPERATING INCOME	1,007,060
NON-OPERATING EXPENSES	(216,664)
Pre-tax income	1,218,668
Net income	850,045
EPS	1.45

2. Profitability Analysis:

Item		%
Return on assets (%)		5.24%
Return on owners' equity (%)		11.79%
Ratio of profit before income tax to paid-in capital	INCOME FROM OPERATIONS	7.19%
	Pre-tax	20.47%

	income	
Profit margin (%)		4.64%
EPS		1.45 元

(三) 2020 Budget Execution Review :

Unit: NT\$ thousands

Item	Budget number	Actual number	%
NET REVENUE	18,800,669	18,300,805	97.34%
COST OF REVENUE	17,263,297	16,699,808	96.74%
GROSS PROFIT	1,537,372	1,600,997	104.14%
Operating Expenses	1,022,270	1,172,725	114.72%
INCOME FROM OPERATIONS	515,102	428,272	83.14%
NON-OPERATING INCOME	443,629	1,007,060	227.00%
NON-OPERATING EXPENSES	236,168	216,664	91.74%
Pre-tax income	722,563	1,218,668	168.66%
NET INCOME	611,494	850,045	169.05%

(四) Overview of Technology and Research :

1. **Long Length For Extra High Voltage 345kV XLPE Cable**

Due to long cable route between each Taipower's substations, the Company starts to produce longer length of 345kV cable.

2. **Lead Free PVC Sheathing Material Development**

The Company uses non-lead sheath material to produce 600V PVC cable, PVC cable, XLPE power cable and mid-voltage XLPE power cable in expectation of protecting global environment.

3. **Proactively Develop Super Heat Resistance Steel Core (ZTACIR)**

Overhead Line Cable

The Company develops super heat-resistant steel-cored aluminum cable (ZTACIR) for Taipower in order to replace the old and ordinary overhead ordinary steel-cored aluminum cable which increased the power plant's power transmission capacity. On 14th December 2020, this new cable was passed the Taipower type test for 340m/m² specification.

4. Eco-Friendly Flat Optical Cable

The Company uses the newly developed low-smoke and non-toxic materials, which had passed the selection of packaging materials suppliers. This new material will ensure the product to achieve the goal for environmental protection goal, which had obtained the national award label for environmental friendly to the environment (License Code No. 10932).

5. Self-bonding Triple Insulated Layers Wire

In order to meet customers' requirements of the various processing and temperature resistance needs, the Company has developed various self-bonding triple insulated layers wire with different temperature classes . Enhance the product categories to meet satisfy the demand from the broad market.

6. LITZ wire

LITZ wire can reduce the high-frequency power loss caused by skin effect. It also has good electrical impedance stability, and can to be used in the design and application of high-Q circuits. It has entered the mass production and sales stage.

7. Enameled Copper Wire for Inverter-Fed Driven Motors

In response to the increasing popularity of frequency conversion devices, the Company has developed anti-surge enameled wire for use in the industry. Anti-surge enameled wire has a longer life and better anti-surge performance than general enameled wires in high temperature and harsh electrical environments, and has better stability at high frequencies.

8. Flat enameled wires

In response to the demand for miniaturization of electronic equipment, transformers and inductors are developed towards high frequencies and have a larger effective volume ratio.

9.

Silk covered Enameled Copper wires

The twisted wires covered with silk increases the surface area of the conductor under the same diameter to which will reduce the skin effect and increase the Q value by decreasing the high-frequency equivalent resistance.

10. Thermal-Dissipation Enameled Wire

When an EV suddenly accelerates, motor produces numerous current passing through the coil. In the mean time, numerous heat caused by the resistance of conductor will affect the age of insulation layer. The magnet wire coil in EV motor needs exhaust the heat energy immediately. If the insulation layer has excellent thermal conduction the coil can exhaust the heat caused by the current immediately.

11. Solar power generation system cable (PV-CQ)

Due to solar power promotion and development, the Company has started to develop DC 1500V eco-friendly PV-CQ for green energy system.

12. Subsea cable: Array cable

To cope with requirements from off-shore wind power farms in recent years, the Company has developed the array cable for the subsea cable between each wind turbines to fulfill the green power grid connection needs.

13. Electric Vehicle Rectangular Enameled Copper Wire

In response to the trend of electric vehicles to replace fuel vehicles in the future, we will cooperate with well-known car manufacturers to develop special high PDIV rectangular enameled wires that are required by electric vehicle motors to increase the effective volume rate of the motor and increase the motor power.

14. Semi-conductor IC assembly wires

After the evaluation, the Company ceased the semi-conductor IC assembly wires business by the end of 2020.

15. Modified copper wires

Due to 5G communication requirement for high heat conductivity and low conduct resistivity, the Company developed modified wires successfully.

The new product's heat conductivity coefficient K increase from 380 to 600 and the conduct resistivity and mechanical characteristic (breaking strength, elongation rate and flexibility) are better than oxygen free copper. The new product has already been in commercial production.

16. Wiring material for semi-conductor testing

In response to market demand, the Company develops testing wires material for semi-conductor market

17. Wiring materials for medical use

The entering threshold for wiring material used in medical testing equipments is high. The Company continues to develop the medical use wiring material and tries to fulfill customer's requirements

二、Summary of 2021 Business Plan:

(一) Management Strategy:

1. To accommodate Government's policy to expand domestic demand, the Company will endeavour to provide what the country need for economy、transporation development by supplying the best quality products and service of power cables and telecommunication wires.
2. With new product launch, lacquer wire business group has been acquiring new clients in Japan, India and south east Asia.
3. To coordinate TA YA group's global resource and assets, the Company improves business performance.
4. The Company focuses on core business, pursuing fianancial stability and then look for opportunity to diversify to adventurous business.
5. The Company carefully chooses investment opportunity to increase base of the investment income, accumulating resources and then dominate the new business.
6. The Company aggressively expands overseas markets to create more income by heading for globalization and diversifying its business.
7. To create competitivenss, the Company improves professional skills by cultivating talents and streamlines manpower by fully informatization and computerization.
8. To do its part to proect the earth,the Company has been dedicating to developing environmental friendly products and investing in public welfare

activities.

9. By improving production process and facility, the Company produces competitive products to increase profit margin.
10. The Company commences to upgrade its plants to industry 4.0, moving toward to digitization.
11. The Company will continuously develop modified copper wires and the new implements of wiring materials for medical and semi-conductor testing use.

(二) Sales target :

Expected sales volume : 43,552 metric ton

(三) Summary of Production and Marketing Policy:

1. To take advantage of 345kV EHV power cable and 69kV anti-termite cable, the Company aggressively to gain more orders with better quality and competitive price. (For example, the project with Taipower in Kaohsiung 、CTCI Corporation in Taichung and Hsinta Power Plant) Such as: The 1st and 2nd EHV power cable route of 345kV cable of Kaohsiung harbor ~ Kaohsiung of Taipower is 123,000 km, the contract budget of CTCI Corporation Taichung, Hsinta power plant 345kV cable bid is about 2.3 billion NTD, and the cable route of 161kV 2000mm² cable of Datan ~ Linkou is 65,000 km, and the cable route of Qigu ~ General is 78,000 km, and the first cable route of 69kV 1000mm² anti-termite cable of Hualien ~ Hualien harbor of Taipower is 15,000 km.
2. Ta Ya engages in the development of environmental friendly energy industry, the 600V eco-cable won the first "Taiwan Green Model Product Award" by the Ministry of Economic Affairs; in addition, it won the "International Green Model Award" in EPIF (eco-product international fair) in 2014. Ta Ya utilizes the R&D ability to produce highly reliable products and supplies the anti-surge enameled wire required for wind power generator and electric vehicles. Ta Ya expands export markets, such as Japan, India, and Southeast Asian, strengthen the stranded wire market, single-point breakthroughs in subdivided stranded wire commodities, and increase operational performance.

3. To develop domestic and international markets in response to the market demands, developing new products and new technical to meet the business demand and to enhance market competitiveness.
4. To make all-out effort to rationalize production cost, improving product quality and meeting customers' requirements.
5. To effectively manage inventory, maintaining flexibility of capital.
6. To increase customer base, total controlling market trend and profitability.
7. To explore potential customers, to keep a close watch on the market and to seize any chance to gain profit.

(四) Quality Policy:

We guarantee the product's function, security, on-time delivery and free from danger.

(五) Vision and Mission

Vision : Dedication to be a

- *Leading brand in energy connection and transformation
- *Driving force to make a friendly environment and beautiful home
- *Trustworthy Enterprise to employee, customers, shareholders and society

Core Value:

Mission Accomplishment: Happy Employees, Satisfied Customers, Content Shareholders and Beautiful Homeland

Chairman Shang-Hung Shen

貳、Company Profile

一、Company Introduction:

1. Date of Establishment: November 7, 1962

2. Address and Phone Number of Head Office, Branches and Plants

Headquarter : No.249, Sec. 2, Chung Shan Rd., Kuan Miao Dist, Tainan City

Telephone : (06)5953131

Dawan factory : No. 15, Nanxing Rd., Yongkang Dist., Tainan City

Telephone : (06)2726131

Taipei Branch Office : 7F., No.149, Wu Kung Rd., New Taipei Industrial Park,
Wu Ku Dist., New Taipei City

Telephone : (02)22997070

3. Company History & Evolution:

1955 The Company was originally registered as " Ta Ya Enterprise Co., Ltd.
"with initial capital of NT\$200,000, located at Jiankang Rd
Tainan. The plant was about 11,000 square feet and
manufactured Cotton and rubber insulation cable,
weather-proof wire, cotton covered wire, flexible cord.

1958 The Company started to develop and manufacture Plastic wire,
Building wire, Plastic cord

1959 In response to government's policy for countryside electrification, the
Company raised its capital to NT\$600,000 to manufacture
cable wires for power supply.

1962 The Company renamed as " Ta Ya Enterprise Co., Ltd."and increased
its capital to NT\$2,000,000. The Company started to
produce Plastic wire, Building wire, Plastic cord, which
was obtained government permission of CNS mark.

1968 The Company professionally upgraded its management by moving the
plant to Songtsuo Industrial Zone and the floor space was
about 81,000 square feet and renamed as Ta Ya Electric
Wire and Cable Co., Ltd.

1968 The Company increased the capital to NT\$10,000 thousand, expanding
new facility and new plant. The Company began on new
magnet wire production line for the domestic and
international markets.

1970 The Company increased the capital to NT\$13,000 thousand to expand

production facilities.

1971 The Company increased the capital to NT\$20,000 thousand and the floor space of the plant was expanded to 192,186 square feet. In response to the booming development in domestic electronics industry, the Company increased the electrical wire production, which received UL in the United States and CSA in Canada.

1972 The Company increased the capital to NT\$23,000 thousand, enlarging its production facilities.

1973 The Company increased the capital to NT\$40,000 thousand and established an affiliate company Ta Heng Electric Wire and Cable Co., Ltd. to take over the Company's magnet wire business and professionally dedicated to this business.

1974 The Company increased the capital to NT\$56,000 thousand, enlarging its production facilities.

1974 The Company increased the capital to NT\$70,000 thousand, enlarging its production facilities.

1977 The Company increased the capital to NT\$100,000 thousand and purchased CCV facility from Europe to produce XLPE power cable, which got the approval by Taipower.

1977 The Company increased the capital to NT\$150,000 thousand to upgrade the plant to automatic production system which increased productivity and saved energy and direct labor costs.

1977 The Company increased its capital to NT\$180,000 thousand to supply the demand from nuclear power plants. The Company also purchase the newest model " Continuous Drycure Crosslink Vulcanization equipment " from Europe to produce Ethylene Propylene (EPDM) power cable. The same year, the plant was expanded to 249,130 square feet.

1981 The Company brought in the newest model, Continuous Drycure Crosslink Vulcanization equipment, to produce the highest quality of Rubber wire and cable and other products to meet the requirements of NEMA in the United States and in International Electrotechnical Commission (IEC). Such products are for the power supply and control system of nuclear plant. The Company upgraded its production skill of plastic insulation to ensure highest efficiency and quality.

1982 The capital increased to NT\$210,000 thousand. The Company brought

in new facilities from Europe and Japan to expand the production lines for EPR cable, which was for the power supply and control system of Taipower's nuclear plant.

1982 The capital was NT\$300,600 thousand. The Company purchased a 605,030 square feet land in Guanmiao to build a new plant to replace the old one. A new computerized Completely Drycure Continuous Crosslink Vulcanization equipment for manufacturing UHV power cable was acquired from Finland to produce HV XLPE power cable for Taipower and overseas potential markets.

1986 The Company relocated to the new factory at Guanmiao. The pilot run of Completely Drycure Continuous Crosslink Vulcanization equipment for manufacturing UHV power cable was successful. The 69kV UHV XLPE power cable was approved by Taipower and launched to formal production.

1987 The capital increased to NT\$330,066 thousand and expanded the production facilities.

1988 In May, the Company merged Ta Heng Electric Wire and Cable Co., Ltd. With new paid-in capital, the Company's registered capital was NT\$750,000 thousand. The Company expanded facility to develop 161kV UHV XLPE power cable and other products. On December 12, the Company was publicly listed on the Taiwan Stock Exchange.

1989 In July, the Company formed partnerships with Furukawa Electric Co., Ltd. to set up TA HO ENGINEERING, CO., LTD. whose business scopes were undertaken the design, construction, maintenance and technical consultancy for power supply and cable engineering.

1989 In January the registered capital increased to NT\$932,500 thousand for the purchase of equipments, plant expansion and construction of warehouse and office building for Taipei Branch office in Wugu Industrial Zone, New Taipei City.

1991 In January the capital increased to NT\$1,290,000 thousand. The Company procured second production facility to expand the capacity to produce 69kV power cable to meet market demand.

1991 In January, the Company's registered capital increased to

NT\$1,699,000 thousand. The fund was used to purchase telecom cable production facility and improved the financial structure.

1991 In December the Company increased its paid-in capital to NT\$2,170,840 thousand. The fund was utilized for the expansion of production facility, building new plant and repaid the bank loan. In December, the Company got the certification of ISO-900. The same month, the Company purchased a land, making preparation for the business of land development.

1991 In September the Company broke ground to start a construction project - "Grand Asia". In the same month, 161kV UHV power cable was approved the assessment by Taipower.

1995 In January the paid-in capital was NT\$2,980,000 thousand. The fund was used to build new plant to produce Magnet Wire and expand production facility. In May, telecom cable passed on-site testing by Directorate General of Telecommunications, being a qualified supplier. In July, the Company increased its capital to NT\$3,397,200 thousand by using its retained earning and capital reserve.

1996 In August, the capital increased to NT\$3,839,000 thousand. The fund was for procurement of machinery.

1996 In October the first phase of construction project "Grand Asia" was completed and obtained building use permit.

1997 In October, 161kV UHV XLPE water-proofed power cable for transmission was approved by Taipower. In November, the Company increased its capital to NT\$4,877,000 thousand. The fund was to purchase production facility to manufacture optical cable and invest in TA YA VENTURE CAPITAL CO., LTD. and to develop the second phase of construction project "Grand Asia".

1998 In June, 161KV UHV power cable had been used in Taipower system for two years, which was formally qualified to submit tenders for Taipower's projects.

2000 In August the capital reserve of NT\$109,260,000 was transferred as paid-in capital and the capital increased to

NT\$5,572,260,000.

2001 In April the Company purchased its shares for NT\$146,490,000 as treasury stocks and reduced its capital to NT\$5,245,770,000.

2002 In March the Company deregistered its treasury stocks for NT\$159,560,000, reducing its capital to NT\$5,086,210,000.

In April the Company deregistered its treasury stocks for NT\$68,450,000, reducing its capital to NT\$5,017,760,000.

In June the Company deregistered its treasury stocks for NT\$150,000,000, reducing its capital to NT\$4,867,760,000.

In August the Company deregistered its treasury stocks for NT\$99,480,000, reducing its capital to NT\$4,768,280,000.

In November the Company deregistered its treasury stocks for NT\$100,000,000, reducing its capital to NT\$4,668,280,000.

2003 In February the Company deregistered its treasury stocks for NT\$14,110,000, reducing its capital to NT\$4,654,170,000.

2004 February 1, the Company received the certification of CNLA (ISO017025). March 19, the Company was enlisted by BUREAU OF STANDARDS, METROLOGY AND INSPECTION MINISTRY OF ECONOMIC AFFAIRS as registered products. August 17, 600V FR 5.5mm²x1C 、600V FR 2.0mmX7C was approved as flameproof by National Fire Agency, Ministry of the Interior. In August, the Company increased its capital to NT\$4,933,420,200 by using its retained earning and capitl reserve of NT\$279,250,200. In September, the products got the approval of fire extinguish equipments from National Fire Agency, Ministry of the Interior.

2005 In January the Company was certified by SGS (ISO14001) for environmental management system. In March 6.6kV 840℃ FR 150mm² x 1C got the approval of flameproof from National Fire Agency, Ministry of the Interior. In September the Company , increased its capital to NT\$ 5,081,422,800 by using its retained earnings NT\$148,002,600.

2005 In September the Company increased its capital to NT\$ 5,081,422,800 by using its retained earnings NT\$148,002,600.

2006 In October the convertible bond was transferred to the Company's common stock. The registered capital was NT\$5,187,796,220 after this transfer.

2006 In November the Company merged the shares of NT\$326,594,990 from YU TA INVESTMENT HOLDING CO., LTD. and NT\$234,406,520 from YUNG CHER INVESTMENT HOLDING CO., LTD., reducing its capital by NT\$561,001,510. After reduction, the paid-in capital was NT\$4,626,794,710.

2007 In January the capital was NT\$4,821,528,480 by using its retained earning and capital reserve of NT\$194,733,770. The convertible bond of NT\$57,061,070 was transferred to common stock, which increased the capital to NT\$5,716,150,380.

August 28, the Company was certified by IECQ/QC-080000 for hazardous substance-free.

In September the capital was NT\$5,887,289,780 by the convertible bond transferred to capital by NT\$1,336,740, using its retained earning and capital reserve of NT\$169,772,660 after converting, and transferring.

In October the convertible bond was transferred to capital by NT\$26,897,190 and the paid in capital was NT\$5,914,186,970 after converting.

2008 In January the convertible bond was transferred to capital by NT\$32,942,340 and the paid in capital was NT\$5,947,129,310 after converting.

In April the convertible bond was transferred to capital by NT\$2,930,800 and the paid in capital was NT\$5,950,060,110 after converting.

The Ultra High Voltage 345kV XLPE cable type test began in December 2006 and passed the evaluation of the type test by Taiwan Power Company in July 2007.

In May Eco Cable 600V EM-CL was awarded the first class GREEN MARK certification of the Environmental Protection Administration, Executive Yuan.

Eco Cable 600V EM-IL was awarded the first class GREEN MARK certification of the Environmental Protection Administration, Executive Yuan.

In October the capital was NT\$6,043,721,890 by the convertible bond transferred to capital by NT\$4,454,840, using its retained earning and capital reserve of NT\$89,206,940 after converting, and transferring.

In December the Company deregistered its treasury stocks for NT\$203,310,000, reducing its capital to NT\$5,843,411,890.

2009 In January the Company pass the certification of OHSAS18001 & TOSHMS. In March the Company purchased its shares as treasury stocks and reduced its capital by NT\$ 100,000 thousand. Its registered capital was NT\$5,743,411,890 after capital reduction.

2010 In March the convertible bond was transferred to capital by NT\$952,380 and the paid in capital was NT\$5,744,364,270 after converting.

In April, the 69kV cross-linked PE anti-termite cable passed the evaluation of the type test by Taiwan Power Company.

In July the magnet wire and triple layers insulated wire was a listed supplier by SONY GREENBOOK

In December Green Wire ECO cable was awarded by awarded by Ministry of Economic Affairs for Taiwan Green Model Award.

2011 On December 19, the board approved to set up Remuneration Committee

2012 On June 6, the Company re-elected all board directors and elected additional 3 independent directors in Annual General Shareholders' Meeting

2013 In July, Kuan Miao enameled wire plant received the certification of TAF.

2014 In January, the Company received the certifications of ISO 14001, OHSAS 18001 and CNS 15506.

2015 In January the Company deregistered its treasury stock of NT\$8,000,000 and the capital reduced to NT\$5,721,807,910.

2016 The Company promoted solar electric power generation, developing 1500V direct current eco-PV-CQ cable which was certified

by JECTEC. The quality of the cable was confirmed by clients.

2016 The first solar electric power plant, Ta Ya Solar Power Plant, reached completion and formally started to operate on May 26.

2017 The Company cooperated with Industrial Technology Research Institute to develop Underwater dynamic cable which was tested successfully on sea.

2018 The Company was re-elected 5 board directors and 3 independent directors, setting up audit committee to replace corporate supervisors.

2018 In October the Company's plant was awarded Factory Cleaner Production Assessment Certificate. In November the Company got the certification of Green Building Label from Architecture and Building Research Institute, Ministry of the Interior.

2019 In May the Company was certified by Green Factory Label, Ministry of Economic Affairs.

In August Ta Ya Group launched Energy storage microgrid system.

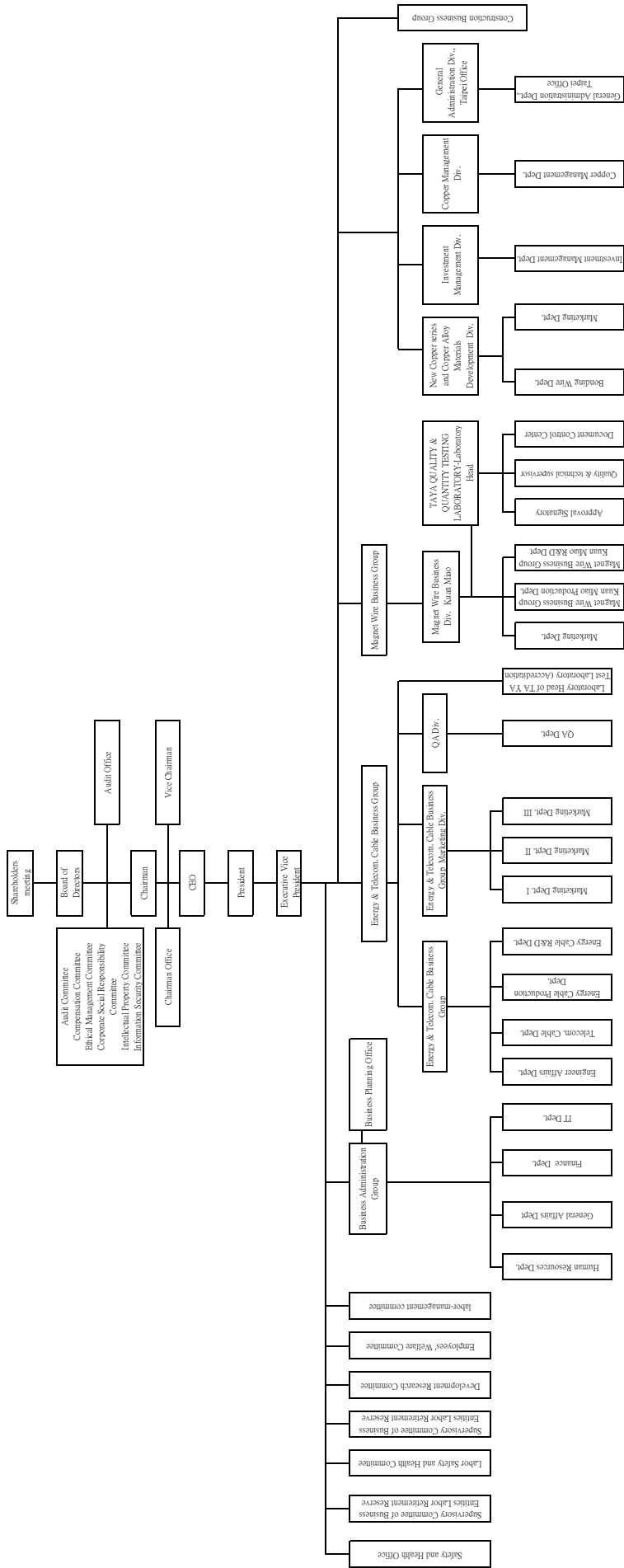
In September the Company increased its capital to NT\$5,950,680,220 with its retained earning NT\$228,872,310.

In November the Company was awarded by Taiwan Institute for Sustainable Energy for Sustainability Award.

2020 In September, the Company was awarded CSR by SGS. In October, was awarded TCSA CSR and CSR by SGS. In December, Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced ZTACIR passed the test and got the qualification to submit the tender in Taipower.

參、Corporate Governance Report

一、Organization Chart



(二)Manager of Various Principal Departments and their Job Duties

Department	Name	Title	Job Duties
Chairman and CEO	Shen, Shang- Hung	Chairman And CEO	Leading the vision and direction of the company's growth strategy. Carry out and be responsible for the actual operation of the company, and implement all major business matters of the company, including the finance, business direction, business scope, etc.
President	Shen, San-Yi	President	Responsible for the comprehensive management of each business group of the company, comprehensively handle the management business of each business group, and supervise and guide the operation, development and execution of each business group.
Executive Vice President	Shen, shang- Tao	Executive Vice President	Assist the general manager to implement the comprehensive management of the company's business groups, comprehensively handle the management business of each business group, and supervise and guide the operation, development and execution of each business group.
Audit Office	Huang, I-Chin g	The Chief Audit	Responsible for the planning of internal audit and internal control system, audit operations and company regulations review.
Business Administratio n Group	Chen, Chung -Kuang	Deputy General Manager	Responsible for supervising the departments and offices of finance, general affairs, information, human resources, and business planning.

Business Administration Group Finance Dept.	Hung, Chung-Ming	Financial Assistant Vice President and Accounting Officer	Responsible for the management of the group's financial matters and the formulation and implementation of accounting, cost, budget, and systems. Handling, execution and supervision of various taxation matters.
Energy & Telecom. Cable Business Group	Chuang, Pa-Kuei	General Manager	Operations related to the production, research and development, marketing, business expansion, customer credit and quality assurance of electric power and communication cables.
Energy & Telecom. Cable Business Group Marketing Div.	Cheng, Chi-Lin	Director	Supervise the normal operation, execution and confirmation of the business operations of the communication business group.
Energy & Telecom. Cable Business Group QA Div.	Pan, Chien-Hsun	Director	Plan and supervise the implementation of quality assurance related operations.
Energy & Telecom. Cable Business Group Production Div.	Huang, Ming-Chin	Plant Manager	Responsible for the coordination of production technology, efficiency improvement, process quality control and quality, and new product research and development supervision and design control.
Magnet Wire Business Group	Shen, Shang-Hui	General Manager	Operations related to enameled wire production, research and development, marketing, business expansion, customer credit and quality assurance.

Magnet Wire Business Group	Chiu, Jung-Kun	Deputy General Manager	The general manager of the auxiliary group handles the supervision and implementation of the business group's business, the company's quality policy, and the development and improvement of production technology and new products.
Magnet Wire Business Group	Chang, Fang-Chi	Plant Manager	Responsible for the coordination of production technology, efficiency improvement, process quality control and quality, and new product research and development supervision and design control.
NIC Business Group	Lee, Wen-Bing	General Manager	The production, research and development, marketing, business expansion, customer credit and quality assurance of packaging and bonding wires. He is also responsible for the procurement of copper materials, the management of the Taipei branch, and the evaluation and control of foreign investment plans.
NIC Business Group	Chen, Chin-Nan	Deputy General Manager	Responsible for managing the marketing business and production department at the packaging and bonding line.
NIC Business Group	Chuang, Yi-Hsin	Plant Manager	Responsible for the coordination of production technology, efficiency improvement, process quality control and quality, and new product research and development supervision and design control.
Construction Business Group	Chiu, Tsung-Jen	General Manager	Responsible for building construction and sales management matters.

二、Profiles of Board Directors and Key Managers :
(一) Information on Directors

2021/04/12

Unit : Share; %

1-1 Information on Directors :

Title (Note 1)	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected (Note2)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remarks (Note 4)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Taiwan	Shang-Hung Shen	Male	2018.6.5	3	1991.7.3	8,788,378	1.45	5,289,313	0.89	228	0.00	4,045,600	0.68	America AT&T; National Taiwan University ; MBA at College of Emory University A	Note 1	Director	Shang-Ta Shen	Brother	
Director	Taiwan	Shang-Pang Shen	Male	2018.6.5	3	1991.7.3	8,584,977	0.88	9,083,376	1.53	0	0	—	—	Chienkuo Industrial Commercial Vocational High School	Note 2	Director	San-Yi Shen	Brother	
Director	Taiwan	San-Yi Shen	Male	2018.6.5	3	1994.2.7	13,677,179	1.31	14,379,266	2.42	326,965	0.05	—	—	Electrical Engineering Department, Kun Shan University	Note 3	Director	Shang-Pang Shen	Brother	

Director	Taiwan	Shang-Tao Shen	Male	2018.6.5	3	1999.6.3	2,650,600	0.79	2,911,624	0.49	9,879,480	1.66	—	—	Electrical and Computer Engineering Department, University of Southern California	Note 4	Charm an	Shan g-Hu ng Shen	Brothe r	
Director	Taiwan	Lan-Horng Horng	Female	2018.6.5	3	2018.06.05	200,447	0.03	210,464	0.04	129,525	0.02			Business Administration Department, National Cheng Kung University	Note 5	None	None	None	
Independent Director	Taiwan	Lee-Chiou Chang	Male	2018.6.5	3	2012.6.6	0	—	0	—	0	—	—	—	Public Finance Department and Insurance Graduate School, National Chengchi University	Note 6	None	None	None	
Independent Director	Taiwan	Chun-Hsien Wei	Male	2018.6.5	3	2012.6.6	0	—	0	—	0	—	—	—	University of Chicago MBA	Note 7	None	None	None	

Independent Director	Taiwan	Duen-Chian Cheng	Male	2018.6.5	3	2012.6.6	0	—	0	—	—	—	Columbia University MBA	Note 8	None	None

Note1 : Corporate shareholders should have the name of corporate shareholders and representative illustrated separately (the name of the corporate shareholders should be noted) also, Table 1 should be filled out. : None

Note2 : Indicate the date of the first-time elected director or supervisor; also, the period of interruption should be noted.

Shang-Hlung Shen : Newly appointed as director on July 3, 1991 to date.

Shang-Pang Shen : Newly appointed as director on July 3, 1991 to February 6, 1994.

Electing of board on June 5, 2003 and elected as director to date.

San-Yi Shen : Newly appointed as director on February 7, 1994 to date.

Shang-Tao Shen : Newly appointed as director on June 3, 1999 to date.

Lan-Horng Horng : Newly appointed as director on June 5, 2018.

Lee-Chiou Chang : Newly appointed as director on June 6, 2012 to date.

Duen-Chian Cheng : Newly appointed as director on June 6, 2012 to date.

Chun-Hsien Wei : Newly appointed as director on June 6, 2012 to date.

24

Note3 : Previous work experiences relating to their current roles; if the person works in the auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note4 : Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

Note 1 : Chairman and CEO of Ta Ya Electric Wire & Cable Co., Ltd., Chairman of CUPRIME MATERIAL CO., LTD., Chairman of UNITED ELECTRIC INDUSTRY CO., LTD., Chairman of TA YA VENTURE CAPITAL CO., LTD., Chairman of TA YA Innovation Investment Co., Ltd., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Chairman of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of TA YA ELECTRIC WIRE & CABLE (HK.) CO.,LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY, Supervisor of TA HO ENGINEERING, CO., LTD., Chairman of CUGREEN METAL TECH CO., LTD., Director of TA YI PLASTIC(H.K.) LTD., Director of PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD., Chairman of CUPRIME ELECTRIC WIRE & CABLE (HK.) CO.,LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD , Director of CUPRIME MATERIAL PTE. LTD, Director of CUPRIME VENTURE HOLDING CO., LTD, Director of CUPRIME

INVESTMENT HOLDING COMPANY LIMITED, Chairman of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Chairman of BOSI SOLAR ENERGY CO., LTD., Chairman of TOUCH SOLAR POWER CO.,LTD., Chairman of BRAVO SOLAR POWER CO.,LTD., Chairman of SIN JHONG SOLAR POWER CO., LTD., Chairman of AMIT SYSTEM SERVICE LTD., Chairman of UNION STORAGE ENERGY SYSTEM LTD. Chairman of HONG YE INVESTMENT HOLDING CO., LTD., Chairman of JIA SHAN INVESTMENT HOLDING CO., LTD., Chairman of JIA HSI INVESTMENT HOLDING CO.,LTD., Director of JUNG SHING WIRE CO., LTD., Director of BORA PHARMACEUTICALS CO., LTD., Director of Theia Medical Technology Co., Ltd., Director of IRIIDIUM MEDICAL TECHNOLOGY CO., LTD., Director of BIGBEST SOLUTIONS, INC., Independent Director of MERCURIES DATA SYSTEMS LTD., Independent Director of ASIA POLYMER CORPORATION, Independent Director of PARTNER TECH CORP.

Note 2 : Vice Chairman of TA YA ELECTRIC WIRE & CABLE CO., LTD., Chairman and CEO of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY, Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of CUPRIME MATERIAL CO., LTD., Director of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Director of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Vice Chairman of Teco (Vietnam) Electric&Machinery CO., LTD., Director of TA YA VENTURE CAPITAL CO., LTD., Director of TA YA Innovation Investment Co., Ltd., Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD.

Note 3 : President of TA YA ELECTRIC WIRE & CABLE CO., LTD., Vice Chairman of CUPRIME MATERIAL CO., LTD., Chairman of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Vice Chairman of TA YA VENTURE CAPITAL CO., LTD., Vice Chairman of TA YA Innovation Investment Co., Ltd., Director of TA YI PLASTIC CO., LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Director of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY., Director of CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Director of BOSI SOLAR ENERGY CO., LTD., Director of AD ENGINEERING CORPORATION, Director of TOUCH SOLAR POWER CO.,LTD., Director of BRAVO SOLAR POWER CO.,LTD., Director of SIN JHONG SOLAR POWER CO., LTD., Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of CUGREEN METAL TECH CO., LTD. Director of TA YA VIETNAM(Cayman) HOLDINGS LTD.

Note 4 : Executive Vice President of Ta Ya Electric Wire & Cable Co., Ltd., Director of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Director of TA YA VENTURE CAPITAL CO., LTD., Director of TA YA Innovation Investment Co., Ltd., Vice Chairman of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC LTD., Supervisor of HENG YA ELECTRIC (KUNSHAN) LTD., Supervisor of HENG YA ELECTRIC (DONGGUAN) LTD., Director of Teco (Vietnam) Electric&Machinery CO., LTD., Supervisor of AD ENGINEERING CORPORATION, Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD, Director of JIA

SHAN INVESTMENT HOLDING CO., LTD., Director of JIA HSI INVESTMENT HOLDING CO., LTD.

Note 5 : Supervisor of CUPRIME MATERIAL CO., LTD.

Note 6 : Member of Compensation Committee of Ta Ya Electric Wire & Cable Co., Ltd., CEO of Sun Ten Group, Chairman of FOCI FIBER OPTIC COMMUNICATIONS, INC., Chairman of PANION & BF BIOTECH INC., Chairman of HERBIOTEK CO., LTD., Director of SUN TIA INTERNATIONAL CO., LTD., Director of TriKnight Capital Corporation, Independent Director, Member of Audit Committee and Compensation Committee of T3EX Global Holdings Corp., Independent Director, Member of Audit Committee and Compensation Committee of TANVEX of ACME ELECTRONICS CORPORATION, Independent Director, Member of Audit Committee and Compensation Committee of TANVEX BIOLOGICS CORPORATION, Director of PHYTOHEALTH CORPORATION, Chairman of CHENG FONG CHEMICAL CO., LTD.

Note 7 : Member of Compensation Committee of Ta Ya Electric Wire & Cable Co., Ltd., Chairman of DaChan Food (Asia) Limited, Director of Shamrock Cayman Islands, Director of ShyaHsin Packaging (China) Co., Ltd.

Note 8 : Member of Compensation Committee of Ta Ya Electric Wire & Cable Co., Ltd., Chairman of TGWest Capital Inc., Chairman of TriKnight Capital Corporation, Chairman of LuxNet Corporation, Director of Appier Holdings Inc., Director of Advanced Energy Solution Holding Co., Ltd., Director of Minson Integration, Inc., Director of FuSheng Precision Co., Ltd., Independent Director of EDOM TECHNOLOGY CO., LTD., Independent Director of ASIA POLYMER CORPORATION, Independent Director of ELITE MATERIAL CO., LTD.

1-2_Professional qualifications and independence analysis of directors and supervisors :

Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note 2)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Shang-Hung Shen			V					V	V		V	V	V	V	V	3
Shang-Pang Shen			V					V	V		V	V	V	V	V	0
San-Yi Shen			V					V	V	V	V	V	V	V	V	0
Shang-Tao Shen			V					V	V	V	V	V	V	V	V	0
Lan-Horng Horn			V				V	V	V	V	V	V	V	V	V	0
Lee-Chiou Chang		V	V	V	V	V	V	V	V	V	V	V	V	V	V	3
Duen-Chian Cheng			V	V	V	V	V	V	V	V	V	V	V	V	V	3
Chun-Hsien Wei			V	V	V	V	V	V	V	V	V	V	V	V	V	0

Note 1: The field is adjustable to the required space.

Note 2: If the Directors and Supervisors met the following conditions in the period of 2 years prior to the assumption of office and within the term of office, put a “√” in the appropriate box representing the specific condition.

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

- (2) Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: **not** a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- (11) Not been a person of any conditions defined in Article 30 of the Company Law.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

(二) Background information of the Director, President, Vice Presidents, Assistant Vice Presidents and heads of various departments and branches

2021/04/12

Unit : Shares;%

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
CEO	Taiwan	Shang-Hung Shen	Male	2012.4.23	5,289,313	0.89	228	0.00	4,045,600	0.68	MBA at College of Emory University	Note1	Executive Vice President Group General Manager	Shang-Tao Shen Shang-Hui Shen	Brother
President	Taiwan	San-Yi Shen	Male	2003.6.5	14,379,266	2.42	326,965	0.05	—	—	Electrical Engineering Department, Kun Shan University	Note2	None	None	None
Executive Vice President	Taiwan	Shang-Tao Shen	Male	2011.1.1	2,911,624	0.49	9,879,480	1.66	—	—	Electrical and Computer Engineering Department, University of Southern California	Note3	CEO Group General Manager	Shang-Hung Shen Shang-Hui Shen	Brother
General Manager of Energy & Telecom. Cable Business Group	Taiwan	Pa-Kuei Chuang	Male	2013.9.1	95,046	0.02	431	0.00	—	—	EMBA at National Cheng Kung University	Note4	None	None	None
General Manager of Magnet Wire Business Group	Taiwan	Shang-Hui Shen	Male	2008.2.12	10,840,008	1.82	251,414	0.04	—	—	Master of Finance, University of Rochester	Note5	CEO Executive Vice President	Shang-Hung Shen Shang-Tao Shen	Brother

General Manager of NIC Business Group	Taiwan	Wen-Bing Lee	Male	2012.1.1	0	0.00	0	0.00	0	0.00	—	—	MBA at National Chengchi University	Note6	None	None	None
Deputy General Manager of Business Administration Group	Taiwan	Chung-Kuang Chen	Male	2019.9.1	16,000	0.00	0	0.00	0	0.00	—	—	NEW YORK INSTITUTE MBA	None	None	None	None
Deputy General Manager of Magnet Wire Business Group	Taiwan	Jung-Kun Chiu	Male	2008.2.12	152,140	0.03	885	0.00	—	—	—	—	Industrial Safety and Health Department, Chia Nan University of Pharmacy & Science	Note7	None	None	None
General Manager of Construction Business Group	Taiwan	Tsung-Jen Chiu	Male	2011.2.1	50,000	0.01	0	0.00	—	—	—	—	MBA at University of California	None	None	None	None
Deputy General Manager of NIC Business Group	Taiwan	Chin-Nan Chen	Male	2015.3.23	60,000	0.01	0	0.00	—	—	—	—	Electrical Engineering Department, National Taiwan University,	None	None	None	None
Director of Energy & Telecom. Cable Business Group Marketing Div.	Taiwan	Chi-Lin Cheng	Male	2016.1.19	80,000	0.01	0	0.00	—	—	—	—	Bank& Insurance Department, Shih Chien University	Director of Union Storage Energy System LTD.	None	None	None
Director of Energy & Telecom. Cable Business Group Production Div.	Taiwan	Chien-Hsun Pan	Male	2013.9.1	193,313	0.03	0	0.00	—	—	—	—	Electrical Engineering Department, Kun Shan University	None	None	None	None

The Chief Audit	Taiwan	I-Ching Huang	Male	2017.9.1	0	0.00	0	0.00	—	—	Accounting Information Department, Southern Taiwan University of Science and Technology	None	None	None
Accounting Officer	Taiwan	Chung-Ming Hung	Male	2013.5.31	54,000	0.01	0	0.00	—	—	Accounting Department, Kun Shan University	Note8	None	None
Plant Manager of Energy & Telecom. Cable Business Group Production Div.	Taiwan	Ming-Chin Huang	Male	2017.6.1	72,220	0.01	287	0.00	—	—	Doctor of Electrical Engineering, National Chung Cheng University	Director of Union Storage Energy System LTD.	None	None
Plant Manager of Magnet Wire Business Group	Taiwan	Fang-Chi Chang	Male	2016.6.1	70,000	0.01	0	0.00	—	—	Electrical Engineering Department, Chung Yuan Christian University	None	None	None
Plant Manager of NIC Business Group	Taiwan	Yi-Hsin Chuang	Male	2020.9.1	0	0.00	0	0.00	—	—	Applied Design Department, Shu-Te University	None	None	None

Note 1 : Background information of the President, Vice Presidents, Assistant Vice Presidents, Heads of various departments and Branches; anyone of equivalent authority to the above, regardless of their job titles, shall be disclosed.

Note 2 : Previous work experiences relating to their current roles; if the person works in the auditor's firm or in an affiliated company during the aforementioned time period, the job title and responsibilities must be provided.

Note 3 : Where the president and the chairperson of the board of directors or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. (For instance, more independent directors shall be added, and over half of directors are not concurrently an employee or manager.)

The Company's chairman and CEO aims to improve operational efficiency and the execution of decisions. To strengthen the Board's independence, the Company is actively training suitable candidates. Furthermore, the chairperson fully communicates the Company's recent condition, plans, and policies with directors to implement corporate governance. In the future, the Company also plans to enhance the Board's capabilities and supervisory function by increasing the number of independent director seats.

Note1 : Chairman of CUPRIME MATERIAL CO., LTD., Chairman of UNITED ELECTRIC INDUSTRY CO., LTD., Chairman of TA YA VENTURE CAPITAL CO., LTD., Chairman of TA YA Innovation Investment Co., Ltd., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Chairman of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY, Supervisor of TA HO ENGINEERING, CO., LTD., Chairman of CUGREEN METAL TECH CO., LTD., Director of TA YI PLASTIC(H.K.) LTD., Director of PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD., Chairman of CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD, Director of CUPRIME MATERIAL PTE. LTD, Director of CUPRIME VENTURE HOLDING CO., LTD, Director of CUPRIME INVESTMENT HOLDING COMPANY LIMITED, Chairman of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Chairman of BOSI SOLAR ENERGY CO., LTD., Chairman of TOUCH SOLAR POWER CO.,LTD., Chairman of BRAVO SOLAR POWER CO.,LTD., Chairman of SIN JHONG SOLAR POWER CO., LTD., Chairman of AMIT SYSTEM SERVICE LTD., Chairman of UNION STORAGE ENERGY SYSTEM LTD. Chairman of HONG YE INVESTMENT HOLDING CO., LTD., Chairman of JIA SHAN INVESTMENT HOLDING CO., LTD., Chairman of JIA HSI INVESTMENT HOLDING CO.,LTD., Director of JUNG SHING WIRE CO., LTD., Director of BORA PHARMACEUTICALS CO., LTD., Director of Theia Medical Technology Co., Ltd., Director of IRIDIUM MEDICAL TECHNOLOGY CO., LTD., Director of BIGBEST SOLUTIONS, INC., Independent Director of MERCURIES DATA SYSTEMS LTD., Independent Director of ASIA POLYMER CORPORATION, Independent Director of PARTNER TECH CORP.

Note2 : President of TA YA ELECTRIC WIRE & CABLE CO., LTD., Vice Chairman of CUPRIME MATERIAL CO., LTD., Chairman of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Vice Chairman of TA YA VENTURE CAPITAL CO., LTD., Vice Chairman of TA YA Innovation Investment Co., Ltd., Director of TA YI PLASTIC CO., LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD., Director of HENG YA ELECTRIC (DONGGUAN) LTD., Director of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY., Director of CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Director of BOSI SOLAR ENERGY CO., LTD., Director of AD ENGINEERING CORPORATION, Director of TOUCH SOLAR POWER CO.,LTD., Director of BRAVO SOLAR POWER CO.,LTD., Director of SIN JHONG SOLAR POWER CO., LTD., Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of CUGREEN METAL TECH CO., LTD. Director of TA YA VIETNAM(Cayman) HOLDINGS LTD.

Note3 : Director of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Director of TA YA VENTURE CAPITAL CO., LTD., Director of TA YA Innovation Investment Co., Ltd., Vice Chairman of TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD., Director of TA YA (CHINA) HOLDING LTD., Director of TA YA VENTURE HOLDINGS LTD., Director of TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD., Director of HENG YA ELECTRIC LTD., Supervisor of HENG YA ELECTRIC (KUNSHAN) LTD., Supervisor of HENG YA ELECTRIC (DONGGUAN) LTD., Director of Teco (Vietnam) Electric&Machinery CO., LTD., Supervisor of AD ENGINEERING CORPORATION, Director of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Director of TA YA VIETNAM(Cayman) HOLDINGS LTD, Director of JIA SHAN INVESTMENT HOLDING CO., LTD., Director of JIA HSI INVESTMENT HOLDING CO.,LTD.

Note4 : Director of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Director of BOSI SOLAR ENERGY CO., LTD., Director of TOUCH SOLAR POWER CO.,LTD., Director of BRAVO SOLAR POWER CO.,LTD., Director of SIN JHONG SOLAR POWER CO., LTD., Director of UNITED ELECTRIC INDUSTRY CO., LTD., Chairman of TA HO ENGINEERING, CO., LTD., Director of UNION STORAGE ENERGY SYSTEM LTD., Director of AD ENGINEERING CORPORATION.

Note5 : Supervisor of TA YA VENTURE CAPITAL CO., LTD., Vice Chairman of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Director of CUPRIME MATERIAL CO., LTD., Chairman of TA YI PLASTIC CO., LTD., Director of TA YA (CHINA) HOLDING LTD., Director of HENG YA ELECTRIC LTD., Chairman of HENG YA ELECTRIC (KUNSHAN) LTD., Chairman of TAYA ZHANGZHOU WIRES CABLE CO.,LTD., Chairman of HENG YA ELECTRIC (DONGGUAN) LTD., Director of PLASTIC TECHNOLOGY INVESTMENT HOLDING, Director of TA YI PLASTIC (H.K.) LTD., Director of TA YA (VIETNAM) INVESTMENT HOLDING LTD, Director of TA YA VIETNAM(Cayman) HOLDINGS LTD, Director of JIA SHAN INVESTMENT CO., LTD., Director of JIA HSI INVESTMENT HOLDING CO.,LTD.

Note6 : Director of CUPRIME MATERIAL CO., LTD., Supervisor of UNITED ELECTRIC INDUSTRY CO., LTD., Supervisor of TA YA GREEN ENERGY TECHNOLOGY CO., LTD., Supervisor of BOSI SOLAR ENERGY CO., LTD., Director of TA YA VENTURE CAPITAL CO., LTD., Director of TA YA Innovation Investment Co., Ltd., Supervisor of TOUCH SOLAR POWER CO.,LTD., Supervisor of BRAVO SOLAR POWER CO.,LTD., Supervisor of SIN JHONG SOLAR POWER CO., LTD., Director of CUGREEN METAL TECH CO., LTD.

Note7 : Director of CUPRIME MATERIAL CO., LTD., Supervisor of TA YI PLASTIC CO., LTD., Director of HENG YA ELECTRIC (KUNSHAN) LTD.,Director of HENG YA ELECTRIC (DONGGUAN) LTD.

Note8 : Supervisor of TA HENG ELECTRIC WIRE & CABLE CO., LTD., Supervisor of TA YA VENTURE CAPITAL CO., LTD., Supervisor of TA YA Innovation Investment Co., Ltd.

三、Remuneration of Directors, Independent Directors, President, and Vice Presidents for the most recent year

1-2-1 Remuneration of Directors and Independent Directors

((aggregated remuneration, disclosing name(s) and indicating each remuneration scale)

		Remuneration						Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note10)			
Title	Name	Base Compensation (A) Note2		Severance Pay (B)		Directors Compensation(C) Note3		Allowances (D) Note4			
		The company	All companies in the consolidated financial statements Note7	The company	companies in the consolidated financial statements Note7	The company	companies in the consolidated financial statements Note7	The comp any	companies in the consolidate d financial statements Note7		
Director	Shang-Hung Shen	0	1,099	0	0	23,855	24,330	600	903	2.88	3.10
Director	Shang-Pang Shen										
Director	San-Yi Shen										
Director	Shang-Tao Shen										
Director	Lan-Horng Horng										
Independent Director	Lee-Chiou Chang	0	0	0	0	5,076	5,076	1,080	1,080	0.72	0.72
Independent Director	Duen-Chian Cheng										
Independent Director	Chun-Hsien Wei										

Unit: NT\$ thousands

Title	Name	Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note10)		Remuneration from ventures other than subsidiaries or from the parent company (Note11)	
		Salary, Bonuses, and Allowances (E) (Note5)		Severance Pay (F)		Employee Compensation (G)		The company	Companies in the consolidated financial statements Note7		
		The company	Companies in the consolidated financial statements Note7	The company	Companies in the consolidated financial statements Note7	Cash	Stock				
Director	Shang-Hung Shen	48,590	68,615	2,034	2,497	302	0	302	0	11.50	None
Director	Shang-Pang Shen										
Director	San-Yi Shen										
Director	Shang-Tao Shen										
Director	Lan-Horng Horng										
Independent Director	Lee-Chiou Chang	0	0	0	0	0	0	0	0	0.72	None
Independent Director	Duen-Chian Cheng										
Independent Director	Chun-Hsien Wei										

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:

Definitely specified in the Articles of Incorporation, directors shall be entitled to compensation and reimbursement of travel expenses for performance of their duties in accordance with industry standards. The amount shall be decided by the Board of Directors based on their contribution and involvement in the operations of the Company in accordance with industry standards. The compensation for independent directors may be higher than other directors, as all independent directors also serve as members of the Audit Committee and Compensation Committee and thus participate in the discussions as well as resolutions of related committee meetings in accordance with the charter of each committee. Furthermore, where the Company earns an annual profit, no more than 3% shall be allocated as director compensation in accordance with the

Articles of Incorporation.

2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors : 0

* Separately list information for directors (non-independent directors) and independent directors.

1-2-2 Remuneration scale table

Payment scale of remuneration to the Directors of the Company	Name of Directors			
	Total of (A+B+C+D)	Companies in the consolidated financial statements (H) (Note9)	The company (Note8)	Total of (A+B+C+D+E+F+G)
				Companies in the consolidated financial statements (I) (Note9)
Less than NT\$ 1,000,000				
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	Director: Lan-Horng Horng	Director: Lan-Horng Horng	Director: Lan-Horng Horng	Director: Lan-Horng Horng
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Independent Director: Lee-Chiou Chang、Chun-Hsien Wei、Duen-Chian Cheng	Independent Director: Lee-Chiou Chang、Chun-Hsien Wei、Duen-Chian Cheng	Independent Director: Lee-Chiou Chang、Chun-Hsien Wei、Duen-Chian Cheng	Independent Director: Lee-Chiou Chang、Chun-Hsien Wei、Duen-Chian Cheng
NT\$3,500,000 (inclusive)~ NT\$5,000,000 (exclusive)	Director: Shang-Pang Shen、Shang-Tao Shen	Director: Shang-Pang Shen、Shang-Tao Shen		
NT\$5,000,000 (inclusive)~ NT\$10,000,000 (exclusive)	Director: Shang-Hung Shen、San-Yi Shen	Director: Shang-Hung Shen、San-Yi Shen		
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)			Director: Shang-Tao Shen	

NT\$ 15,000,000 (inclusive)~NT\$ 30,000,000 (exclusive)		Director: Shang-Hung Shen、Shang-Pang Shen、San-Yi Shen、Shang-Tao Shen	Director: Shang-Pang Shen、San-Yi Shen、Shang-Tao Shen
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)			Director: Shang-Hung Shen
NT\$ 50,000,000 (inclusive)~NT\$ 100,000,000 (exclusive)			
Greater than or equal to NT\$100,000,000			
Total			

Note 1: Fill in the name of each director individually (the name of institutional shareholders and their representatives shall also be listed individually) and the name of general directors and independent directors. The amount of remuneration to each shall be disclosed in aggregate. If a director is serving concurrently as a President or Vice President, the table, the following table (3-1), or tables (3-2-1) and (3-2-2) should be filled out.

Note 2: Refers to Director's remuneration in the latest year (including salaries, work subsidies, severance pay, various bonuses and incentives etc).

Note 3: Fill in the amount of remuneration distributed to corporate directors or individual directors, as approved by the board of directors in the most recent year.

Note 4: Refers to compensations for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other items). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If drivers are also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration.

Note 5: This refers to the salary, duty allowances, severance pay, bonuses, incentives, transportation allowance, special allowance, various allowances and accommodation, and company cars paid or offered to directors who concurrently hold position as an employee (incl. president, vice president, other managerial officers and employees). If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be disclosed. If drivers are also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 6: For the directors who are also employees (including President, Vice President, managers, and staff) of the Company in the most recent year with remuneration received (including stock and cash), the remuneration amount to employees resolved in the board meeting in the most recent year should be disclosed. If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1.3 should be filled out.

Note 7: The disclosure should cover all companies included in the consolidated financial statements (including The Company); present the total amount of remuneration paid by all companies above to The Company's Directors.

Note 8: The name of the director to whom the total remuneration is paid by the Company shall be disclosed in the corresponding remuneration range.

Note 9: The total amount of remunerations to each director of the Company under the consolidated financial statement (including the Company) shall be disclosed with the disclosure of the names of the directors falling in relevant brackets.

Note 10: Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after

taxation of individual entities or individual financial statements.

Note 11:a. The amount of remuneration a director receives from investees other than subsidiaries or from the parent shall be stated in this column (fill in “N/A” when none).

- b. When a director receives remuneration from an investee other than a subsidiary or from the parent, the amount of such remuneration shall be combined in column I of the Increments of Remuneration table, and the column shall be renamed “Parent or All Investees.”
- c. Remuneration refers to any returns, compensation from the parent company (including remuneration to Employees, Directors and Supervisors), professional fees, etc., which the Company’s Directors have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.

* The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

2. Remuneration of Supervisors : **Not Applicable (The Company Establishes an Audit Committee)**

3-2-1 Remuneration of the President and Vice Presidents (aggregated remuneration that discloses name(s) indicating each remuneration scale)

Unit: NT\$ thousands

Title	Name	Salary(A) (Note2)		Severance Pay (B)		Bonuses and Allowances (C) (Note3)		Employee Compensation (D) (Note4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note8)		Remuneration from ventures other than subsidiaries or from the parent company (Note9)
		The company	Companies in the consolidated financial statements (Note5)	The company	Companies in the consolidated financial statements (Note5)	The company	Companies in the consolidated financial statements (Note5)	The company	Companies in the consolidated financial statements (Note5)	Cash	Stock	The company	Companies in the consolidated financial statements (Note5)	
CEO	Shang-Hung Shen	34,701	51,514	2,925	3,403	37,429	42,258	807	-	807	-	8.92	11.53	None
President	San-Yi Shen													
Vice President	Shang-Tao Shen													
General Manager	Pa-Kuei Chuang													
General Manager	Shang-Hui Shen													
Deputy General Manager	Chung-Kuang Chen	Jung-Kun												
General Manager	Wen-Bing Lee													
Deputy General	Jung-Kun													

Manager	Chiu																	
General Manager	Tsung-Jen Chiu																	
Deputy General Manager	Chin-Nan Chen																	

* Disregarding position titles. All such job positions including president, vice president (e.g., President, Chief Executive Officer (CEO), Superintendent....) shall be disclosed.

3-2-2 Remuneration scale table

Payment scale of remunerations paid to the President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The company (Note6)	Companies in the consolidated financial statements (E) (Note7)
Less than NT\$ 1,000,000		
NT\$1,000,000 (inclusive)~ NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive)~ NT\$3,500,000 (exclusive)	Chin-Nan Chen	Chin-Nan Chen
NT\$3,500,000 (inclusive)~ NT\$5,000,000 (exclusive)	Pa-Kuei Chuang, Tsung-Jen Chiu, Wen-Bing Lee, Jung-Kun Chiu, Chung-Kuang Chen	Jung-Kun Chiu, Tsung-Jen Chiu, Chung-Kuang Chen
NT\$5,000,000 (inclusive)~ NT\$10,000,000 (exclusive)	Shang-Tao Shen	Pa-Kuei Chuang, Wen-Bing Lee
NT\$10,000,000(inclusive)~NT\$15,000,000 (exclusive)	San-Yi Shen, Shang-Hui Shen	Shang-Tao Shen, Shang-Hui Shen
NT\$15,000,000(inclusive)~NT\$30,000,000 (exclusive)	Shang-Hung Shen	Shang-Hung Shen, San-Yi Shen
NT\$30,000,000(inclusive)~NT\$50,000,000 (exclusive)		
NT\$50,000,000(inclusive)~NT\$100,000,000 (exclusive)		
Greater than or equal to NT\$100,000,000		
Total		

Note 1: The names of the President and Vice Presidents should be presented separately; the amount of benefits and allowances can be presented in aggregate sums. If a director is serving concurrently as a President or Vice President, the table, the above table (1-1), or tables (1-2-1) and (1-2-2) should be filled out.

Note 2: Refers to salaries, work subsidies, and severance pay made to the president and Vice President in the latest year.

Note 3: Refers to other compensations such as bonuses, incentives, travel allowances, special allowances, various subsidies, accommodation, corporate vehicle or other items made to the President and Vice Presidents. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payment must be - 29 - disclosed. If drivers are also provided, please specify the related payment for the driver paid by the Company. This is not included in the remuneration. In addition, according to the salaries expense listed in the "Share-Based Payment" of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 4: Please fill in the remuneration amount to the President and Vice President resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1.3 should be filled out.

Note 5: The total amount of remuneration paid to the Company's presidents and vice presidents by all companies (including the Company) listed in the consolidated financial statements should be disclosed.

Note 6: The amount of remuneration made by the Company to its President/Vice Presidents is disclosed separately in amount ranges.

Note 7: The total remunerations to each President and Vice President of all companies in the consolidated financial statements (including the Company), and disclose the names of these Presidents and Vice Presidents in relevant brackets along the scale of remunerations.

Note 8: Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 9:a. Please clearly indicate the amount of remuneration received by the Company's president and vice president from the reinvested companies other than the subsidiary or from the parent company in this column (if not, please fill in "none").

b. When a president or vice president receives remuneration from an investee other than a subsidiary, the amount of such remuneration shall be combined in column E of the Increments of Remuneration table, and the column shall be renamed "Parent and All Investees."

c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees, etc., which the Company's President/Vice Presidents have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries or from the parent.

* The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

4. Name of the managers received remuneration and the distribution of remuneration

	Title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	Total	As a percentage of net profit after tax (%)
Managerial officer	CEO	Shang-Hung Shen	-	1,125	1,125	0.13 %
	President	San-Yi Shen				
	Executive Vice President	Shang-Tao Shen				
	Energy & Telecom. Cable Business Group General Manager	Pa-Kuei Chuang				
	Magnet Wire Business Group General Manager	Shang-Hui Shen				
	Business Administration Group Deputy General Manager	Chung-Kuang Chen				
	NIC Business Group General Manager	Wen-Bing Lee				
	Magnet Wire Business Group Deputy General Manager	Jung-Kun Chiu				
	Construction Business Group General Manager	Tsung-Jen Chiu				
	NIC Business Group Deputy General Manager	Chin-Nan Chen				
	Energy & Telecom. Cable Marketing Div. Director	Chi-Lin Cheng				
	Energy & Telecom. Cable QA Div. Director	Chien-Hsun Pan				
	The Chief Audit	I-Ching Huang				
	Financial and Accounting Officer	Chung-Ming Hung				

	Energy & Telecom. Cable Production Div. Plant Manager	Ming-Chin Huang				
	Magnet Wire Business Group Plant Manager	Fang-Chi Chang				
	NIC Business Group Plant Manager	Yi-Hsin Chuang				

Note 1: The name and job title of each individual should be disclosed; however, the distribution of earnings can be disclosed aggregately.

Note 2: Please fill in the remuneration amount to the managers resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year. Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 3: According to Notice Tai-Tsai-Cheng-3-0920001301 dated March 27, 2003, the following managerial roles are subject to reporting:

- (1) President or equivalent
- (2) Vice President or equivalent
- (3) Assistant Manager or equivalent
- (4) Head of Finance
- (5) Head of Accounting
- (6) Any other authorized signatories involved in The Company's administrative affairs

Note 4: If the Directors, President, and Vice President have received remuneration (including stock and cash), in addition to filling out Attachment 1.2, this form must be filled out too.

(四) Analysis of the total remuneration paid to the Company's directors, president and vice president as a percentage of individual or standalone net profits after tax for the most recent two years for the Company and all the companies in the consolidated financial statements, and a description of the policy, criteria and composition of remuneration payments, the procedures for determining remuneration, and the relationship to business performance and future risks

1. Analysis of remuneration for the most recent two years

Job title	The Company		All companies in the consolidated financial statements	
	2019	2020	2019	2020
The total remuneration paid to directors as a percentage of net profits after tax	10.02%	9.59%	14.10%	12.22%
The total remuneration paid to president and vice president as a percentage of net profits after tax	9.60%	8.92%	13.34%	11.53%

※The company's remuneration policy for directors is based on Company Act and the Company's Articles of Incorporation.

2. The Company's policies, standards, and portfolios for the remuneration of the Directors procedures for determining remuneration, and correlation with business performance and future risks
 - (1) Specified in the Articles of Incorporation, directors shall be entitled to compensation and reimbursement for performance of their duties, the amount shall be decided by the Board of Directors based on their contribution and involvement in the operations of the Company in accordance with industry standards. Furthermore, where the Company earns an annual profit, no more than 3% shall be allocated as director compensation in accordance with the Articles of Incorporation.
 - (2) Compensation standards for Corporation managers shall consider individual performance, contribution to overall operations, and are determined with reference to market standards for such compensation.
 - (3) The listed director and manager compensation procedures from (1)&(2) above are based on the Company's director and manager performance evaluation methods. The relevant performance evaluation and reasonableness of compensation are reviewed by the Compensation Committee and the Board of Directors.
 - (4) The reward which company offers to the employees for the services rendered is measured based on the level of employees' contribution and value to the company, and the market averages. It has a positive correlation with the performance of the company's business. Where the Company earns an annual profit, 1% shall be allocated as employee compensation in accordance with the Articles of Incorporation. It mainly includes basic salary, bonus and fringe benefits. Basic salary is assessed by taking into account of the market averages and issued to the employees; the bonus is considered with each individual and divisional achievement or entire company's performance; the fringe benefits is planned in accordance with the law to meet the needs of employees.

4. Implementation of Corporate Governance

(1) Operation of Board of Directors

A total of 8(A) Meetings of the Board of Directors were held in 2020.

1. The attendance records for Directors are as follows:

Name	Title	Attendance in person	Attendance by proxy	Attendance percentage(%)	Notes
Chairman	Shang-Hung Shen	8	0	100	Reelected on June 5, 2018
Director	Shang-Pang Shen	8	0	100	Reelected on June 5, 2018
Director	San-Yi Shen	8	0	100	Reelected on June 5, 2018

Director	Shang-Tao Shen	8	0	100	Reelected on June 5, 2018
Director	Lan-Horng Horng	8	0	100	Newly appointed on June 5, 2018
Independent Director	Lee-Chiou Chang	7	1	87.5	Reelected on June 5, 2018
Independent Director	Chun-Hsien Wei	8	0	100	Reelected on June 5, 2018
Independent Director	Duen-Chian Cheng	8	0	100	Reelected on June 5, 2018

Special Notes :

1. Specify the date of board meeting, agenda, opinions of each independent directors and the Company' s reponse to those opinions the following situations : The details are described as follows:

(1)Resolutions pursuant to Article 14-3 of the Securities and Exchange Act:None.

(2)Other resolution adopted by the Board of Directors, to which an independent Direcots has a dissenting or qualified opinion that is on record or stated in a written statement: None.

2. When Directors rescued themselves from discussion or voting on an agenda item in which they have an interest, the name of the director, content of the porposals, the reason of rescusal and the voting result shall be stated. Refer to the following table. Based on the Rules of Procedure for Board of Directors Meetings, which stipulates that "With regard to Board Meeting proposals, a Director shall explain, to the Board of Directors, the important content of interests if he/she, the corporate he/she represents or the following persons and enterprises have conflict of interests in such proposals. If there are concerns that such conflict of interests may impair the interests of the Company, the Director shall not take part in discussion and voting, nor exercise voting rights on behalf of other Directors, and shall recuse him/herself from discussion and voting.

3. To disclose board of directos self evaluation (or peer), frequency, period, scope, method and description in the following table.

4. In current year and most recnet years the goals to improve the function of board of directors (For example, Audit committee set-up and improve the transparency of the information to public.

(1)The Company set up Compensation Committee and Audit Committee to assist the board to execute its supervisory duty. These two committees were formed by Independent directors.

(2)On March 21 2019 the board of directors set up a Corporate Governance Manager and May 8 the same year, the board of director set up a standard procedure to process the orders from the board of directors.

(3)The internal auditor will report the operation of the board of director to meet the requirements of Financial Supervisory Authority.

Note 1 : Where directors and supervisors are corporate entities, the names of corporate shareholders and their representatives are stated.

Note 2 : (1) The date of resignation is specified for Directors or Supervisors who had resigned prior to the close of the financial year. The percentage of actual attendance (%) is calculated based on the number of board of directors meetings held and the number of actual attendance during active duty.

(2) If a re-election of directors or supervisors had taken place prior to the close of the financial year, directors/supervisors of both the previous and the current term are listed; in which case, the remarks column would specify the re-election date and whether the director/supervisor was elected in the previous term, the new term, or both. The percentage of actual attendance (%) was calculated based on the number of board of directors meetings held and actual attendance during active duty.

(2)Evaluation of Board of Directors

Frequency (Note1)	Period (Note2)	Scope (Note3)	Method (Note4)	Description (Note5)
Once a year	2020. 01. 01 ~ 2020. 12. 31	Performance assessment of the Board of Directors	Self-evaluation by board members	Performance assessment of the Board of Directors should cover at least the following : I. The participation in the Company's operation, II. Improvement of the Board's decision-making quality, III. Composition and structure of the Board, IV. Directors' selection and continuing education V. Internal control.
Once a year	2020. 01. 01 ~ 2020. 12. 31	Performance assessment of individual directors	Board member self-assessment	The measurements of the performance evaluation of board members should cover at least the following six major aspects : I. The participation in the company's operation, II. The awareness of director's duties, III. The participation in the Company's operation, IV. Internal relations building and communications education, V. Directors' professional expertise and continuing VI. Internal control
Once a year	2020. 01. 01 ~ 2020. 12. 31	Performance assessment of functional committees	Functional committees self-assessment	The measurements of the performance evaluation of functional committees should cover at least the following

		(includes remuneration committee and audit committee)		five major aspects : I. The degree of participation in the operation of the Company, II. The recognition of the responsibilities of functional committees, III. The quality of the decision-making of functional committees, IV. The composition and selection of functional committees V. Internal control

Note 1: It is to fill up the execution cycle of the board evaluation, for example: once a year.

Note 2: The period covered by the board's evaluation is listed, for example: the performance of the board of directors from January 1, 2019 to December 31, 2019 is evaluated.

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

Note 4: The methods of evaluation include internal self-evaluation of the board of directors, selfevaluation of directors, peer evaluation, appointment of external professional institutions, experts or 17 other appropriate methods for performance evaluation.

Note 5: The assessment content includes at least the following items according to the assessment scope:

(1) Performance evaluation of the board of directors: at least include the degree of participation in the company's operations, the quality of the board's decision-making, the composition and structure of the board of directors, the selection and continuous training of directors, and internal control.

(2) Performance evaluation of individual directors: at least including the company's objectives and tasks, directors' responsibilities, participation in the company's operations, internal relationship management and communication, professional and continuous training of directors, internal control, etc.

(3) Performance evaluation of functional committees: the degree of participation in the company's operations, the recognition of the responsibilities of functional committees, the quality of decision-making of functional committees, the composition of functional committees and the selection of members, internal control, etc

1、In the event of the occurrence of any of the following scenarios with the operation of the Board of Directors, the dates of meetings, session number, resolution, opinions of all Independent Directors and the Company's subsequent action in response to these opinions shall be clearly stated:

Board of Directors Meeting	Proposal content and subsequent handling	Matters and items stipulated in Article 14-3 of the Securities and Exchange Act	Independent Directors Opposing or Reserved Opinion(s)
Year 2020 1 st 2020. 03. 12	1. Proposal for the Company's 2019 financial statements. 2. Proposal Proposal for the revision of the Company's "Employee Annual Performance Appraisal Measures". 3. Proposal for the Company's distributions for 2019 director and employee remunerations.	V V V V	None

	4. Proposal for the Company's manager's performance as well as 2019 bonuses and compensation. 5. Proposal for amendment to the Company's Articles of Incorporation . 6. Proposal for amendment to the Company's Rules of Procedure of Shareholders' Meeting. 7. Proposal for amendment to the Company's Rules of Procedure for Board of Directors Meetings. 8. Proposal for amendment to the Company's Corporate Governance Best Practice Principles and Corporate Social Responsibility Best Practice Principles . 9. Proposal to prepare the Date, place and related matters of the Company's 2020 Annual Meeting of Shareholders. 10. Proposal to prepare the Company's management's reports on the internal control system for 2019. 11. Proposal to lend NT\$100 million to Cuprime Material Co., LTD., a subsidiary of the Company. 12. Proposal of a joint loan case and the short-term credit line proposal between SIN JHONG SOLAR POWER CO., LTD. a subsidiary of the Company, and China Evergreen Bank for operation support letter case . 13. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD. a subsidiary of the Company,.. 14. Proposal for the annual remuneration payable to the CPA firm . 15. Proposal for the replacement of CPAs due to internal rotation mechanism of Solomon & CO., CPAs,. 16. Proposal for Application for loan renewal from China Trust West Tainan Branch, Taiwan Small and Medium Enterprise Bank Songjiang Branch, Daqing Bills and China Banking North Tainan Branch.	V V V V	
	Resolution : Directors approved the proposal unanimously.		
Year 2020 2 nd 2020. 03. 16	1. Proposal to repurchase 10 million shares of the Company's stock on the centralized exchange market for the 16th time.	V	None
	Resolution : Directors approved the proposal unanimously.		
Year 2020 3 rd 2020. 04. 23	1. Approval for the Company's 2019 profit distribution plan. 2. Proposal for amendment to the Company's Articles of Incorporation. 3. Proposal to lift the non-competition ban for the Company's Directors. 4. Proposal for change of the venue and increase in the reason for the convening of reports and discussions of the Company's 2020 Annual Meeting of Shareholders. 5. Proposal to lend each of NT\$100 million to TA YA Innovation Investment Co., Ltd. and TA YA VENTURE CAPITAL CO., LTD., subsidiaries of the Company. 6. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD and HENG YA ELECTRIC (DONGGUAN) LTD. , subsidiaries of the Company.	V V V V	None
	Resolution : Directors approved the proposal unanimously.		
Year 2020 4 th 2020. 05. 16	1. Submit financial statements for the first quarter of 2020. 2. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD and HENG YA ELECTRIC (DONGGUAN) LTD. , subsidiaries of the Company.	V V	None

	3. Proposal for the Company's application for credit lines to Taichung Commercial Bank Tainan Branch and China Export and Import Bank Tainan Branch		
	Resolution : Directors approved the proposal unanimously.		
Year 2020 5 th 2020. 08. 05	1. Submit financial statements for the second quarter of 2020. 2. Proposal for the Company's personnel promotion . 3. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC LTD. and HENG YA ELECTRIC (DONGGUAN) LTD., subsidiaries of the Company. 4. Proposal for Secured ordinary corporate bond, 1st period, 2020. 5. Proposal for renewal of credit line from Wangdao Bank, Zhaofeng Tickets, Wantong Tickets, Changhua Bank, Zhonghua Tickets, Taipei Fubon Bank, Taishin Bank, and Taiwan Cooperative Bank. 6. Proposal for setting up the Intellectual Property Committee and the Information Security Committee under the Board of Directors of the Company.	V V V	None
	Resolution : Directors approved the proposal unanimously.		
Year 2020 6 th 2020. 09. 10	1. Proposal for purchase shares of TAYAGREENENERGYTECHNOLOGYCO., LTD. from Heng Technology Co., Ltd. 2. Proposal for allotment list and number of shares for employees and managers of repurchase shares of the Company's stock for the 16th time. 3. Proposal for providing purchase guarantee to UNION STORAGE ENERGY SYSTEM LTD., a subsidiary of the Company.	V V V	None
	Resolution : Directors approved the proposal unanimously.		
Year 2020 7 th 2020. 11. 04	1. Submit financial statements for the third quarter of 2020. 2. Proposal for full attendance bonus adjustment of the Company. 3. Proposal to amend the payments of bonus and dividend scheme. 4. Proposal for 2 nd allotment list and number of shares for employees and managers of repurchase shares of the Company's stock for the 16th time. 5. Proposal to formulate the management procedures of the Company's "consolidated financial statement preparation process". 6. Proposal to formulate the implementation rules for internal audits of the guidelines for "Repurchase of Shares for Employees." 7. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC LTD. and HENG YA ELECTRIC (DONGGUAN) LTD, subsidiaries of the Company. 8. Proposal for the Company's application for credit lines to Mega Bank, HSBC Bank, Yuanta Bank, International Bills, Bank of Taiwan, Standard Chartered Bank, KGI Bank, Yushan Bank and China Bills 9. Proposal to amend the Company's Ethical Corporate Management Committee Charter and Meeting Procedures. 10. Proposal of the Company's donation case to related parties, TA YA Pristine Homeland Foundation.	V V V V	None
	Resolution : Directors approved the proposal unanimously.		

Year 2020 8 th 2020.12.10	1. Report of operation and execution status of C.S.R.Committee in 2020. 2. Report of operation and execution status of Ethical Corporate Management Committee in 2020. 3. Report of operation and execution status of Intellectual Property Committee in 2020. 4. Report of operation and execution status of Information Security Committee in 2020. 5. Approval for the Company's 2021 annual business plan. 6. Proposal to formulate the Company's 2021 Audit Plan. 7. Proposal to lend NT\$30 million to UNION STORAGE ENERGY SYSTEM LTD., a subsidiary of the Company. 8. Proposal for the Company's subsidiary, TAYI PLASTIC(H.K.)LTD., providing financing endorsement guarantee to DONGGUAN HUI CHANG PLASTIC CO., LTD., a subsidiary of TAYI PLASTIC(H.K.)LTD. 9. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD. 、 HENG YA ELECTRIC (DONGGUAN) LTD. 、 TAYA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY 、 UNION STORAGE ENERGY SYSTEM LTD. and BOSI SOLAR ENERGY CO., LTD., subsidiaries of the Company. 10. Proposal for renewal of credit line from China Evergreen Bank, First Bank, Daqing Notes and Changhua Bank.	V V V V V	None
	Resolution : Directors approved the proposal unanimously.		

- 2、As of December 31, 2020, Director recusals due to conflicts of interests :
December 31, 2020

Name(s) of Directors	Proposal	Reason for Recusa	Participated in Vote or Not	Notes
		None		

(II) Operation of the Audit Committee :

(1) Operation of the Audit Committee

A total of 8 (A) meetings of the audit committee were held in 2020.

1. The attendance records for Independent Directors are as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance rate(%) (B / A) (Note)	Notes
Independent Director (Convener)	Lee-Chiou Chang	7	1	87.5	Reelected on June 5, 2018
Independent Director	Chun-Hsien Wei	8	0	100	Reelected on June 5, 2018
Independent Director	Duen-Chian Cheng	8	0	100	Reelected on June 5, 2018

Other matters that need to be recorded in meeting minutes:

- (1) If any of the following circumstances occurs during the operation of the Audit Committee, the Board meeting date, meeting number, the proposal contents, the resolution of the Audit Committee and our company's handling of the Audit Committee's opinions shall be clearly described.
 - (A) Items listed in Article 14-5 of the Securities and Exchange Act :
The details are described as follows:
 - (B) Except for the foregoing items, the items that were not approved by the Audit Committee but were resolved by more than two-thirds of all directors:
No such situation
 - (2) Regarding execution by independent board directors preventing cases of conflict of interest, name of independent board director, motion content, case of conflict of interest avoided, and voting participation should be described : No such situation.
- (3) Communication of independent board directors with the Chief audit officer and CPA (company finance, major issues of business conditions conducted through communications, and the methods and results should be described) : The details are described as follows:

Note:

* In the event that supervisors leave before a year is completed, the date when they leave should be indicated in the memo column. The actual attendance (seated) rate (%), on the other hand, shall be calculated by the frequency number of attendance (being seated) in the meetings.

* Before the end of the year, if there was an election of supervisors, the names of new and former supervisors should be filled in and the company should remark in the remarks section whether the supervisors are former, newly elected, or reelected, as well as the day of the reelection. The actual attendance rate to committee session (%) shall be calculated on the basis of the attendance in person in the sessions.

Operation of the Audit Committee

The Company's audit committee was established on June 5, 2018, and consists of three independent directors. The audit committee aims to assist the board of directors in supervising the company's quality and integrity in the implementation of accounting, auditing, financial reporting processes and financial control.

The Audit Committee held 8 meetings in 2020, and the main items reviewed include:

1. Financial Reports.
2. Financial Derivatives Transactions.
3. Internal Audit Reports.
4. Repurchase shares of the Company's stock.
5. Loaning of Company Funds and Endorsements and Guarantees.
6. Amendment to the Company's Articles of Incorporation.
7. Annual Business Plan.
8. Annual Audit Plan.
9. The assessment of the independence and suitability of the CPAs.
10. Annual self-assessment of the Audit Committee

1、Operation of the Audit Committee in the current year

Board of Directors Meeting	Proposal content and subsequent handling	Matters and items stipulated in Article 14-5 of the Securities and Exchange Act	Resolutions that have not been approved by the Audit Committee and agreed by more than 2/3 of all directors
Year 2020 1 st 2020. 03. 12	1. Approval for the implementation of the Company's Financial Derivatives Transactions and the Subsidiary's Loaning of Company Funds. 2. Approval for the implementation of the Company's internal audit. 3. Approval for the Company's 2019 financial statements. 4. Approval for amendment to the Company's Articles of Incorporation . 5. Approval for the Company's 2019 declaration of internal control system. 6. Approval for the Company's Loaning of Company Funds to Cuprime Material Co., LTD., a subsidiary of the Company. 7.Approval for a joint loan case and the short-term credit line proposal between SIN JHONG SOLAR POWER CO., LTD. a subsidiary of the Company,and China Evergreen Bank for operation support letter . 8.Approval for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD. a subsidiary of the Company,. 9. Approval for the annual remuneration payable to the CPA firm . 10.Approval for the replacement of CPAs due to internal rotation mechanism of Solomon & CO.,CPAs,.	V V V V V V V V	None
	Resolution of the Audit Committee(2020.03.12) : Proposal passed.		
	Company's Handling of Audit Committee Member's Opinion : Directors approved the proposal unanimously.		
Year 2020 2 nd 2020. 03. 16	1. Approval for repurchase shares of the Company's stock on the centralized exchange market for the 16th time.	V	None
	Resolution of the Audit Committee (2020.03.16) : Proposal passed.		
	Company's Handling of Audit Committee Member's Opinion : Directors approved the proposal unanimously.		
Year 2020 3 th 2020. 04. 23	1. Approval for the implementation of the Company's Subsidiary's Loaning of Company Funds. 2. Approval for the Company's 2019 profit distribution plan. 3. Approval for the amendment to the Company's Articles of Incorporation . 4. Approval for the Company's Loaning of Company Funds to TA YA Innovation Investment Co., Ltd. and TA YA VENTURE CAPITAL CO., LTD., subsidiaries of the Company. 5. Approval for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD and HENG YA ELECTRIC(DONGGUAN) LTD. , subsidiaries of the Company.	V V V V V	None
	Resolution of the Audit Committee (2020.04.23) : Proposal passed.		
	Company's Handling of Audit Committee Member's Opinion : Directors approved the proposal unanimously.		

Year 2020 4 th 2020.05.06	1. Approval for the implementation of the Company's Financial Derivatives Transactions.	V	None
	2. Approval for the Company's financial statements for the first quarter of 2020.	V	
	3. Approval for the implementation of the Company's internal audit.	V	
	4. Approval for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD. and HENG YA ELECTRIC (DONGGUAN) LTD., subsidiaries of the Company.	V	
	Resolution of the Audit Committee (2020.04.23) : Proposal passed.		
	Company's Handling of Audit Committee Member's Opinion : Directors approved the proposal unanimously.		
Year 2020 5 th 2020.08.05	1. Approval for the implementation of the Company's Financial Derivatives Transactions.	V	None
	2. Approval for the Company's financial statements for the second quarter of 2020.	V	
	3. Approval for the implementation of the Company's Subsidiary's Loaning of Company Funds and for Endorsements and Guarantees.	V	
	4. Approval for the implementation of the Company's internal audit.	V	
	5. Approval for providing financing endorsement guarantee to HENG YA ELECTRIC LTD. and HENG YA ELECTRIC (DONGGUAN) LTD., subsidiaries of the Company.	V	
	6. Approval for the Company's Secured ordinary corporate bond, 1st period,2020.		
	Resolution of the Audit Committee (2020.08.05) : Proposal passed.		
	Company's Handling of Audit Committee Member's Opinion : Directors approved the proposal unanimously.		
Year 2020 6 th 2020.09.10	1. Approval for purchase shares of TAYYA GREEN ENERGY TECHNOLOGY CO., LTD. from Hengs Technology Co., Ltd.	V	None
	2. Approval for providing purchase guarantee to UNION STORAGE ENERGY SYSTEM LTD., a subsidiary of the Company.	V	
	Resolution of the Audit Committee (2020.09.10) : Proposal passed.		
	Company's Handling of Audit Committee Member's Opinion : Directors approved the proposal unanimously.		
Year 2020 7 th 2020.11.04	1. Approval for the implementation of the Company's Financial Derivatives Transactions.	V	None
	2. Approval for the Company's financial statements for the third quarter of 2020.	V	
	3. Approval for the implementation of the Company's Subsidiary's Loaning of Company Funds and for Endorsements and Guarantees.	V	
	4. Approval for the implementation of the Company's internal audit.	V	
	5. Approval for formulate the management procedures of the Company's "consolidated financial statement preparation process".	V	
	6. Approval for providing financing endorsement guarantee to HENG YA ELECTRIC LTD. and HENG YA ELECTRIC (DONGGUAN) LTD, subsidiaries of the Company.		
	Resolution of the Audit Committee (2020.11.04) : Proposal passed.		
	Company's Handling of Audit Committee Member's Opinion : Directors approved the proposal unanimously.		
Year 2020 8 th 2020.12.10	1. Approval for the Company's 2021 annual business plan.	V	None
	2. Approval for the Company's 2021 Audit Plan.	V	
	3. Approval for the Company's Loaning of Company Funds to UNION STORAGE ENERGY SYSTEM LTD., a subsidiary of the Company.	V	
	4. Approval for the Company's Subsidiary's Endorsements and Guarantees.	V	

	5. Approval for the Company's Loaning of Company Funds to the subsidiaries.	V	
	Resolution of the Audit Committee (2020.12.10) : Proposal passed. Company's Handling of Audit Committee Member's Opinion : Directors approved the proposal unanimously.		

2、Communication between independent directors, the chief internal auditor and CPAs.

1. Communication between independent directors, the chief internal auditor and CPAs.

(1) The company's audit committee was established on June 5, 2018.

(2) The CPAs are invited to attend Audit Committee meetings at least once a quarter and to

report to the Audit Committee on the review or audit results of our Company's and its affiliates' financial statements and the internal control audit status. The CPA shall fully communicate any material adjustments to entries or any amendments to laws and regulations.

(3) The chief internal auditor shall meet with the independent directors regularly in Audit Committee meetings at least once a quarter to report on the internal audit implementation of our Company and the internal control operations.

2. Summary of previous communications between independent directors (the Audit Committee) and CPAs

Date	Communication Highlights	Recommendation and Result
Audit Committee Meeting 2020/03/12	The CPAs have provided a description of the key audits of the stand-alone and consolidated financial statements for the year 2019 and the results of the audit.	Approved by the Audit Committee.
Audit Committee Meeting 2020/05/06	The CPAs provide an explanation of the audit results of the consolidated financial statements for the first quarter of 2020.	Approved by the Audit Committee.
Audit Committee Meeting 2020/08/05	The CPAs provide an explanation of the audit results of the consolidated financial statements for the second quarter of 2020.	Approved by the Audit Committee.

Audit Committee Meeting 2020/11/04	1.The CPAs provide an explanation of the audit results of the consolidated financial statements for the third quarter of 2020. 2. The CPAs explained the scope, method and discovery of the annual audit for 2020 and discussed with the Audit Committee members on the key audit matters.	Approved by the Audit Committee.

3. Summary of previous communications between independent directors (the Audit Committee) and the chief internal auditor :

Date	Communication Highlights	Recommendation and Result
Audit Committee Meeting 2020/03/12	1. The implementation of the audit for November to Decerber , 2019 was reported. 2. The implementation of the audit for Improving the ability to prepare financial reports on their own for the first quarter of 2020 was reported. 3. The Company's 2019 declaration of internal control system was reported.	Approved by the Audit Committee.
Audit Committee Meeting 2020/05/06	1. The implementation of the audit for the first quarter of 2020 was reported. 2. The implementation of the audit for Improving the ability to prepare financial reports on their own for the second quarter of 2020 was reported.	Approved by the Audit Committee.
Audit Committee Meeting 2020/08/05	1. The implementation of the audit for the second quarter of 2020 was reported. 2. The implementation of the audit for Improving the ability to prepare financial reports on their own for the third quarter of 2020 was reported.	Approved by the Audit Committee.
Audit Committee Meeting 2020/11/04	1. The implementation of the audit for the third quarter of 2019 was reported. 2. The implementation of the audit for Copper hedging was reported.	Approved by the Audit Committee.
Audit Committee Meeting 2020/12/10	1. The implementation of the audit for October 2020 was reported. 2. The implementation of the audit for Improving the ability to prepare financial reports on their own for the fourth quarter of 2020 was reported. 3. 2021 annual audit plan was reported. 4. The formulation of the Company's Procedures for Ethical Management and Guidelines for Conduct was explained.	Approved by the Audit Committee.

2020/06/11	The chief audit communicates face-to-face with independent directors in informal meetings.	

(3) Differences between our corporate governance and the Corporate Governance Best-Practice Principles for TWSE- and TPEX-listed Companies and reason(s):

Appraisal Items	Actual Governance (Note)		Deviations from Corporate Governance Best Practice Principles for TWSE- TPEX listed Companies and Reason(s)
	Yes	No	
1. Has the company set and disclosed the principles for practicing corporate governance according to the Corporate Governance Best Practice Principles for TWSE/TPEX-listed Companies?	V	The Company has formulated the Corporate Governance Principles and Practice according to the "Corporate Governance Best-Practice Principles for TWSE- TPEX-listed Companies", which were amended as approved by the Board of Directors and were disclosed on the Company's website and Market Observation Post System.	No difference.
2. The Company's ownership structure and shareholders' equity			
(1) Has the company implemented a set of internal procedures to handle shareholders'	V	The Company has Spokesperson, Deputy Spokesperson, and Stock share Transfer Agent and Registrar for handling suggestions, doubts, disputes, and litigations based on procedures.	No difference.

suggestions, doubts, disputes and litigations?					
(2) Has the company had a list of major shareholders who actually control the company or a list of ultimate controller of such shareholders?	V			Stock agency provides the list of ultimate controllers of its principal shareholders pursuant to the laws and regulations.	No difference.
(3) Has the company established and implemented risk control/management and firewall mechanisms between the company and its affiliated firms?	V			Both the Company and the affiliated companies operate dependently, the mutual risk control mechanism and firewall have been properly established. The Company also has formulated Procedures for Acquisition or Disposal of Assets, Management of Loans to Others, Management of Endorsement and Guarantees and Management of Supervision of Subsidiaries, and indeed executed.	No difference.

(4) Has the company set internal regulations that prohibit the company's personnel from taking advantage of information that has not been disclosed to the public to purchase or sell securities?	V		The Company has formulated "Operating Procedures for Preventing Insider Trading" and Codes of Ethical Conduct, It explicitly prohibits company insiders from using undisclosed information on the market to buy and sell securities, and regularly conduct internal education, training and publicity.	No difference.
3. The composition and duties of the Board				
(1) Has the Board of Directors devised a plan for a more diverse composition of the Board? If so, has the plan been implemented?	V		1. The composition of the board of directors should consider diversification, and consider its operation, operation style and development needs to formulate appropriate diversification policies, including but not limited to the following two major aspects of standards: 1. Basic conditions and values: gender, age, nationality and culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc. The members of the board of directors should generally possess the knowledge, skills and accomplishments necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the overall board of directors should have the following capabilities: 1. Operational judgment ability. 2. Accounting and financial analysis capabilities. 3. Operation and management capabilities. 4. Crisis management ability. 5. Industrial knowledge. 6. the international market outlook. 7. Leadership.	No difference

			8. Decision-making ability.											
	1. 2The Company will consider the board of directors from many aspects when setting the composition of the board of directors. Diversified members, including but not limited to gender, age, cultural and educational background , race, professional experience, skills, knowledge and service tenure. The Company's director election method adopts a candidate nomination system. In addition to evaluating the qualifications of each candidate, it also refers to the opinions of stakeholders, and abides by the director election method and corporate governance code of practice to ensure the diversity and independence of directors. 3The board of directors of the Company consists of 8 directors, including 3 independent directors. With a rate of 38%, the Company's board members have extensive experience and expertise in finance, marketing and management. The company also pays attention to gender equality in the composition of the board of directors. Currently, there are 8 directors, including 1 female director, with a ratio of 13%. The board of directors drafts a diversified policy on membership and exposes it on the company's website and Market Observation Post System. The relevant implementation is as follows.													
Diversification of the Board of Directors' members:														
Diversified core item	Gender	Part-time employees of the company	Age			Tenure			Administrative management	Leadership decision	Industry knowledge	Financial and accounting	Law	Risk management
			55 To 60	61 To 65	66 To 70	1 To 3	4 To 6	7 To 9						
Name														

[illegible]

			ensure integrity management. (3) Plan the reporting system and ensure the effectiveness of its implementation. (4) Promotion of honesty policy and education and training. (5) Other matters related to the formulation and supervision of the implementation of the integrity management policy. C. Operating situation in 2020 : (1) The first meeting was held on 2020/8/5: The Information Security committee was established to formulate information security policies and specific management plans, and report to the board of directors at least once a year. The second meeting was held on 2020/11/7: to formulate the "Integrity Management Operating Procedures and Behavior Guidelines". (2) In order to improve the professional knowledge and legal literacy of the committee members, and to effectively implement the company's integrity management policy, professional lecturers were hired to give lectures to the company on July 7 and August 18, 2020, respectively. Practice", "Reconstruction of Information Security from the Perspective of Digital Forensics"; On September 14, 2020, a lawyer was hired to teach "Labor Incident Law Enterprise Responses", and a database of textbooks will be built for internal personnel to learn and use. (3) New recruits are trained for publicity twice a year, so that they can fully understand the company's determination, policy, prevention plan, and the consequences of violations of dishonest behavior. It was held in May and November 2020. (4) The company plans to implement 80 internal audit plans in 2020, and 39 have been implemented as of June 30, 2020, and 5 items to be improved have been discovered. The relevant units have carried out improvement operations and reported to the board of directors. (5) Reporting to the board of directors on the operation and implementation of 2020 on 2020/12/10. 2. 2 CSR Committee a. Members of the Committee : Duen-Chian Cheng, the independent director (Convener and Chairman of the Conference), Executive Deputy General Manager, Chen Chongguang, Hong Chongming, Associate of Finance Department, Ruan Renfeng, Manager of Business Planning Office, and Wu Caichen, Business Planning Office b. The responsibilities of this committee include the following matters and report to the board of directors regularly (at least once a year): (1) Agreement on corporate social responsibility policies, strategic planning, annual plans and project plans. (2) The implementation of corporate social responsibility strategic planning, annual plans and project plans, and evaluation of the implementation status. (3) Verification of the corporate social responsibility report. (4) Report the annual implementation results of corporate social responsibility to the

			board of directors every year. c. Operating situation in 2020 : (1) Verification of the corporate social responsibility report. (2) Continue to promote various tasks of corporate social responsibility, including formulating and reviewing corporate social responsibility policies, systems or related management policies, and specific promotion of the proposal and implementation of plans. (3) The Company's 2019 CSR report won the TCSA Taiwan Sustainability Report Silver Award. (4) On November 23, 2020, 1 CSR education training for supervisors will be held; CSR education training for new recruits will be held in May (online) and 2020/11/9. (5) In 2020, two meetings were held on 5/6 and 11/4 respectively and their operation and implementation status and work plan for 2020 were reported to the board of directors. 2. Intellectual Property Committee a. Members of the Committee : Duen-Chian Cheng, the independent director (Convener and Chairman of the Conference), Shang-Hung Shen, Chairman of the board, San-Yi Shen, general manager, Shang-Tao Shen, Executive Deputy General Manager, Chen Chongguang, Deputy General Manager of the General Management Office, Lin Huiye, Manager of the General Affairs Department of the General Management Office, and Lawyer Su Wenbin. b. The responsibilities of this committee include the following matters, and regularly (at least once a year) to the board of directors report: (1) Formulate an intellectual property rights plan linked to operational goals, including intellectual property strategies, management systems, and possible intellectual property risks and corresponding measures. (2) Ensure that internal audits are carried out regularly to strengthen the operational management of the company's intellectual property rights data. (3) Planning the management system of patents and trademarks. (4) Promotion of intellectual property policy and education and training. (5) Other matters related to the formulation and supervision of the implementation of intellectual property policies. c. Operating situation in 2020 : (1) The Board of Directors passed the Intellectual Property Rights Management Measures and established the Intellectual Property Committee on 2020/8/5. (2) Completed the NOTES database of Ta Ya Patent Management in September. Up to 2020, a total of 41 patents were granted, and 31 are still within the validity period, including 27 in Taiwan, 2 in China (painted wire), and 2 in Malaysia (NIC). By business

			group: 13 Dentsu, 13 Lacquer Wire, 5 NIC. (3) Completed the NOTES database of Ta Ya trademark management in October. By the end of 2020, Taiwan has completed 32 registrations and 60 overseas (10 each for Vietnam, China, 3 each for Japan, Singapore, Indonesia, India, Laos, Malaysia, Mexico, and 2 each for Saudi Arabia and Thailand), 5 in Hong Kong, 6 in the Philippines, 4 in Myanmar). A total of 92 pieces at home and abroad. (4) There are currently 23 trademark registration applications: 2 in Taiwan, 9 in China, 3 in Vietnam, 1 in Indonesia, and 4 in Thailand and Myanmar each. (5) In accordance with the internal control processing standards, the audit office completed the internal audit of "product research, technology research and development, document, and record keeping" in March, and completed the internal audit of "acquisition, maintenance and utilization of intellectual property rights" in April. There are no defects yet. (6) The operation and implementation of 2020 were reported to the board of directors on 2020/12/10. 2. 4 Information Security Committee a. Members of the Committee : Chun-Hsien Wei, the independent director (Convener and Chairman of the Conference), Shang-Hung Shen, Chairman of the board, San-Yi Shen, general manager, Shang-Tao Shen, Executive Deputy General Manager, Chen Chongguang, Deputy General Manager of the General Management Office, Zhong Mingzhang, Manager of the Information Department of the General Management Office, Li Wenbin, General Manager of the NIC Business Group, and Professor Lai Feifeng, National Taiwan University. b. The responsibilities of this committee include the following matters and report to the board of directors regularly (at least once a year): (1) Formulate information security policies and management principles and operating standards. (2) Confirm that the ownership and control of information assets are properly managed. (3) Monitoring, recording and investigating information security incidents. (4) Organize and summarize the annual implementation of information security risk status, and report to the board of directors at least once a year. (5) Responsible for implementing the promotion and policy planning of information security work. c. Operating situation in 2020 : (1) The board of directors passed the organization rules of the Information Security Committee and established the Information Security Committee on 2020/ 8/5. (2) The work responsibilities of the Information Security Committee include the following matters and report to the Board of Directors on a regular basis: 1. Formulate information security policies and management principles and operating

			standards. 2. Confirm that the ownership and control of information assets are properly managed Rationale. 3. Monitoring, recording and investigating information security incidents. 4. Organize and summarize the annual implementation of information security risk status, and report to the board of directors at least once a year. 5. Responsible for the implementation of information security work promotion and policy planning. (3) Information Security Implementation Report to 2020 Antivirus: Trend Officescan Antivirus Software; Disaster Prevention: Regular Backup: 1. Acronis backup: tn-nt1 (oracle ap and ad server), tn-pf1 (Tainan file server), web server, officescan server, Taipei file server, wsus server. 2. Veritas Backup Solution (NBU) includes oracle and domino The notes server is remotely backed up to the Taipei branch. HA: Oracle uses HA architecture VMware: Some users use VMware horizon client Citrix: Some mobile users are authorized to use Citrix xenapp to connect to the operation.2. Anti-theft: The firewall uses ssl-vpn authentication, and the password is forced to update regularly (ad, oracle, notes) Mail SQR (mail record). 3. Anti-hacking: FireWall & IPS, Spam SQR (spam filtering), WSUS (Microsoft security automatic update), chakra Max (oracle db log, for personal salary, salary, customer... and other smart data access records). (4) The audit room is handled in accordance with internal control standards: Completed "System Recovery Plan Operation" in April Completed "Data Processing and Data Import and Export Operations" in June Completed "Computer Department Organization and Management Operations", "System Development and Program Modification Operations", "Program and Data Access Operations" in August. In September, completed the "Computer System Documentation Operations", "Hardware and Software Purchase, Use and Maintenance Operations". In October, the internal audit of "Files and Equipment Safety Management" was completed, and there were no defects, and the operation was normal. (5) Information security education and training:On 2020/08/18, a 3-hour education training was held, and external lecturers were invited to teach in the company. The name of the course was "Reconstructing Information Security from the Perspective of Digital Forensics." (6) The operation and implementation were reported to the board of directors on 2020/12/10.			No difference
(3) Has the company established methods for appraising the performance of the Board of Directors as well as actual procedures for executing the appraisals? If so, has the company executed appraisals of the performance of the Board annually? Are the results of the performance	V		The company has formulated the performance evaluation method for the board of directors, which has been approved by the board of directors. The internal board of directors performance evaluation shall be carried out at least once a year, and the performance evaluation of the current year shall be carried out at the end of the year. Every three years, an external professional independent institution or an			

evaluations reported to the Board of Directors and used as a reference for individual directors' remuneration and nomination for reappointment?		external team of experts and scholars will perform the evaluation. In addition to the overall operation of the board of directors, each director also needs to conduct self-evaluation for himself. The measurement items of the overall evaluation of the company's board of directors include the following five aspects: 1. The degree of participation in the company's operations. 2. Improve the decision-making quality of the board of directors. 3. The composition and structure of the board of directors. 4. The selection and continuing education of directors. 5. Internal control. The measurement items for the performance evaluation of directors should include at least the following six aspects: 1. The mastery of the company's goals and tasks. 2. Awareness of directors' responsibilities. 3. The degree of participation in the company's operations. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal control. The measurement items of the performance evaluation of the remuneration committee include the following five aspects: 1. The degree of participation in the company's operations. 2. Awareness of the responsibilities of the committee. 3. Enhance the decision-making quality of the committee. 4. Committee composition and selection of members. 5. Internal control. The measurement items of the audit committee's performance evaluation include the following five aspects: 1. The degree of participation in the company's operations. 2. Awareness of the responsibilities of the committee. 3. Enhance the decision-making quality of the committee. 4. Committee composition and selection of members. 5. Internal control. The evaluation is carried out by the General Management Office and is carried out using internal questionnaires, according to the board of directors Operation, Director Participation, Remuneration Committee Operation, and Audit Committee Operation. It adopts directors' evaluation of the operation of the board of directors, director's evaluation of their own participation, and remuneration committee. Evaluation of the operation of the committee by the staff member and evaluation of the operation of the committee by the audit committee. The results of the effectiveness evaluation will be used as a reference for the selection or nomination of directors, and the directors and The performance evaluation results of functional committee members are

			used as reference for determining their individual salary and remuneration. Test basis. After all the questionnaires are collected in February each year, the company's executive unit will analyze the previous method, submit the results to the board of directors, and put forward actions that can be strengthened and improved according to the recommendations of the directors. The performance evaluation of the company's board of directors, remuneration committee and audit committee for 2020. The scores are all 90 points or more, and the evaluation result level is excellent. The directors have been approved, report the results of the evaluation, suggestions and improvement measures to the board of directors on 2021/3/11. The recommendations and improvement actions for the board of directors and functional committees are as follows: Board of Directors: The directors suggest arranging lecturers to teach in the company to assist the directors in continuing education. The company has arranged lecturers to teach "Corporate Governance-related Courses" to the company on 2020/07/07 and 2020/08/18, respectively, to assist directors in continuing to study corporate governance development issues. Remuneration Committee: The members suggested that the performance appraisal of the audit supervisor should be assessed by the board of directors. The performance appraisal and related measures of the company's 2020 annual audit supervisor have been reported to the board of directors on 2021/3/11. Audit Committee: The committee members suggested that the public accountant's audit fees should be submitted to the Audit Committee for review. The Company has submitted the CPA's relevant expenses to the audit committee and report to the board of directors on 2021/3/11.	
(4) Has the company periodically evaluated the level of independence of the CPA?	V		In accordance with Article 29 of the Code of Practice on Corporate Governance, in order to strengthen and improve the quality of financial reporting, the Company regularly (once a year) evaluates the independence and competence of The CPA. The financial department of the Company reports the evaluation results to Audit committee and board of directors on March 11, 2021. Independence assessment items: 1. Whether The CPA has direct or indirect significant financial interest in the Company: No 2. Whether The CPA has financing or guarantee act with the Company or its directors: No 3. Whether The CPA has a close business relationship and potential employment relationship with the company: No 4. Whether The CPA and their audit team members currently or in the last two years have served as directors or managers of the Company or positions that have a significant	No difference

			impact on the audit work: No 5. Does The CPA provide the Company with non-audit that may directly affect the audit service item: No 6. Does The CPA intermediary the stocks or other securities issued by the company: No 7. Does The CPA act as the defender of the company or coordinate conflicts with other third parties on behalf of the company: No 8. Does the CPA's direct blood relations, direct relations by marriage, or collateral blood relations within the second degree of kinship acts as the Company's directors, managers or any position that has a direct and material effect on the audit work.: No Competency assessment items: 1. Whether the scale and reputation of the accounting firm in the year under evaluation have not suffered significant damage: Yes 2. Whether there are no legal litigation cases or cases corrected or investigated by the competent authority: Yes 3. Do you have knowledge of the relevant industry or field of the company, and understand the relevant laws and regulations Regulations: Yes 4. Whether the quality and timeliness of auditing and taxation services have been completed within the agreed time limit: Yes 5. Does the visa accountant attend the audit committee or the board of directors at least once a quarter: Yes 6. Whether the interaction between accountants and management and internal audit supervisors is good: Yes	
4. Has the TWSE- or TPEX-listed company designated a proper number of competent staff in charge of the corporate governance related affairs (including but not limited to providing information for the Directors and Supervisors to execute their duties, assisting the Directors and Supervisors with legal compliance, handling the affairs related to the Board meetings and the Shareholders Meeting as prescribed by law, preparing the minutes of the Board meetings and the Shareholders Meeting, etc.)?	V		On March 21, 2019, the board of directors of the Company approved the establishment of a corporate governance supervisor. Mr. Hong Chongming, the Company's financial assistant with CPA licence, will be responsible for corporate governance-related affairs. The main responsibilities are as follows: 1. Handle matters related to meetings of the board of directors and shareholders meeting in accordance with the law. 2. Prepare the minutes of the board of directors and shareholders' meetings. 3. Assist directors to take office and continue their education. 4. Provide information necessary for directors to perform their business. 5. Assist directors to comply with laws and regulations. 6. Other matters stipulated in the company's articles of association or regulations. The business execution in 2020 is as follows: 1. Assist the directors in arranging the schedule and agenda of the annual meeting. 2. Assist independent directors and general directors in performing their duties, provide required information and arrange for directors to further their studies. 3. Assist the board of directors and shareholders in meeting procedures and resolutions	No difference

on compliance matters.																							
4. Responsible for reviewing the release of important information of important resolutions of the board of directors, ensuring the legality and correctness of the content of the renewal, so as to ensure the equivalence of investor transaction information. 5. Maintain investor relations: Arrange exchanges and communication between directors and major shareholders, institutional investors or general shareholders as needed, so that investors can obtain sufficient information to evaluate and determine the company's reasonable capital market value, and the shareholders' rights and interests are well protected. 6. Draft the agenda of the board of directors, notify the directors seven days in advance, convene the meeting and provide the meeting materials, and remind them in advance if the issues require interest avoidance, and complete them within 20 days after the meeting. 7. Handle the pre-registration of the date of the shareholders meeting in accordance with the law, make the meeting notice within the statutory time limit, Handbook of proceedings, record of proceedings, and change registration after amendment of the articles of association.																							
The situation of advanced studies in 2020 is as follows:																							
<table><tr><th>Date</th><th>Organizer</th><th>Course Title</th><th>Hours</th><th>Total hours</th></tr><tr><td>2020/08/18</td><td>TCGA</td><td>Reconstructing information security from the erspective of digital forensics</td><td>3</td><td>12</td></tr><tr><td>2020/08/21</td><td>TCGA</td><td>How does the company do a good job in fraud detection and prevention and establish a whistle blowing mechanism to strengthen corporate governance</td><td>3</td><td rowspan="2">3</td></tr><tr><td>2020/09/25</td><td>SFI</td><td>Prevention of insider trading and insider equity trading promotion briefing</td><td>3</td></tr></table>					Date	Organizer	Course Title	Hours	Total hours	2020/08/18	TCGA	Reconstructing information security from the erspective of digital forensics	3	12	2020/08/21	TCGA	How does the company do a good job in fraud detection and prevention and establish a whistle blowing mechanism to strengthen corporate governance	3	3	2020/09/25	SFI	Prevention of insider trading and insider equity trading promotion briefing	3
Date	Organizer	Course Title	Hours	Total hours																			
2020/08/18	TCGA	Reconstructing information security from the erspective of digital forensics	3	12																			
2020/08/21	TCGA	How does the company do a good job in fraud detection and prevention and establish a whistle blowing mechanism to strengthen corporate governance	3	3																			
2020/09/25	SFI	Prevention of insider trading and insider equity trading promotion briefing	3																				

				2020/12/04	SFI	Directors and supervisors (including independent) and corporate governance	3		
5. Has the company established channels for communicating with interested parties (including but not limited to shareholders, employees, customers, suppliers, etc.), set up a dedicated interested parties area on the company's website, as well as appropriately responded to important CSR issues that interested parties are concerned about?	V					The Company's corporate social responsibility committee is responsible for the identification of stakeholders and issues, and establishes consultation and communication channels with stakeholders based on internal operating mechanisms. Special personnel receive, record, and respond to information and response methods from various stakeholders. The Corporate Social Responsibility Committee reviews various corporate social responsibility issues of concern and corresponding plans every year to confirm appropriate responses, and publicly exposes relevant stakeholders' communication information through the annual CSR report and the company's website.	No difference		
6. Has the company appointed a professional shareholders service agency to handle affairs related to the Shareholders Meeting?	V					The Company appoints KGI Securities Co., Ltd., a professional stock agency, to handle the affairs of the shareholders meeting.	No difference		
7. Information disclosure									
(1) Has the company established a corporate website to disclose information regarding the company's financial, business and corporate governance statuses?	V					The Company's website has fully disclosed financial business and corporate governance information, the website is http://www.taya.com.tw	No difference		
(2) Has the company adopted other ways to disclose information (e.g., maintaining an English language website, appointing responsible people to handle corporate information collection and disclosure, appointing spokespersons, webcasting investor's conferences, etc.)?	V					(1) The Company has set up an English website for investors to consult. (2) The Company's deliberating unit is responsible for the collection and disclosure of company information. (3) The Company does implement the spokesperson system, and has spokespersons and acting spokespersons. For information on communication channels, please refer to the stakeholder section of the company's website. (4) The Company will disclose the process of the legal person briefing on Market Observation Post System and the company's website in accordance with the regulations	No difference		
(3) Does the Company announce and report its annual financial report within two months after the end of the fiscal year, and announce and report its first, second and third quarter financial report and operations for each month well in advance of the required deadline?			V			The Company's annual financial report and financial reports for the first, second and third quarters and the operating conditions of each month will be announced and declared before the specified deadline. For the disclosure of the above information, please refer to Market Observation Post System .	No difference		
8. Has the company had other information that is helpful for understanding the status of corporate governance (including but not limited to employee rights and	V					1. In terms of employee rights: Provide labor and health insurance system, employee dividend system, employee health check system, retirement system, education and training system, and set up workplace	No difference		

interests, investor relations, supplier relations, rights of interested parties, further education sought by Directors and Supervisors, implementation of risk management policies and risk evaluation standards, implementation of customer policies, the taking out of liability insurance for Directors and Supervisors)?		sexual harassment prevention measures, appeals and disciplinary measures, etc. Regular labor-management meetings are held in which employee representatives and management representatives jointly discuss and improve employee proposals. 2. Employee care: Take the initiative to care for the lives of employees, so as to achieve a balance between work and life. The company provides flexible measures such as childcare leave without pay, family care leave, and pregnancy leave for employees to choose from. 3. Investor relations: The company's website has an investor-specific webpage. Through this information platform, it serves as a communication bridge to convey the company's operating performance, investment strategy and financial information. 4. Suppliers and stakeholders: The company focuses on operating the business, upholds a sustainable operation attitude, and strives to maintain mutual long-term interests, and grows with suppliers and stakeholders. The Company's website has a special area for interested parties and their communication channels. 5. Circumstances of directors' advanced training: The directors of the Company have advanced training in accordance with regulations, and participated in seminars on corporate governance and related courses conducted by the Securities and Exchange Commission to implement corporate governance operations. Please refer to page 142 of this annual report for directors' training status. 6. Implementation of risk management policies and risk measurement standards: (1) The Company's major operating policies, investment cases, acquisition or disposal of assets, endorsement guarantees, capital loans and other matters have been evaluated and analyzed by relevant authority and responsibility units, and then submitted to the audit committee for review and resolution by the board of directors. (2) The audit unit draws up and executes an audit plan based on the results of the risk assessment every year. Implement supervision mechanism and control various risk management. 7. Implementation of customer policy: The Company adheres to the three directions of "Quality First, Customer First, Fastest Service", and has won unanimous praise from domestic and foreign market customers. In terms of quality assurance, the Company has also obtained a number of quality system certifications. We have always asked ourselves to provide customers with the most valuable (quality, cost, speed, delivery time, flexibility) products and services through continuous innovation and research and development. 8. Circumstances in which the company purchases liability insurance for directors: The Company has purchased liability insurance for directors and submit the report of the amount, coverage and premium rate to the board of directors on 2020/09/10.	
9. With respect to the results of the annual Corporate Governance Evaluation most recently issued by the Corporate Governance Center of Taiwan Stock Exchange, please describe the improvements and provide priority and measures to enhance those matters that have not yet been improved.			

The results of the company's 2020 (seventh) corporate governance appraisal were listed in the top 6% to the top 20%. For unscored items: the Company did not disclose the English version of the annual report and meeting handbook, and the Company listed it as the 2021 Execute projects to implement the concept of corporate governance.

Note: The Company shall provide explanations in the summary description box, regardless of whether actual governance is ticked "Yes" or "No."

(4) Composition, duties and operation of the Compensation Committee:

Information of the members of the Compensation Committee

Identity	Whether Possessing at least 5 Years of Work Experience and the Following Specialized Qualifications	Meet the independence criteria (Note2)	Number of Other Public Companies in

(Note1)	Criteria	An instructor or higher position in the department of commerce, law, finance, accounting or other department related to the business needs of the Company in a public or private junior college or university	A judge, public prosecutor, attorney, accountant, or other professional or technical specialist related to the needs of the Company who has passed a national examination and received a certificate	Having work experience in commerce, law, finance, or accounting or a profession necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	which the Member also Serves as an on the Compensation Committee	Remarks
	Name															
Independent director	Lee-Chiou Chang			V	V	V	V	V	V	V	V	V	V	V	3	
Independent director	Duen-Chian Cheng			V	V	V	V	V	V	V	V	V	V	V	3	
Independent director	Chun-Hsien Wei			V	V	V	V	V	V	V	V	V	V	V	0	

Note1: The "Identity" field describes the party's title as director, independent director, or others.

Note2: If the member meets any of the following criteria in the two years before being elected or during the term of office, please check "✓" in the corresponding box.

- (1) Not an employee of the company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates (the same does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (3) Not a natural-person shareholder whose shareholding, together with those of his/her spouse, minors and shares held under others' names, exceeds 1% of the total number of outstanding shares of the company, or ranks in the top ten shareholders of the company.
- (4) Not managerial officer listed in (1), neither is a spouse, relative within the second degree of kinship, or direct blood relative within the third degree of kinship of any of the persons in (2) and (3) above.
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that

ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, Paragraph 1 or 2 of the Company Act (the same does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).

- (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: Not a director, supervisor, or employee of that other company (the same does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: Not a director (or governor), supervisor, or employee of that other company or institution (the same does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (the same does not apply to any specified company or institution that holds 20 percent or more and no more than 50 percent of the total number of issued shares of the Company where independent directors are appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, the Company and its parent or subsidiary or a subsidiary of the same parent).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having any of the situations set forth in Article 30 of the Company Act of the R.O.C.

(2) Responsibilities of the Compensation Committee

The committee should faithfully perform the following functions and powers with the attention of good managers, and submit its suggestions to the board of directors for discussion:

1. Review this regulation regularly and propose amendments.
2. Establish and regularly review the company's directors and managers' performance evaluation standards, annual and long-term performance goals, and policies, systems, standards and structures of salary and remuneration and disclose the content of the performance evaluation standards in the annual report.
3. Regularly evaluate the achievement of the performance goals of the directors and managers of the Company, and determine their individual salary and remuneration based on the evaluation results obtained from the performance evaluation standards.

When performing the functions and powers of the preceding paragraph, the committee shall act in accordance with the following principles:

1. Ensure that the Company's salary and compensation arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.
2. The performance evaluation and salary remuneration of directors and managers should refer to the usual level of payment in the industry, and consider the results of individual performance evaluation, the time invested, and responsibilities, achievement of personal goals, performance in other positions, salary and remuneration given by the company to people in the same position in recent years, and the company's short-term and long-term achievement of business objectives, the company's financial status, etc. evaluate the reasonableness of the connection between personal performance and company's operating performance and future risks.
3. Directors and managers should not be guided to engage in behaviors that exceed the company's risk appetite in pursuit of remuneration.
4. The proportion of short-term performance of directors and senior managers and the payment time of part of the variable salary payment should be considered in

- consideration of the characteristics of the industry and the nature of the company's business.
5. The content and amount of remuneration for directors and managers should be determined in consideration of its rationality. The decision on remuneration for directors and managers should not be materially inconsistent with financial performance. If there is a major decline in profits or long-term losses, the salary should not be higher than the previous year. If it is still higher than the previous year, the rationality statement should be disclosed in the annual report.
 6. Members of this committee shall not participate in discussion and voting on their personal salary and remuneration decisions.

(3) Information on Operation of the Compensation Committee

1. The Company's compensation committee consists of 3 members, composed of all independent directors.
2. The term of office of the current (fourth) members: August 6, 2018 to June 4, 2021, the most recent year (2020) Compensation Committee met 4 times (A), the qualifications and attendance of the members are as follows:

Title	Name	Attended in Person (B)	Attended by Proxy	Attendance Rate (%) (B / A) (Note)	Remarks
Convener	Lee-Chiou Chang	4	0	100	Reelected on June 5, 2018
Member	Duen-Chian Cheng	4	0	100	Reelected on June 5, 2018
Member	Chun-Hsien Wei	4	0	100	Reelected on June 5, 2018
Other matters to be recorded: 1. If the board of directors does not adopt or amend the recommendations of the compensation committee, the date of the board of directors shall be stated, period, content of the proposal, the results of the board of directors' resolutions, and the Company's opinion of the Compensation Committee See the treatment (for example, if the compensation approved by the board of directors is better than the recommendation of the compensation committee, the differences and reasons should be stated): No such incident. 2. The resolutions of the Salary and Compensation Committee, if members have objections or reservations and have records or the written statement shall state the date, period, content of the proposal, all Member opinions and handling of member opinions: No such matter.					

Note:

(1) Date of resignation is shown for members of the Remuneration Committee who had resigned prior to the close of the financial year. The percentage of actual attendance (%) is calculated based on the number of Remuneration Committee meetings held and the number of meetings actually attended during active duty.

(2) If a re-election of Remuneration Committee members had taken place prior to the close of the financial year, members of both the previous and the current Remuneration Committee will be listed; in which case, the remarks column will specify whether the committee member was elected in the previous board, the new board, or both. The percentage of actual attendance (%) is calculated based on the number of Remuneration Committee meetings held and the number of meetings actually attended during active duty.

The function of the Company's Compensation committee is to evaluate the Company's directors and managers' salary and remuneration policies and systems with a professional and objective status. It is held at least twice a year, and may hold meetings at any time as needed to make recommendations to the board of directors for reference in decision-making.

The power of the Company's Compensation committee:

1. Regularly review the company's remuneration policy and propose amendments.
2. Set and regularly review the company's directors and managers' performance appraisal standards, annual and long-term performance targets and the policies, systems, standards and structure of salary and remuneration.
3. Regularly evaluate the achievement of the performance goals of the directors and managers of the Company, and determine the content and amount of their individual remuneration based on the evaluation results obtained from the performance evaluation standards.

When the committee performs its functions and powers, it shall follow the following principles:

1. Ensure that the Company's salary and remuneration arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.
2. The performance evaluation and salary remuneration of directors and managers should refer to the usual level of payment in the industry, and consider the results of individual performance evaluation, the time invested, the responsibilities undertaken, the situation of achieving personal goals, the performance of other positions, and the Company In recent years, the salary and remuneration given to people in the same position are based on the Company's short-term and long-term business goals, the Company's financial status, etc., to assess the rationality of the relationship between personal performance and Company operating performance and future risks.
3. Directors and managers should not be guided to engage in behaviors that exceed the Company's risk appetite in pursuit of remuneration.
4. Proportion of remuneration for directors and senior managers' short-term performance and partial change of remuneration payment. The time should be determined by considering the characteristics of the industry and the nature of the company's business.
5. The content and amount of remuneration for directors and managers should be determined in consideration of their rationality. The decision of directors and managers's salary and remuneration should not be materially deviated from

financial performance, if there is a major decline in profits or a long-term loss,

the salary should not be higher than the previous year.

6. The members of this committee shall not participate in discussion and voting on their personal salary and remuneration decisions.

The matters for discussion and resolution by the Compensation Committee and the Company's handling of the opinions of the members of the Compensation Committee:

Compensation Committee	Proposals and Subsequent processing	Resolutions	Company's Handling of Compensation Committee Member's Opinion
109. 03. 12 4rd Term 5th Meeting 2020/3/12	1. Approval of the amendments to the company's employees' annual performance appraisal measures. 2. Approval of 2019 employee compensation and director compensation cases of the Company. 3. Approval of the Company's 2019 annual bonus payment amount. 4. Approval of 2019 annual performance appraisal and salary adjustments of the company's managers. 5. Approval of the company's 2019 annual supervisor bonus special bonus payment amount.	Members passed the proposals with unanimous consent.	Directors passed the proposals with unanimous consent.
109. 08. 05 4rd Term 6th Meeting 2020/8/5	1. Approval of the Company's salary and remuneration case for hiring new managers. 2. Approval of the scope of applicable managers that the Company should submit to the Compensation committee for remuneration pre-review.	Members passed the proposals with unanimous consent.	Directors passed the proposals with unanimous consent.
109. 09. 10. 4rd Term 7th Meeting 2020/9/10	1. Approval of the allotment list and number of shares for employees and managers of repurchase shares of the Company's stock for the 16th time.	Members passed the proposals with unanimous consent.	Directors passed the proposals with unanimous consent.
109. 11. 04 4rd Term 8th Meeting 2020/11/4	1. Approval of the Company's 2020 director remuneration and employee remuneration distribution policy proposal. 2. Approval of the Company's full attendance bonus adjustment proposal. 3. Approval of the amendments to the Company's bonus payment method. 4. Approval of the 2 nd allotment list and number of shares for employees and managers of repurchase shares of the Company's stock for the 16th time.	Members passed the proposals with unanimous consent.	Directors passed the proposals with unanimous consent.

(5) Fulfillment of social responsibility and differences between our corporate social responsibilities and the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reason(s):

Assessment items	Actual governance (Note 1)		Deviation from Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviation			
	Yes	No				
. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the Company's operations and formulate relevant risk management policies or strategies in accordance with the principle of materiality? (Note 3)	V	No	No difference			
				The Company established the Corporate Social Responsibility Committee in 2018. There are 5 committee members, and independent directors serve as the convener. The Company integrates corporate social responsibility into the Company's business strategy and implements corporate social responsibility in a purposeful, systematic and organized manner. The Company conducts relevant risk assessments on important issues in accordance with the principle of the importance of corporate social responsibility, and formulates relevant risk management policies or strategies based on the assessed risks.		
				<table><tr><th>Major issues</th><th>Risk assessment items</th><th>Risk management policy or strategy</th></tr><tr><td>Risk management</td><td>Major operating policies, Investment case, acquisition or Disposal of assets, endorsement certificate, fund loan and other matters item</td><td>In accordance with the handling guidelines of the internal control system established by Regulations Governing Establishment of Internal Control Systems by Public Companies, the Company has established group risk management measures, integrated the eight internal control operating cycles and management systems, and established a sound and efficient internal control system.</td></tr></table>	Major issues	Risk assessment items
Major issues	Risk assessment items	Risk management policy or strategy				
Risk management	Major operating policies, Investment case, acquisition or Disposal of assets, endorsement certificate, fund loan and other matters item	In accordance with the handling guidelines of the internal control system established by Regulations Governing Establishment of Internal Control Systems by Public Companies, the Company has established group risk management measures, integrated the eight internal control operating cycles and management systems, and established a sound and efficient internal control system.				

			Corporate Governance	Legal compliance and information disclosure	Through the establishment of a governance organization and implementation of internal control mechanisms, it is ensured that company personnel and operations actually comply with relevant laws and regulations. In order to protect the rights and interests of shareholders, the company actively improves information transparency.	
			Environment	Environmental protection and ecological conservation	The Company has established a suitable environmental management system and passed the ISO 14001 environmental management system verification. The Company cooperates with government policies, complies with environmental laws and regulations, continuously implements waste reduction and pollution prevention, and responds to global environmental protection activities	
ii. Has The Company Established A Dedicated Or Non-Dedicated Department For Fulfilling CSR, With The Board Of Directors Authorizing High-Ranking Managers To Handle Such Efforts And Report The Relevant Progress To The Board Of Directors?	V		The Company's board of directors approved the establishment of CSR Committee on March 15, 2018. (1)Members of the Committee:Duen-Chian Cheng,the indepdent director(Convener and Chairman of the Conference), Executive Deputy General Manager, Chen Chongguang, Hong Chongming, Associate of Finance Department, Ruan Renfeng, Manager of Business Planning Office, and Wu Caichen, Business Planning Office.			No difference

			(2)The responsibilities of this committee include the following matters and report to the board of directors regularly (at least once a year): a. Agreement on corporate social responsibility policies, strategic planning, annual plans and project plans. b. The implementation of corporate social responsibility strategic planning, annual plans and project plans, and evaluation of the implementation status. c.Verification of the corporate social responsibility report. d.Report the annual implementation results of corporate social responsibility to the board of directors every year. o (3)Operating situation in 2020 : a.Verification of the corporate social responsibility report. b.Continue to promote various tasks of corporate social responsibility, including formulating and reviewing corporate social responsibility policies, systems or related management policies, and specific promotion of the proposal and implementation of plans. c.The Company's 2019 CSR report won the TCSA Taiwan Sustainability Report Silver Award. d.On November 23, 2020, 1 CSR education training for supervisors will be held; CSR education training for new recruits will be held in May (online) and 2020/11/9. e.In 2020, two meetings were held on 5/6 and 11/4 respectively and their operation and implementation status and work plan for 2020 were reported to the board of directors.	
III. Environmental Issues				
(1) Has the Company established a proper environmental management system based on the characteristics of its industry?	V		The Company has established a suitable environmental management system and passed the ISO 14001 environmental management system verification and ISO 50001 energy management system verification. The company cooperates with government policies, complies with environmental laws and regulations, continuously implements waste reduction and pollution prevention, and responds to global environmental protection activities.	No difference
(2) Has the company made efforts to improve the efficiency of resources utilization and use recycled materials which have a low impact on the environment?	V		The promotion of business waste classification and resource recovery is one of the Company's annual target policy projects. The purpose is to enable units at all levels to perform their duties and implement waste classification to reduce environmental damage and effective resource reuse. The Company's four major types of industrial waste are divided into four categories: waste oil, waste solvents, waste optical fibers and general waste. The first three categories are handled and maintained by manufacturers approved by the Environmental Protection Agency. Waste oil cleaning is physical treatment. The Company also actively implements resource recovery to reduce waste of resources and energy. Set up rainwater recovery storage tanks, production line cooling water introduction soft water recycling system, and product packaging materials (wood shafts, iron shafts, plastic shafts, sealing plates) are recycled and reused to reduce environmental impact. The Company's water consumption in 2020 was 122,581 kWh, an increase of	No difference

				10.3% compared to 109,857 kWh in 2019. The Company continues to evaluate the feasibility of water-saving reforms in order to achieve energy-saving targets.	
(3) Has the company assessed the current and future potential risks and opportunities of climate change for the business and taken measures to address climate related issues?	V			In response to climate change and the impact that extreme weather may have on business operations and daily life, the group's action strategy is divided into two major aspects: reduction and adjustment. The reduction strategy can be divided into the clean production in the factory area to reduce the amount, and the provision of low-carbon related products to help others reduce the amount and the investment in the green energy industry. Although Ta Ya itself is a low-energy industry, it continues to pay attention to reducing energy resource use and review the effectiveness of the reduction through greenhouse gas inventory. At the same time, we are also developing green products that contribute to energy saving and carbon reduction. At the same time, we have invested in the construction of solar power plants. By the end of 2020, the total installed capacity will reach 112.37MW. Internally, despite its low water consumption, rainwater recovery facilities are still being built in the factory.	No difference
(4) Has the Company compiled statistics on greenhouse gas (GHG) emissions, water consumption and total weight of waste in the past two years, and formulated policies on energy conservation, carbon reduction, GHG reduction, water consumption reduction or other waste management?	V			The Company obtained the greenhouse gas verification statement on September 09, 2016. In order to mitigate the impact that climate change may have on business operations and daily life, the Company conducts its own greenhouse gas inventory and formulates energy-saving and carbon-reduction measures every year. The Company adopted the ISO1464-1 standard for the first time in 2009 to perform a greenhouse gas inventory, with a total emissions of 25,969.65 metric tons of CO ₂ e. And use this as a benchmark to promote energy-saving and carbon-reduction work. In 2019, the self-estimated total emissions are 21,986.082 metric tons of CO ₂ e; in 2020, Ta Ya's total emissions of 22,177.325 metric tons of CO ₂ e will be implemented in accordance with ISO14064-1. Through annual self-estimation of total emissions and formulating energy-saving and carbon-reduction measures, we will continue to aim to reduce total greenhouse gas emissions by 1% each year. Energy-saving and carbon-reduction measures: The Company introduces new energy-saving equipment, such as natural ventilation of green walls, energy-saving monitoring of electricity and electricity, improvement of power factor efficiency, comprehensive replacement of energy-saving lamps, use of thermal recycling to recover waste heat, cooling water tower cooling fan motors and installation of frequency converters. The Company's electricity consumption in 2020 was 39,360,000 kWh, an increase of 7.5% from the 36,397,200 kWh in 2019 years. The Company has also invested in the construction of solar power plants. As of the end of 2020, the total installed capacity has reached 112.37MW; the Company's plant and parking lot have installed solar panels with a capacity of 3,221.7KWp.	No difference
IV. Social Issues					

(1) Has the Company established its management policies and procedures in accordance with relevant laws, regulations, as well as international conventions regarding human rights?	V	The Company has a human rights policy statement: (1) Purpose: To support the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant, and the International Labor Organization Convention, so that everyone inside and outside the Company can be treated fairly and with dignity. Scope of application: The scope of application of this policy and the company's subsidiaries and joint ventures and other institutions or legal persons with substantial control capabilities and other group enterprises and organizations. Commitment: a. Support and respect the protection of human rights, and ensure that our business partners and suppliers also comply with the same requirements. b. Ensure that we or our business partners and suppliers will never employ child labor or prisoners, or force labor or use corporal punishment during our operations. c. Respect employees' rights to organize labor unions and collectively participate in labor-management negotiations in accordance with local laws and practices. d. Tolerate the diverse characteristics of all employees, and shall not discriminate against any employees or job applicants protected by law due to any characteristics. Including gender, color, race, ethnicity, nationality, belief, age, marital status, sexual orientation, gender identity and expression, disability, pregnancy, military service status, and political stance. e. Comply with the occupational safety and health policy, and promptly correct or report any possible threats. f. Do not act in a manner that is rude, hostile, violent, intimidating, threatening or harassing. g. Encourage the creation of a work environment free of harassment. Refuse to accept or tolerate sexual harassment, including unwelcome sexual favors, requests for sexual benefits, or other unwelcome suggestive language or physical behavior. h. Protect the personal information of current and former employees, board members, customers, job applicants and partners. The acquisition and use of personal information is limited to legitimate commercial purposes. (2) All employees are required to sign the "TA YA Employee Code of Conduct" when they arrive to ensure that all behaviors are in compliance with laws and regulations. (3) In order to implement gender equality, the Company has formulated the "Appeals and Disciplinary Measures for Sexual Harassment Prevention Measures in the Workplace" and regularly conducts relevant publicity activities.	No difference

(2) Has the company established and implemented reasonable employee benefit measures (including compensation, vacation and other benefits) and properly reflected operating performance or results in employee compensation?	V		The Company's personnel management regulations are formulated and implemented in accordance with the Labor Standards Law and other relevant regulations. The company takes the initiative to implement various welfare measures for employees, and the company's turnover and scrap income are allocated as a source of welfare subsidies. The employee compensation policy is determined based on the individual's ability, contribution to the Company, performance, the market value of the position he holds, and consideration of the Company's future operational risks, and is positively correlated with operating performance. The overall remuneration package of employees mainly includes three parts: basic fixed salary, bonus and benefits; and the standard of payment, basic fixed salary is based on the market situation of the position held by the employee, and the bonus is to link the achievement of employees and department goals and the company. As for the welfare design, it is required to plan multi-faceted welfare measures in accordance with laws and regulations and take into account the needs of employees.	No difference

(3) Has the company provided a safe and healthy work environment for employees and provided education on safety and health for employees on a regular basis?	V	The Company has an occupational safety and health policy, and conducts labor safety and health education and training every year. (1) The Company's 2020 education and training information is as follows: (2) The Company obtained ISO 14001, ISO 45001 and CNS 45001 certifications in 108 years. ISO 14001 validity period: 2019.12.17 ~ 2022.12.17 <table border="1"> <thead> <tr> <th>No.</th><th>Training course</th><th>Date</th><th>Person times</th></tr> </thead> <tbody> <tr> <td>1</td><td>Emergency personnel education and training</td><td>2020/04/15-04/17</td><td>37</td></tr> <tr> <td>2</td><td>ISO14001 、ISO45001 Internal Auditor Education and Training</td><td>2020/04/10</td><td>60</td></tr> <tr> <td>3</td><td>Environmental safety, fire-fighting chemical registration education and training</td><td>2020/07/22</td><td>29</td></tr> <tr> <td>4</td><td>Respiratory protection general education training</td><td>2020/08/21</td><td>31</td></tr> <tr> <td>5</td><td>Health Promotion Seminar</td><td>2020/09/28</td><td>40</td></tr> <tr> <td>6</td><td>Security Education and Training for Foreign Migrant Workers 1</td><td>2020/10/19</td><td>37</td></tr> <tr> <td>7</td><td>Security Education and Training for Foreign Migrant Workers 2</td><td>2020/11/02</td><td>27</td></tr> </tbody> </table> ISO 45001 validity period: 2019.11.27 ~ 2022.11.27 CNS45001:2018 valid period 2019.11.27 ~ 2022.11.26 (3) The plant is completely non-smoking, and the air-conditioning system and cooling water tower in the office are maintained once a year to protect the health of employees. (4) The work environment is monitored regularly every year to ensure that the exposure concentration of personnel in the work place is within the standards stipulated by laws and regulations. (5) The Company conducts an annual health check and follow-up management in accordance with the nature of the operation. It was held on 2020/ 7/28 and 8/24. (6) The Safety and Health Committee meets quarterly to review the operating environment, safety and health related matters, conduct unwarranted tests for poisonous substances twice a year, conduct annual poisonous substance drills once, and conduct fire-fighting drills twice.	No.	Training course	Date	Person times	1	Emergency personnel education and training	2020/04/15-04/17	37	2	ISO14001 、ISO45001 Internal Auditor Education and Training	2020/04/10	60	3	Environmental safety, fire-fighting chemical registration education and training	2020/07/22	29	4	Respiratory protection general education training	2020/08/21	31	5	Health Promotion Seminar	2020/09/28	40	6	Security Education and Training for Foreign Migrant Workers 1	2020/10/19	37	7	Security Education and Training for Foreign Migrant Workers 2	2020/11/02	27	No difference
No.	Training course	Date	Person times																																
1	Emergency personnel education and training	2020/04/15-04/17	37																																
2	ISO14001 、ISO45001 Internal Auditor Education and Training	2020/04/10	60																																
3	Environmental safety, fire-fighting chemical registration education and training	2020/07/22	29																																
4	Respiratory protection general education training	2020/08/21	31																																
5	Health Promotion Seminar	2020/09/28	40																																
6	Security Education and Training for Foreign Migrant Workers 1	2020/10/19	37																																
7	Security Education and Training for Foreign Migrant Workers 2	2020/11/02	27																																

(4) Has the company established an effective career development and capability training program for its employees?	V	In order to create a complete staff training system, the Company has specially formulated "Training Strategy Planning and Evaluation Operating Procedures" and "Education Training Operating Procedures". The Company develops various internal and external training resources for employees. In addition to the project training arranged in response to the strategy and meeting the needs of various departments, the Company also has on-the-job training for new recruits and on-the-job training for each department to arrange jobs every year. In recent years, we have actively cultivated internal lecturers in the company to continuously inherit the knowledge and technology of the Company, and in response to the Company's strategic goal planning, continue to promote succession plans, cultivate high-quality successors, cultivate talent echelons, and achieve sustainable operations.	No difference
(5) Does the Company comply with relevant regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of its products and services, and has it formulated relevant policies and complaint procedures to protect consumer rights?	V	The Company's products are clearly marked in accordance with regulations or customer requirements: such as the CNS mark, the Twin Dragon mark, the Commodity Inspection Certificate by the Bureau of Standards, Metrology & Inspection, eco-labeling; and the RoHS Directive and other information. The Company has relevant policies to protect consumers' rights and interests, and the Company's official website also has appeal procedure.	No difference
(6) Does the company have a supplier management policy requiring suppliers to comply with relevant regulations governing environmental protection, occupational safety and health, or human rights in the workplace, and how is it implemented?	V	The Company's orders indicate the Company's environmental management and occupational safety and health management policies, as well as the principle of not purchasing conflict minerals, and fully convey the Company's policies to the suppliers. In addition, the evaluation of important suppliers is carried out regularly every year. There are 14 criteria in the CSR review, each accounting for five points. Suppliers with an average of less than four points are considered unqualified. The criteria include: human rights, workplace safety, anti-corruption, anti-bribery, regular work hours, minimum wage compliance, active environmental responsibilities, environmental protection, and prevention of occupational hazards. For suppliers with an average score of less than 4, the procurement staff is required to investigate individual areas where suppliers failed to score 4 or higher. Furthermore, suppliers are given relevant information and proper guidance to improve.	No difference
V. Did the Company make reference to international standards or guidelines for the preparation of reports in preparing its corporate social responsibility reports and other reports that disclose nonfinancial information about the Company? Did the Company obtain a third-party certification agency's confirmation or assurance opinion on said reports?	V	The disclosure method of the Company's corporate social responsibility related information has been in line with the international mainstream standard GRI Standard. The "TA YA Group 2019 Corporate Social Responsibility Report" published by the company in 2020, entrusted Taiwan Inspection Technology Co., Ltd. (SGS-Taiwan) to ensure that it complies with GRI Standard core options and AA1000 AS (2008) Type 1 Moderate Guarantee level.	No difference

VI. If your company has established CSR principles based on "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies", please describe differences between the principles and their implementation: No difference.	VII. Other key information useful for explaining the status of CSR practices: Through TAYA Pristine Homeland Foundation, the Company integrates the group's materials and manpower, expands the scope of social feedback, and practices green environmental protection. The main contents of various social activities are summarized as follows: - Promotion of environmental education: - On 2020/9/26, the "Delonix Regia Forum" and the Green Collection Competition were held at the Chonghua Hall of the "Green Magic School" at National Cheng Kung University. The forum invites experts and scholars to share and discuss environmentally friendly through special lectures and seminars. Practical experience is expected to inspire people to take positive actions and actions towards sustainable life. This year (2020), the tenth Green Collection Competition, after three hours of selection, finally selected 4 Southern Spirit Award, 9 Beautiful Home Award, and 3 Green Link Award, with a total of NT\$600,000. Since the first session of the event, more than 100 winners of the Green Group have received grants. The funding for the grants is all sponsored by the TAYA Group, which brings together brilliant figures, outstanding plans and creative designs in a friendly environment once a year. - Regularly publish articles related to Green Life through internal electronic bulletin boards and FB fan groups. - Social welfare: Weeding and beach cleaning activities were held on 2/22, 3/14, 6/13, 8/1, 9/26, 10/24, 11/21 in 2020, with a total of 467 participants. It is hoped that through the power of the enterprise, the concept of environmental protection will be spread to the outside world, and we will work together for environmental sustainability. - Social contribution: Since 2010, the Company has been continuously participating in the subscription of "My One Acre of Farm" every year, creating a win-win situation for land, farmers, and consumers. At the same time, it continued to participate in local arts, culture, police and other public welfare activities, and continuously sponsored the Tainan Arts Festival. - Community service: 10 members of the company's volunteer team walked into the community on 2020/11/7 to promote the concept of household electricity safety and residential disaster prevention. The response from the residents was relatively enthusiastic, and they hoped to make the home environment better through this activity. Note 1: If "Yes" is checked, please explain the important policies, strategies, measures and their implementation; if "No" is checked, please explain the reasons and the plans to adopt the relevant policies, strategies and measures in the future. Note 2: If the company has prepared the CSR report, the execution description may just instead indicate the method to consult such report and the corresponding index page numbers. Note 3: The principle of materiality refers to the environmental, social and corporate governance issues that have a material impact on investors and other interested parties of the Company.

(6) Fulfillment of ethical management and differences between our ethical management and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reason(s):
Fulfillment of ethical management

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviation
	Summary			
	Yes	No		
I. Establishment of ethical management policies and solutions				
(I) Has the Company formulated its ethical management policies approved by the Board of Directors and stated its ethical management policies and practices in its internal rules and external documents? Do the Board of Directors and senior management actively fulfill their commitment to ethical management policies?	V		The Company has set up the "Ethical Corporate Management Best Practice Principles" to specify the policy of integrity management. The board of directors and senior management of the Company are committed to actively implementing the management policy. The board of directors approved the formulation of the Company's "Procedures for Ethical Management and Guidelines for Conduct" on December 18, 2019. The Company's external documents also clearly indicate the policies and practices of integrity management.	No difference
(II) Has the Company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate business activities with a higher risk of unethical conduct in its scope of business, and formulated a plan based on such analysis and evaluation to prevent unethical conduct, which should cover at least the preventive measures under Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		The company has set up "Procedures for Ethical Management and Guidelines for Conduct", which clearly regulates dishonest behavior, prohibits the provision or receipt of improper benefits, illegal political contributions, improper donations or sponsorships, and stipulates that employees are not allowed to request or to accept any gifts, special treatment or entertainment, the Company also has a whistleblowing system and irregular publicity to prevent dishonest behavior.	No difference
(III) Has the Company defined and implemented the operating procedures, conduct guidelines, disciplinary and complaint systems for non-compliance in its unethical conduct prevention program, and regularly reviewed and revised the foregoing program?	V		The Company has set up "Procedures for Ethical Management and Guidelines for Conduct", which clearly regulates dishonest behaviors, clearly defines its handling procedures, behavior guidelines, punishment and appeal systems for violations, and implements them, and regularly reviews and revises them.	No difference
2. Ensuring ethical business practice				
(I) Has the Company evaluated the ethical management practices records of the companies it does business with as well as explicitly included ethical management practices clauses in the contracts?	V		The Company takes practical actions to assist customers, suppliers and other business partners or people from all walks of life in business dealings to understand and agree with the company's ethical standards and culture. Example: Suppliers are required to respect and truly abide by the company's ethical standards and culture. In addition, through various customer audit activities, they are indeed required to understand whether there is any conduct that is inconsistent	No difference

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviation
	Yes	No	Summary	
			with integrity.	
(II) Has the company established a dedicated or non-dedicated department under the Board of Directors to ensure honest business practices? Does this department periodically report their status of implementation to the Board of Directors?	V		The Company's board of directors approved the establishment of Ethical Management Committee on March 15, 2018. a. Members of the Committee: Chun-Hsien Wei, the independent director (Convener and Chairman of the Conference), San-Yi Shen, general manager, Shang-Tao Shen, Executive Deputy General Manager, Chen Chongguang, Deputy General Manager of the General Management Office, Xie Songmao, Human Resources Manager. b. This committee is responsible for the formulation and supervision of integrity management policies and prevention plans. Carry out the following matters and report to the board of directors regularly (at least once a year) compliance situation: (1) Assist in integrating integrity and moral values into the Company's business strategy. (2) Cooperate with laws and regulations to establish relevant anti-fraud measures to ensure integrity management. (3) Plan the reporting system and ensure the effectiveness of its implementation. (4) Promotion of honesty policy and education and training. (5) Other matters related to the formulation and supervision of the implementation of the integrity management policy. c. Implementation of the integrity management policy. (1) The Information Security committee was established to formulate information security policies and specific management plans, and report to the board of directors at least once a year. (2) In order to improve the professional knowledge and legal literacy of the committee members, and to effectively implement the company's integrity management policy, professional lecturers were hired to give lectures to the company on July 7 and August 18, 2020, respectively. Practice", "Reconstruction of Information Security from the Perspective of Digital Forensics"; On September 14, 2020, a lawyer was hired to teach "Labor Incident Law Enterprise Responses", and a database of textbooks will be built for internal personnel to learn and use. (3) New recruits are trained for publicity twice a year, so that they can fully	No difference

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviation
	Yes	No	Summary	
			understand the company's determination, policy, prevention plan, and the consequences of violations of dishonest behavior. It was held in May and November 2020. (4) The company plans to implement 80 internal audit plans in 2020, and 39 have been implemented as of June 30, 2020, and 5 items to be improved have been discovered. The relevant units have carried out improvement operations and reported to the board of directors. (5) Reporting to the board of directors on the operation and implementation of 2020 on 2020/8/5 and 2020/11/17.	
(III) Has the company established policies to prevent conflicts of interest, implemented such policies and provided adequate channels of communication?	V		The Company prohibits employees from engaging in activities that conflict with the company's interests: Employees shall not engage in activities outside the Company that conflict with the company's interests, nor may their duties in the Company be affected by engaging in or participating in activities outside the Company, nor shall they obtain private benefits or benefits from transactions related to the Company.	No difference
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical management, and has its internal audit unit drawn up an audit plan based on the results of the assessment of the risk of unethical conduct, in order to verify compliance with such plan for prevention of unethical conduct, or has it engaged a CPA firm to perform the audit?	V		The Company has established an effective accounting system and internal control system for the implementation of honest operation, which are regularly checked by an internal audit unit, and an is entrusted to a CPA firm perform regular checks every year. The internal audit of the company conducts various audits based on the annual audit plan drawn up by the risk assessment results, and reports to the audit committee, board of directors and management, the audit results and follow-up improvement plans to implement the audit effectiveness. In addition, through the annual corporate internal control self-assessment, all departments and subsidiaries of the Company are required to self-examine the effectiveness of the internal control system design and implementation.	No difference
(V) Does the Company regularly conduct internal and external educational training on ethical management?	V		The Company organizes relevant education and training courses every year. On July 7th and August 18th, 2010, professional lecturers were hired to give lectures on "Taxation Laws and Practices of Enterprise Operation and Reinvestment" and "Reconstruction of Information Safety from the Perspective of Digital Forensics". On September 14, 2020, a lawyer was hired to teach "Labor	No difference

Assessment items	Implementation status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons for deviation
	Yes	No	Summary	
			Incident Law Enterprise Coping Strategies"	
3. Status of the Company's reporting mechanism				
(I) Has the Company established concrete reporting and rewards systems, set up convenient reporting channels and appointed any appropriate, dedicated staffer to deal with the person who has been reported?	V		The Company has set up the "Measures for the Report on Illegal, Unethical and Dishonest Conducts", clearly stipulating the reporting channels, and assigning appropriate personnel responsible for the reporting.	No difference
(II) Has the Company established standard operating procedures for investigation of and related information confidentiality mechanisms for complaints?	V		The Company has set up the "Measures for the Report on Illegal, Unethical and Dishonest Conducts", clearly stipulate the investigation standard operation procedures for authorized reporting matters. After the investigation is completed, it shall be follow-up measures taken and related confidentiality mechanisms.	No difference
(III) Has the company adopted any measure to protect the informers lest they be inappropriately treated?	V		The company's "Measures for the Report on Illegal, Unethical and Dishonest Conducts" has clearly regulated measures to protect the safety of the informant and avoid improper handling.	No difference
4. Improved Information Disclosure				
(I) Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles as well as related implementation results on its website and the MOPS?	V		The Company has disclosed the content of its Ethical Corporate Management Best Practice Principles as well as related implementation results on its website and the MOPS.	No difference
5. If the company has established its ethical corporate management principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE- and TPEx-listed Companies", please state the difference between such principles and implementation: In line with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies."				
6. Other key information useful for explaining the status of the implementation of honest business practices: (Such as the status of the Company's efforts to review and correct its Ethical Corporate Management Best Practice Principles): 1. The Company promotes its employees, and promotes the concept of honest management to all employees, as a guideline for its daily business behavior. 2. Establish relevant regulations and promote the Company's determination to operate in good faith with business partners.				

(7) If the company has formulated corporate governance principles as well as other related regulations, it should disclose how they can be looked up:

Our Company's corporate governance principles as well as relative regulations can be looked up on our Company website: [http : //www.taya.com.tw](http://www.taya.com.tw) °

(8) Other important information helpful for improving understanding of the governance of the company:

1. The directors of the company have advanced education in accordance with regulations and participated in the seminars on corporate governance and related courses conducted by the Securities and Exchange Commission to implement corporate governance operations.
2. The responsible unit of the board of directors of the company participates in corporate governance-related courses from time to time, and provides the latest legal information to directors and managers at any time.
3. In order to establish the company's good internal major information processing and disclosure mechanism, avoid improper disclosure of information, and ensure the consistency and accuracy of the information published by the company to the outsider, the " Operating Procedures for Preventing Insider Trading" are specially formulated to follow .
4. The company's website <http://www.taya.com.tw> can inquire about relevant regulations.

(9) Implementation Status of Internal Control System

1. Statement on Internal Control

Ta Ya Electric Wire & Cable Co., Ltd.

Statement on Internal Control System

Date: March 11, 2021

In 2020, the Company conducted an internal examination in accordance with its Internal Control Regulations and hereby declares as follows:

1. The Company is aware that it is the Board's and managers' responsibility to establish, implement and maintain an internal control system, and the Company has set up such a system. The purpose of the system is to ensure the effectiveness and efficiency (including profitability, performance and protection of assets) of the Company's operations, compliance with relevant laws and regulations and that its financial statements are reliable, up to date and easily accessible.
2. Internal control systems have their inherent limitations. No matter how well they are designed, an effective internal control system can only reasonably ensure achievement of the three above objectives. In addition, an internal control system's effectiveness may change as the environment and circumstances change. The internal control system of the Company features a self-monitoring mechanism. Once identified, the Company will take actions to rectify any deficiency.
3. The Company determines whether the design and implementation of its internal control system is effective by referring to the criteria stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter the "Regulations"). The Regulations provides measures for judging the effectiveness of the internal control system. There are five components of an internal control system, as specified in the Regulations, which are broken down based on the management-control process, namely: (1) control environment, (2) risk evaluation, (3) control operation, (4) information and communication and (5) monitoring. Each of the elements in turn contains certain audit items. Refer to the Regulations for details.
4. The Company uses the above criteria to determine whether the design and implementation of its internal control system is effective.
5. After an evaluation of the Company's internal control system based on the above criteria, the Company is of the opinion that, as of December 31, 2020, its internal control system (including supervision and management of subsidiaries) is effective and therefore can reasonably ensure achievement of the above objectives, which include awareness of the degree to which operating results and goals are achieved, compliance with the law and that its financial reporting is reliable, up to date and easily accessible.
6. This statement shall become a principal part of the Company's annual report and prospectus and be made available to the public. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement has been approved on March 11, 2021 by the Board, with none of the 8 Directors present opposing it.

Ta Ya Electric Wire & Cable Co., Ltd.

Chairman : Shang-Hung Shen

President : San-Yi Shen



2. If CPAs are engaged to review the internal control system, their report shall be disclosed: None.

(10) Where the Company and its personnel have been penalized according to the law, or the Company has penalized its personnel for having violated its internal control system (and if the result of the penalty is likely to have a material impact on shareholders' interests or the price of securities) as of the day when the annual report was prepared in the most recent year, the contents of such penalty, major deficiencies and corrective actions shall be specified: None.

(11) In the most recent year, resolutions passed at the AGM and board meetings, as of the day the annual report was prepared.

The Company hosted its 2019 AGM on June 11, 2020 ,The following decisions, with implementation details, were made during the meeting:

Resolution	Implementation Status
1. Acknowledgement of the Company's 2019 Business Report.	The company's net revenue was NT\$18,153,101 thousand , net profit after tax was NT\$584,844 thousand, and earnings per share was NT\$0.86.
2. Acknowledgement of the Company's 2019 Profit Distribution Table.	1. The company's 2019 earnings distribution will be distributed with a cash dividend of NT\$178,520,407 and a cash dividend of NT\$0.30 per share. 2. July 24, 2020 was the ex-dividend record date and the dividends were paid out on July 31,2020.
3. Amendment to the Company's Articles of Incorporation.	Executed in accordance with the resolution, and approved for registration by the competent authority on July 28, 2020.
4. Amendment to the Company's Rules of Procedure for Shareholders Meetings	Executed in accordance with the resolution.
5. Lifting the non-competition ban on directors imposed.	Executed in accordance with the resolution

Important resolutions adopted by 2020 Board meetings

Summary of the contents of 2020 board meeting

Date	Directors present	summary of the contents
1 st meeting 2020/3/12	Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shang-Tao Shen Lan-Horng Horng Lee-Chiou Chang Chun-Hsien Wei Duen-Chian Cheng	1. Proposal for the Company's 2019 financial statements. 2. Proposal Proposal for the revision of the Company's "Employee Annual Performance Appraisal Measures". 3. Proposal for the Company's distributions for 2019 director and employee remunerations. 4. Proposal for the Company's manager's performance as well as 2019 bonuses and compensation. 5. Proposal for amendment to the Company's Articles of Incorporation . 6. Proposal for amendment to the Company's Rules of Procedure of Shareholders' Meeting. 7. Proposal for amendment to the Company's Rules of Procedure for Board of Directors Meetings. 8. Proposal for amendment to the Company's Corporate Governance Best Practice Principles and Corporate Social Responsibility Best Practice Principles . 9. Proposal to prepare the Date, place and related matters of the Company's 2020 Annual Meeting of Shareholders. 10. Proposal to prepare the Company's management's reports on the internal control system for 2019. 11. Proposal to lend NT\$100 million to Cuprime Material Co., LTD., a subsidiary of the Company. 12. Proposal of a joint loan case and the short-term credit line proposal between SIN JHONG SOLAR POWER CO., LTD. a subsidiary of the Company, and China Evergreen Bank for operation support letter case . 13. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD. a subsidiary of the Company,.. 14. Proposal for the annual remuneration payable to the CPA firm . 15. Proposal for the replacement of CPAs due to internal rotation mechanism of Solomon & CO., CPAs,. 16. Proposal for Application for loan renewal from China Trust West Tainan Branch, Taiwan Small and Medium Enterprise Bank Songjiang Branch, Daqing Bills and China Banking North Tainan Branch.

2nd meeting 2020/3/16	Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shang-Tao Shen Lan-Horng Horng Lee-Chiou Chang Chun-Hsien Wei Duen-Chian Cheng	1. Proposal to repurchase 10 million shares of the Company's stock on the centralized exchange market for the 16th time.
3rd meeting 2020/4/23	Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shang-Tao Shen Lan-Horng Horng Lee-Chiou Chang Chun-Hsien Wei Duen-Chian Cheng	1. Approval for the Company's 2019 profit distribution plan. 2. Proposal for amendment to the Company's Articles of Incorporation. 3. Proposal to lift the non-competition ban for the Company's Directors. 4. Proposal for change of the venue and increase in the reason for the convening of reports and discussions of the Company's 2020 Annual Meeting of Shareholders. 5. Proposal to lend each of NT\$100 million to TA YA Innovation Investment Co., Ltd. and TA YA VENTURE CAPITAL CO., LTD., subsidiaries of the Company. 6. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD and HENG YA ELECTRIC (DONGGUAN) LTD. , subsidiaries of the Company.
4th meeting 2020/5/6	Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shang-Tao Shen Lan-Horng Horng Lee-Chiou Chang Chun-Hsien Wei Duen-Chian Cheng	1. Submit financial statements for the first quarter of 2020. 2. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD and HENG YA ELECTRIC (DONGGUAN) LTD. , subsidiaries of the Company. 3. Proposal for the Company's application for credit lines to Taichung Commercial Bank Tainan Branch and China Export and Import Bank Tainan Branch

5th meeting 2020/8/5	Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shang-Tao Shen Lan-Horng Horng Lee-Chiou Chang Chun-Hsien Wei Duen-Chian Cheng	1. Submit financial statements for the second quarter of 2020. 2. Proposal for the Company's personnel promotion . 3. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC LTD. and HENG YA ELECTRIC (DONGGUAN) LTD., subsidiaries of the Company. 4. Proposal for Secured ordinary corporate bond, 1st period,2020. 5. Proposal for renewal of credit line from Wangdao Bank, Zhaofeng Tickets, Wantong Tickets, Changhua Bank, Zhonghua Tickets, Taipei Fubon Bank, Taishin Bank, and Taiwan Cooperative Bank. 6. Proposal for setting up the Intellectual Property Committee and the Information Security Committee under the Board of Directors of the Company.
6th meeting 2020/9/10	Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shang-Tao Shen Lan-Horng Horng Lee-Chiou Chang Chun-Hsien Wei Duen-Chian Cheng	1. Proposal for purchase shares of TA YA GREEN ENERGY TECHNOLOGY CO., LTD. from Heng Technology Co., Ltd. 2. Proposal for allotment list and number of shares for employees and managers of repurchase shares of the Company's stock for the 16th time. 3. Proposal for providing purchase guarantee to UNION STORAGE ENERGY SYSTEM LTD., a subsidiary of the Company.
7th meeting 2020/11/4	Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shang-Tao Shen Lan-Horng Horng Lee-Chiou Chang Chun-Hsien Wei Duen-Chian Cheng	1. Submit financial statements for the third quarter of 2020. 2. Proposal for full attendance bonus adjustment of the Company. 3. Proposal to amend the payments of bonus and dividend scheme. 4. Proposal for 2nd allotment list and number of shares for employees and managers of repurchase shares of the Company's stock for the 16th time. 5. Proposal to formulate the management procedures of the Company's "consolidated financial statement preparation process". 6. Proposal to formulate the implementation rules for internal audits of the guidelines for "Repurchase of Shares for Employees. 7. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC LTD. and HENG YA ELECTRIC (DONGGUAN) LTD , subsidiaries of the Company. 8. Proposal for the Company's application for credit lines to Mega Bank, HSBC Bank, Yuanta Bank, International Bills, Bank of Taiwan, Standard Chartered Bank, KGI Bank, Yushan Bank and China Bills 9. Proposal to amend the Company's Ethical Corporate Management Committee Charter and Meeting Procedures. 10. Proposal of the Company's donation case to related parties, TAYA Pristine Homeland Foundation.

8th meeting 2020/12/10	Shang-Hung Shen Shang-Pang Shen San-Yi Shen Shang-Tao Shen Lan-Horng Horng Lee-Chiou Chang Chun-Hsien Wei Duen-Chian Cheng Note: Independent director Lee-Chiou Chang entrust Duen-Chian Cheng to act as agent seat.	1. Report of operation and execution status of C.S.R.Committee in 2020. 2. Report of operation and execution status of Ethical Corporate Management Committee in 2020. 3. Report of operation and execution status of Intellectual Property Committee in 2020. 4. Report of operation and execution status of Information Security Committee in 2020. 5. Approval for the Company's 2021 annual business plan. 6. Proposal to formulate the Company's 2021 Audit Plan. 7. Proposal to lend NT\$30 million to UNION STORAGE ENERGY SYSTEM LTD., a subsidiary of the Company. 8. Proposal for the Company's subsidiary, TAYI PLASTIC(H.K.) LTD. , providing financing endorsement guarantee to DONGGUAN HUI CHANG PLASTIC CO., LTD., a subsidiary of TAYI PLASTIC(H.K.) LTD. 9. Proposal for providing financing endorsement guarantee to HENG YA ELECTRIC (KUNSHAN) LTD. 、 HENG YA ELECTRIC (DONGGUAN) LTD. 、 TAYA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY 、 UNION STORAGE ENERGY SYSTEM LTD. and BOSI SOLAR ENERGY CO., LTD ., subsidiaries of the Company. 10. Proposal for renewal of credit line from China Evergreen Bank, First Bank, Daqing Notes and Changhua Bank.

(12) In the most recent year, as of the day the annual report was prepared, directors held different opinions (on record or with written statement) about important resolutions passed at Board meetings and the major contents are: None.

(13) In the most recent year, as of the day the annual report was prepared, any of Chairman, President, accounting manager, financial manager, internal audit manager, corporate governance manager and R&D manager resigned or was discharged: None.

5. Information on CPAs' fees

(I) CPA fee schedule

Name of CPA firm	CPA name		Period of the Audit	Remarks
Solomon & Co., CPAs	Song Yu Lu	Yu Tzu Chen	2020/1/1~2020/12/31	-

Unit: NT\$ thousands

Item		Audit fees	Non-audit fees	Total
Fee schedule				
1	Less than 2,000		23	23
2	2,000 (inclusive) ~ 4,000	3,912		3,912
3	4,000 (inclusive) ~ 6,000			

4	6,000 (inclusive) ~ 8,000			
5	8,000 (inclusive) ~ 10,000			
6	10,000 (inclusive) and above			

Unit: NT\$ thousands

Name of CPA firm	CPA name	Audit fees	Non-audit fees					Period of the Audit	Remarks
			System design	Business registration	Human Resources	Others	Sub-total		
Solomon & Co., CPAs	Song Yu Lu	3,912	0	23	0	0	7	2020/1/1~ 2020/12/31	
	Yu Tzu Chen								

(II) Paying at least one-fourth of non-audit fees to the certifying CPA, the certifying CPA firm and its affiliates:None

Unit: NT\$ thousands

Name of CPA firm	CPA name	Audit fees	Non-audit fees					Period of the Audit	Remarks
			System design	Business registration	Human Resources	Others	Sub-total		
Not applicable									

(III) Change of CPA firm and the audit fees paid in the year of the change are less than those paid in the previous year: Not applicable

(IV) Audit fees paid in the current year are at least 10% less than those paid in the previous year: Not applicable.

6. Information on the replacement of CPAs:

(I) About the previous CPAs:

Date of replacement	2020. 3. 12		
Reason for the replacement and explanation	Organizational changes of Solomon & Co., CPAs.		
Explain whether the appointer terminates or CPA refuses to accept appointment	Contracting parties	Accountants	Appointer
	Situation		
	Voluntarily terminates appointment	Not applicable	Not applicable
	Refuses to accept (continued) appointment	Not applicable	Not applicable
Signing an audit report other than without reservation in the most recent two years and the reason	None.		
Do they have opinions different from the issuer?	Yes		Accounting principles or practice
			Disclosure in financial statements
			Audit scope or process
			Other
	No	✓	
	None		
Other disclosures	None		

(II) About the succeeding CPAs:

Name of CPA firm	Solomon & Co., CPAs.
CPA name	Song Yu Lu 、Yu Tzu Chen

Date of appointment	2020. 3. 12
Before appointment, any consultations and results that may be reported on the accounting methods or principles on specific transactions	None.
Succeeding CPAs' written opinions that are different from those of the previous CPAs	None.

(III) Previous CPAs' letter in reply: Not applicable.

7. Chairman, President, or managers responsible for financial or accounting affairs who worked for the firm to which the certifying CPA belongs or its affiliate in the most recent year : None.

8. Transfer and pledge of shares of the directors, managers and shareholders holding more than 10% of the company's shares

(I) Changes to the shares of the directors, managers and shareholders holding more than 10% of the company's shares:

Title	Name	2020		Current fiscal year up to April 12, 2021	
		No. of shares held Increase (decrease)	Shares ledged Increase (decrease)	No. of shares held Increase (decrease)	Shares ledged Increase (decrease)
Chairman	Shang-Hung Shen	195, 000	—	—	—
Director	Shang-Pang Shen	155, 000	—	—	—
Director	San-Yi Shen	155, 000	—	—	702, 000
Director	Shang-Tao Shen	155, 000	—	—	—
Director	Lan-Horng Horng	2, 000	—	—	—
Independent Director	Lee-Chiou Chang	—	—	—	—
Independent Director	Chun-Hsien Wei	—	—	—	—
Independent Director	Duen-Chuan Cheng	—	—	—	—

Title	Name	2020		Current fiscal year up to April 12, 2021	
		No. of shares held Increase (decrease)	Shares ledged Increase (decrease)	No. of shares held Increase (decrease)	Shares ledged Increase (decrease)
Magnet Wire Business Group General Manager	Shang-Hui Shen	155,000	–	–	–
NIC Business Group General Manager	Wen-Bing Lee	–	–	–	–
Construction Business Group General Manager	Tsung-Jen Chiu	50,000	–	–	–
Energy & Telecom. Cable Business Group General Manager	Pa-Kuei Chuang	95,000	–	–	–
Magnet Wire Business Group Deputy General Manager	Jung-Kun Chiu	42,000	–	(6,000)	–
NIC Business Group Deputy General Manager	Chin-Nan Chen	–	–	–	–
Director	Chi-Lin Cheng	–	–	–	–
Director	Chien-Hsun Pan	63,000	–	–	–
Plant Manager	Fang-Chi Chang	70,000	–	–	–
Plant Manager	Ming-Chin Huang	66,000	–	–	–
Plant Manager	Yi-Hsin Chuang	–	–	–	–
Deputy General Manager of Business Administration Group	Chung-Kuang Chen	34,000	–	(18,000)	–
The Chief Audit	I-Ching Huang	–	–	–	–
Financial Officer	Chung-Ming Hung	54,000	–	–	–

Information on change in the number of shares retained:

Name	Reason for Share Transfer	Transaction Date	Counterparty	Relationship between counterparty and the Company, Directors, and shareholders who hold more than 10% of all shares	Number of Shares	Transaction Price
None						

Information on Share Pledges : None

Name	Reason for Share Pledges	Transaction Date	Counterparty	Relationship between counterparty and the Company, Directors, and shareholders who hold more than 10% of all shares	Number of Shares	Shareholding ratio	Pledge ratio	Mortgage (redemption) amount
None								

9. Information on relationships amongst the top ten shareholders and their relationships with spouses or relatives within the second degree of kinship

As of April 12, 2021

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remarks
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage	Name	Relationship	
San-Yi Shen	14,379,266	2.42	326,965	0.05	-	-	Shang-Pang Shen Yao-Kun Hong	Spouse and relatives within the second degree	None
Representative of JIA HSI INVESTMENT HOLDING CO., LTD. -Shang-Hung Shen	12,503,741	2.1	-	-	-	-	-	-	None
Shang-Hui Shen	10,840,008	1.82	551,414	0.09	-	-	Wen-Hua, Wang JIA HSI INVESTMENT HOLDING CO., LTD. JIA SHAN INVESTMENT HOLDING CO., LTD.	Spouse and relatives within the second degree	None

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)	Remarks
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage		
Wen-Hua, Wang	9, 879, 480	1. 66	2, 911, 624	0. 49	-	-	Shang-Hui Shen JIA HSI INVESTMENT HOLDING CO., LTD. JIA SHAN INVESTMENT HOLDING CO., LTD.	Spouse and relatives within the second degree None
Shang-Pang Shen	9, 083, 376	1. 53	-	-	-	-	San-Yi Shen Yao-Kun Hong	Spouse and relatives within the second degree None

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remarks
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage	Name	Relationship	
JPMorgan Chase Bank N. A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	7,682,000	1.29	-	-	-	-	-	-	None
Representative of CUPRIME MATERIAL CO., LTD.-Shang-Hung Shen	7,414,267	1.25	-	-	-	-	-	-	None
Yao-Kun Hong	7,152,077	1.2	3,478,221	0.58	-	-	Shang-Pang Shen San-Yi Shen	Spouse and relatives within the second degree	None

Name	Shares Held Themselves		Shares Held by Spouse and Underage Children		Shares Held Under Name of Others		Name and relationships of related parties to top ten shareholders (spouse and relatives within the second degree) (Note 1)		Remarks
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage	Name	Relationship	
Representative of JIA SHAN INVESTMENT HOLDING CO., LTD. --Shang-Hung Shen	6, 075, 144	1. 02	-	-	-	-	-	-	None
JP Morgan Chase Bank in custody for JP Morgan Securities Investment Account	5, 470, 729	0. 92	-	-	-	-	-	-	Note 2

Note 1: Disclosure of relationship pursuant to rules indicated on the issuer's financial statement.

Note 2: The shareholder was a foreign fund account and inquiries have been made of its representative with relevant information requested: None.

10. The number of shares of the same investee held by the Company, its directors, managers and which the Company controls directly or indirectly, with the aggregate shareholding percentages

Units: Shares; %

Re-Investment Companies (Note)	Investment by the Company		Investment of directors, managers or enterprises under their direct or indirect control.		Combined Investment	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
TA YA VENTURE HOLDINGS LTD.	12,520,000	100.00			12,520,000	100.00
TA YA (CHINA) HOLDING LTD.	45,000,000	100.00			45,000,000	100.00
TA YA (VIETNAM) INVESTMENT HOLDING LTD	9,000,000	100.00			9,000,000	100.00
TA YA Innovation Investment Co., Ltd.	40,000,000	100.00			40,000,000	100.00
TA YA ELECTRIC WIRE & CABLE (H.K)CO. LTD	19,998	99.99			19,998	99.99
TA YA VENTURE CAPITAL CO., LTD	93,888,303	96.87	3,028,440	3.12	96,916,743	99.99
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	13,192,229	61.36	600,000	2.79	13,792,229	64.15
TA YA (VIETNAM) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	0	0	22,322,884	80.00	22,322,884	80.00
TA HO ENGINEERING, CO., LTD.	1,199,998	48.00			1,199,998	48.00
TA YI PLASTIC CO., LTD.	3,464,000	45.58	480,000	6.32	3,944,000	51.90
CUPRIME MATERIAL CO., LTD.	22,609,388	45.22			22,609,388	45.22
UNITED ELECTRIC INDUSTRY CO., LTD.	24,930,185	42.78			24,930,185	42.78
AD ENGINEERING CORPORATION	5,075,970	27.00			5,075,970	27.00
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD	7,827,112	25.60	10,252,294	33.53	18,079,406	59.13
JUNG SHING WIRE CO., LTD.	31,992,000	22.13			31,992,000	22.13
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	55,228,948	75.00	1,000	-	55,228,948	75.00

AMIT LTD. system service	900,000	19.61			900,000	19.61
UNION STORAGE ENERGY SYSTEM LTD.	1,800,000	50.70			1,800,000	50.70

Note: Equity method used

肆、Fundraising Overview

1. The Company's Capital and Shares

(1) Sources of Share Capital

1. Historical Sources of Share Capital

MM/YY	Issuance Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
07/62	1,000	2,000	2,000,000	2,000	2,000,000	Paid-in capital	—	
11/67	1,000	5,000	5,000,000	5,000	5,000,000	Capital increased by cash	—	
07/68	1,000	10,000	10,000,000	10,000	10,000,000	Capital increased by cash	—	
11/70	1,000	13,000	13,000,000	13,000	13,000,000	Capital increased by cash \$100,000 Capital increased by earnings Recapitalization \$2,900,000	—	
11/71	1,000	20,000	20,000,000	20,000	20,000,000	Capital increased by cash \$4,270,000 Capital increased by earnings Recapitalization \$2,730,000	—	
11/72	1,000	23,000	23,000,000	23,000	23,000,000	Capital increased by earnings Recapitalization \$3,000,000	—	
12/73	1,000	40,000	40,000,000	40,000	40,000,000	Capital increased by cash \$14,000,000 Capital increased by earnings Recapitalization \$3,000,000	—	
07/74	1,000	56,000	56,000,000	56,000	56,000,000	Capital increased by earnings Recapitalization \$16,000,000	—	
07/75	1,000	70,000	70,000,000	70,000	70,000,000	Capital increased by earnings Recapitalization \$14,000,000	—	
04/77	1,000	100,000	100,000,000	100,000	100,000,000	Capital increased by cash \$6,000,000 Capital increased by capital reserve \$24,000,000	—	
10/79	1,000	150,000	150,000,000	150,000	150,000,000	Capital increased by cash \$10,000,000 Capital increased by earnings Recapitalization \$40,000,000	—	
05/80	1,000	180,000	180,000,000	180,000	180,000,000	Capital increased by earnings Recapitalization \$30,000,000	—	
01/81	10	18,000,000	180,000,000	18,000,000	180,000,000	Change the amount per share to \$10	—	
03/82	10	21,060,000	210,600,000	21,060,000	210,600,000	Capital increased by earnings Recapitalization \$30,600,000	—	
11/84	10	30,060,000	300,600,000	30,060,000	300,600,000	Capital increased by cash \$30,000,000 Capital increased by earnings Recapitalization \$60,000,000	—	
10/87	10	33,066,000	330,660,000	33,066,000	330,660,000	Capital increased by earnings Recapitalization \$30,600,000	—	
05/88	10	75,000,000	750,000,000	75,000,000	750,000,000	Capital increased by cash \$313,714,970 Capital increased by merger \$105,625,030	—	
01/90	10	93,250,000	932,500,000	93,250,000	932,500,000	Capital increased by cash \$70,000,000 Capital increased by earnings Recapitalization \$112,500,000	—	
01/91	10	160,000,000	1,600,000,000	129,000,000	1,290,000,000	Capital increased by cash \$264,250,000 Capital increased by capital reserve \$93,250,000	—	
01/92	10	230,000,000	2,300,000,000	169,900,000	1,699,000,000	Capital increased by cash \$280,000,000 Capital increased by capital reserve \$129,000,000	—	

MM/YY	Issuance Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
01/93	10	230,000,000	2,300,000,000	217,084,000	2,170,840,000	Capital increased by cash \$200,000,000 Capital increased by capital reserve \$169,000,000 Capital increased by earnings Recapitalization \$101,940,000	—	
01/95	10	320,000,000	3,200,000,000	298,000,000	2,980,000,000	Capital increased by cash \$200,000,000 Capital increased by capital reserve \$348,659,200 Capital increased by earnings Recapitalization \$260,500,800	—	
07/95	10	420,000,000	4,200,000,000	339,720,000	3,397,200,000	Capital increased by capital reserve \$232,440,000 Capital increased by earnings Recapitalization \$184,760,000	—	
07/96	10	450,000,000	4,500,000,000	383,900,000	3,839,000,000	Capital increased by capital reserve \$339,884,000 Capital increased by earnings Recapitalization \$101,916,000	—	
07/97	10	650,000,000	6,500,000,000	487,700,000	4,877,000,000	Capital increased by cash \$500,000,000 Capital increased by capital reserve \$383,900,000 Capital increased by earnings Recapitalization \$154,100,000	—	(Note 1)
07/98	10	650,000,000	6,500,000,000	546,300,000	5,463,000,000	Capital increased by capital reserve \$292,620,000 Capital increased by earnings Recapitalization \$293,380,000	—	(Note 2)
08/99	10	650,000,000	6,500,000,000	557,226,000	5,572,260,000	Capital increased by capital reserve \$109,260,000	—	(Note 3)
08/04	10	650,000,000	6,500,000,000	493,342,020	4,933,420,200	Capital increased by capital reserve \$109,260,000 Capital increased by earnings Recapitalization \$293,380,000	—	(Note 4)
09/05	10	650,000,000	6,500,000,000	508,142,280	5,081,422,800	Capital increased by earnings Recapitalization \$148,00,600	—	(Note 5)
01/06	10	650,000,000	6,500,000,000	498,142,280	4,981,422,800	Treasury stock capital decreased by \$100,000,000	—	
10/06	10	650,000,000	6,500,000,000	518,779,622	5,187,796,220	convertible bonds converted to \$206,373,420	—	
11/06	10	650,000,000	6,500,000,000	462,679,471	4,626,794,710	Capital decreased by merger \$561,001,510	—	
11/06	10	650,000,000	6,500,000,000	482,152,848	4,821,528,480	Capital increased by capital reserve \$99,628,450 Capital increased by earnings Recapitalization \$95,105,320	—	(Note 6)
01/07	10	650,000,000	6,500,000,000	565,908,931	5,659,089,310	convertible bonds converted to \$837,560,830	—	
04/07	10	650,000,000	6,500,000,000	571,615,038	5,716,150,380	convertible bonds converted to \$57,061,070	—	
09/07	10	700,000,000	7,000,000,000	588,728,978	5,887,289,780	Capital increased by capital reserve \$84,886,000 Capital increased by earnings Recapitalization \$84,886,330 convertible bonds converted to \$1,366,740	—	(Note 7)
10/07	10	700,000,000	7,000,000,000	591,418,697	5,914,186,970	convertible bonds converted to \$26,897,190	—	

MM/YY	Issuance Price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
01/08	10	700,000,000	7,000,000,000	594,712,931	5,947,129,310	convertible bonds converted to \$32,942,340	—	
04/08	10	700,000,000	7,000,000,000	595,006,011	5,950,060,110	convertible bonds converted to \$2,930,800	—	
10/08	10	700,000,000	7,000,000,000	604,372,189	6,043,721,890	Capital increased by capital reserve \$89,206,940 convertible bonds converted to 4,454,840 \$	—	(Note 8)
12/08	10	700,000,000	7,000,000,000	584,341,189	5,843,411,890	Treasury stock capital decreased by \$200,310,000	—	
03/09	10	700,000,000	7,000,000,000	574,341,189	5,743,411,890	Treasury stock capital decreased by \$100,000,000	—	
03/10	10	700,000,000	7,000,000,000	574,436,427	5,744,364,270	convertible bonds converted to \$952,380	—	
09/11	10	700,000,000	7,000,000,000	580,180,791	5,801,807,910	Capital increased by earnings Recapitalization \$57,443,640	—	(Note 9)
01/16	10	700,000,000	7,000,000,000	572,180,791	5,721,807,910	Treasury stock capital decreased by \$80,000,000	—	(Note 10)
09/19	10	700,000,000	7,000,000,000	595,068,022	5,950,680,220	Capital increased by earnings Recapitalization \$228,872,310	—	(Note 11)

Note 1 : Approval letter Tai-Cai-Zheng (1) No. 52429, dated 1997.7.15

Note 2 : Approval letter Tai-Cai-Zheng (1) No. 58021, dated 1998.7.8

Note 3 : Approval letter Tai-Cai-Zheng (1) No. 58303, dated 2000.7.6

Note 4 : Approval letter Tai-Cai-Zheng (1) No. 52429, dated 1997.7.15

Note 5 : Approval letter Jin-Guan-Zheng (3) No. 094016064, dated 2006.1.2

Note 6 : Approval letter Jin-Guan-Zheng (1) No. 0950153220, dated 2006.11.15

Note 7 : Approval letter Jin-Guan-Zheng (1) No. 0960037397, dated 2007.7.18

Note 8 : Approval letter Jin-Guan-Zheng (1) No. 0970037224, dated 2007.7.23

Note 9 : Approval letter Jin-Guan-Zheng (Fa) No. 1000033214, dated 2011.7.18

Note 10 : Approval letter Jing-Shou-Shang No.10301274790

Note 11 : Approval letter Jing-Shou-Shang No.10801128420

(2) Types of Shares

Types of Shares	Authorized Capital			Remarks
	Shares Issued and Outstanding(Note)	Unissued Shares	Total	
Common Shares	595,068,022	104,931,978	700,000,000	

Note: Publicly-traded shares

(3) Information on Shelf Registration: None

(2) Shareholder Structure

As of April 12, 2021

Shareholders Numbers	Government Institutions	Financial Institutions	Other Legal Persons	Individuals	Foreign Institutions and Individuals	Total
Number	2	0	291	97,374	138	97,805
No. of Shares Held	24,879	0	48,033,632	487,120,223	59,889,288	595,068,022
Shareholding	0.00%	0.00%	8.07%	81.86%	10.07%	100%

(3) Distribution of Shareholders

1. Distribution of Common Shares

As of April 12, 2021

Shareholding	Number of shareholders	Shares Held	Shareholding
1 to 999	49,949	6,209,923	1.04
1,000 to 10,000	40,286	130,922,886	22.00
10,001 to 20,000	4,118	60,178,482	10.11
20,001 to 30,000	1,312	33,116,712	5.57
30,001 to 40,000	622	22,115,298	3.72
40,001 to 50,000	391	18,325,436	3.08
50,001 to 100,000	666	47,150,433	7.92
100,001 to 200,000	256	35,623,590	5.99
200,001 to 400,000	95	25,971,718	4.36
400,001 to 600,000	37	18,215,593	3.06
600,001 to 800,000	18	12,468,619	2.10
800,001 to 1,000,000	10	8,775,620	1.47
1,000,001 and more	45	175,993,712	29.58
Total	97,805	595,068,022	100.00

2. Distribution of Preferred Shares: None

(4) List of Major Shareholders

As of April 12, 2021

Shares Major Shareholders	Number of Shares Held	Shareholding %
San-Yi Shen	14,379,266	2.42
JIA HSI INVESTMENT HOLDING CO., LTD.	12,503,741	2.10
Shang-Hui Shen	10,840,008	1.82
Wen-Hua, Wang	9,879,480	1.66
Shang-Pang Shen	9,083,376	1.53
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	7,682,000	1.29
CUPRIME MATERIAL CO., LTD.	7,414,267	1.25
Yao-Kun, Hong	7,152,077	1.20
JIA SHAN INVESTMENT HOLDING CO., LTD.	6,075,144	1.02
JP Morgan Chase Bank in custody for JP Morgan Securities Investment Account	5,470,729	0.92

(5) Stock Price, Net Value, Earnings, Dividends and Related Information for the Past Two Years

Year			2019	2020	Current Year up to March 31, 2021
Item					
Share Price (Note 1)	High		11. 80	22. 50	20. 65
	Low		9. 65	6. 93	17. 20
	Average		10. 76	17. 15	19. 27
Net Value per Share (Note 3)	Basic		11. 92	13. 05	16. 48
	Diluted		11. 62	(Note 2)	—
Earning s per Share(N ote 4)	Weighted average shares(thousand)		595, 068	595, 068	595, 068
	Basic		0. 86	1. 45	0. 74
	Diluted		0. 86	(Note 2)	—
Dividen d per Share	Cash dividend		0. 30	0. 35 (Note 2)	—
	Sto ck Div ide nd	by earnings Recapitalization	0. 40	0. 35 (Note 2)	—
		by capital reserve	—	—	—
	Accumulated unpaid dividend (Note 4)		—	—	—
Return Analysis	Price-earnings ratio (Note 6)		12. 51	9. 43	—
	Price-dividend ratio (Note 7)		35. 87	39. 09	—
	Cash dividend yield (Note 8)		2. 79	2. 56	—

* If shares are distributed in connection with a capital increase out of earnings or capital reserves, information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution shall be disclosed.

Note 1: The highest and lowest share prices for each year is provided, with the average price for the year computed based on each year's transaction amount and volume.

Note 2: The profit distribution proposal has not yet been approved by the shareholders meeting.

Note 3: Use the number of the outstanding issued shares at year's end and the distribution passed at the following year's shareholders' meeting to fill in.

Note 4: If it is necessary to make adjustments retroactively due to situations such as issuance of bonus shares, the earnings per share before and after the adjustments should be listed.

Note 5: If the conditions of the equity issuance require that dividends not yet distributed for the year be accumulated and paid out in a later year with positive earnings, the dividends that have been accumulated up to the current year and not yet distributed shall be disclosed separately.

Note 6: Price-earnings ratio = Average per share closing price for the year / earnings per share.

Note 7: Price-dividend ratio = Average per share closing price for the year / cash dividend per share.

Note 8: Cash dividend yield = Cash dividend per share / average per share closing price for the year.

(6) Dividend Policy and Implementation Status

1. Dividends Policy Specified in the Company's Articles of Association

The Company's articles of incorporation provide that annual earnings are to be appropriated as follows:

- (a) Payment of tax;
- (b) Offset accumulated deficits, if any;
- (c) Of the remaining balance, if any, 10% is to be set aside as legal reserve. The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital.

According to laws or regulations or the regulations of the competent authority, the special surplus reserve shall be set aside or converted, and the balance and the undistributed surplus of the previous year shall be formulated by the board of directors and be submitted to the shareholders meeting for distribution. The distribution of all or part of dividends and bonuses, if cash is distributed, may be authorized to the board of directors with the presence of more than two-thirds of the directors and the resolution of more than half of the directors present, and report to the shareholders meeting.

The Company's Dividends Policy cooperates with current and future development plans, consider the investment environment, capital needs and medium- and long-term financial planning, and take into account the interests of shareholders and other factors, appropriate distributable surplus every year from 20% to 90% as appropriate dividends to stockholders; cash dividend should not lower than 10% of such dividends.

2.Dividends Distribution to be Proposed to the Shareholders' Meeting

- 1. Cash dividend : \$0.35/per share
- 2. Stock dividend : \$0.35/per share
- 3. Explanation regarding expected major changes to dividend policy: None.

(7) Effect of the proposed stock dividends (to be adopted by the Shareholders' Meeting) on the operating performance and earnings per share: Not applicable.

(8) Compensation for employees and directors:

- 1. The Company's Articles of Incorporation includes the amount and coverage of compensation for employees and directors :

The bonus to employees and remuneration to directors and supervisors, representing at least 1% and at most 3% of net income (net of bonus and remuneration) less accumulated deficit.

The above-mentioned employee remuneration objects may include employees of controlled and affiliated companies that meet certain conditions (Two-way distribution between Parent and Subsidiary companies)

- 2. Basis for estimates of compensations for employees and directors for this term, basis for calculating employee stock compensation and accounting procedures for when there is a discrepancy between the estimated and actual amount

(1) Basis for estimates of compensations for employees and directors for this term:

The bonus to employees representing 1% of net income (net of bonus and

remuneration) less accumulated deficit.

(2) Basis for calculating employee stock compensation: Not applicable.

(3) Accounting procedures for when there is a discrepancy between the estimated and actual amount:

Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year.

3. Information regarding board of directors' approval of employee compensation

(1) Amount to be paid in the form of cash and stocks to employees and directors:

At March 11, 2021, the board of directors has approved to be paid in cash to employees and to directors for 2020 were as follows :

1. NT\$9,643,674 to employees

2. NT\$28,931,022 to directors.

(2) Difference from estimated amount, reason and actions required: No difference.

(3) The amount of employee compensation in the form of stock and its percentage of the Company's after-tax income (as reported in the financial statement of this term) and total employee compensation: Not applicable.

4. Actual payment status (including stocks, cash and stock price) for employee, director and supervisor compensation from the previous year; discrepancies (if any) between the actual payment and estimated amount, as well as the reasons for and actions required by the discrepancies

(1) At March 12, 2020, the board of directors has approved to be paid in cash to employees and to directors for 2019 were as follows :

1. NT\$6,102,360 to employees

2. NT\$18,307,079 to directors.

(2) Differences between the estimated amount of compensation for employees and directors as well as the reasons for and actions required by the discrepancies: No differences.

(9) Share Repurchases (Those having been executed):

As of May 14, 2021

No.	16th	15th
Purpose of Repurchase	Transferred to employees	Transferred to employees
Repurchase Period	March 17, 2020 to May 15, 2020	October 3, 2011 to November 24, 2011
Range of Repurchase Prices	NT\$5.68 to NT\$15.55 per share	NT\$5.39 to NT\$12.30 per share
Type and No. of Shares Repurchased	5,500,000 shares of common stock	8,000,000 shares of common stock
Amount of Repurchased Shares	NT\$54,141,308	NT\$64,357,990
Ratio of the Number of Repurchased Shares to the Number of Scheduled Repurchased Shares	55%	100%
No. of Shares Cancelled and Transferred	Transferred 5,500,000 shares of common stock	Cancelled 5,500,000 shares of common stock
Cumulative Number of Shares Held by the Company	0	0

Ratio of the Cumulative Number of Shares Held by the Company to the Total Number of Shares in Issue	0%	0%

2. Issuance of Corporate Bonds:

Type of Corporate Bonds	Secured ordinary corporate bond First period,2020	Secured ordinary corporate bond First period,2018
Date of issue	December 2, 2020	September 25, 2018
Denomination	NT\$1,000,000	NT\$1,000,000
Place of issue and trading	Not applicable	Not applicable
Issue price	Fully issued at par value	Fully issued at par value
Total amount	NT\$1,000,000,000	NT\$500,000,000
Interest rate	0. 61%	0. 97%
Tenors	Five-year, maturity date: December 2,2025	Five-year period, maturity date: September 25,2023
Guarantors	Yongfeng Commercial Bank Co., Ltd. North Tainan Branch	Changhua Commercial Bank Co., Ltd.
Trustee	Taishin international commercial bank co., ltd.	Zhaofeng International Commercial Bank Co., Ltd. Trust Office
Underwriter	SinoPac Securities Co., Ltd.	Changhua Commercial Bank Co., Ltd.
Legal advisor	Not applicable	Not applicable
Auditor	Not applicable	Not applicable
Repayment	The principal shall be repaid for the first time after the expiration of three years from the date of issuance, and the principal shall be repaid every six months thereafter. Each repayment of the principal is NT\$200 million, which is amortized in five instalments.	The principal shall be repaid once at the expiry of five years from the date of issue.
Unpaid principal	NT\$1,000,000,000	NT\$500,000,000
Redemption or early repayment clause	Not applicable	Not applicable
Covenants	The sales target is limited to professional investors specified in the foreign currency-denominated international bond management rules of the Securities and Exchange Center of the Republic of China.	The sales target is limited to professional investors specified in the foreign currency-denominated international bond management rules of the Securities and Exchange Center of the Republic of China.
Name of credit rating agency, date of rating, and bond rating	Rating agency : Taiwan Ratings Corporation Rating date : 09/10/2020 Rating grade : twAA-	Not applicable

Other rights of bondholders	Amount of converted (exchanged or subscribed) common shares, GDRs or other securities	Not applicable	Not applicable
	Issuance and conversion (or exchange) features	Please refer to page 225	Please refer to page 224
Possible dilution effect of issuance and conversion, exchange or subscription features and terms of issue, and effects on existing stockholders' equity		Not applicable	Not applicable
Custodian		Not applicable	Not applicable

3. Issuance of Preferred Shares: None.

4. Issuance of Global Depositary Receipts (GDRs) : None.

5. Exercise of Employee Stock Option Plan (ESOP): None.

6. Mergers, acquisitions or issuance of new shares for acquisition of shares of other companies : None.

7. Implementation of capital allocation plan: None.

伍、Operation Overview

一、Business content：

(一)Business scope：

1、The main content of the company's business and its operating proportions：

Business item	Operating proportion
Plastic wire and cable	16.88%
XLPE power cable	41.69%
Rubber wire and cable	0.06%
Bare copper wire	11.33%
Enameled wire	22.57%
Communication and fiber optic cable	2.45%
Building and others	5.02%

2、Majority products：

(1) Plastic wire and cable

(2) XLPE power cable

(3) Rubber wire and cable

(4) Bare copper wire

(5) Enameled wire

(6) Communication cable and optical fiber cable

(7) Single, double layers insulated winding wire

3、New products planned to be developed：

(1) Single slotted ribbon type of optical fiber cable

(2) High lubricity enameled wire

(3) Thermal-Dissipation enameled wire

(二) Industry Overview

1、Current situation and development of the industry：

The Company's business is mainly for the domestic market which is mature and steady; therefore, the prosperity of domestic market is highly co-related to cable and wire business.

2、Relevance between the upstream, midstream, and downstream sectors of the industry：

The raw material for cable and wire is copper, which is totally imported overseas; therefore, costs will fluctuate with international prices and eventually influence the profit margin of downstream products.

3、Product development trends and competition：

The development of cable and wire industry highly relies on Taipower's developments and project release, government public works, solar and power energy launches and IT industry development. The Company directly benefited from Taipower's demand on cables and wires.

Due to over supply in China, the sales of magnet wire did not increase even under ECFA agreement. Meanwhile, the cost of copper will influence the profit; therefore, the Company is extremely cautious to manage magnet wire business.

Telecome cable was hit hard after joining WTO. Despite government's efforts to promote life quality and enhance infrastructure, business opportunity for internet construction is imbalanced and dwindling due to the fierce price competition. After evaluation, the Group decided to cease the IC packaging cable business by the end of 2020. The resource is redirected to research and develop the modified copper wire, medical cable and cable wire for IC testing and so on.

(三) Technology and Research & Development Overview:

1、In recent years till the report printed date (March 31, 2021), the Company's R&D department periodically held meeting, reviewing results. Research and development (R&D) expenditure in 2019 is listed as follows:

Unit: Expressed in Thousands of New Taiwan Dollars

Items	2019	2020	2021/3/31
Research and Development Expenses	64,375	67,013	8,621
Net Operating Revenue	8,746,027	8,942,058	2,930,584
Percentage of Net Operating Revenue	0.74%	0.75%	0.29%

2、In recent years till the report printed date the developed skill or products：accomplished outstanding R&D results in various areas, including products, manufacturing processes, and energy and

environmental

protection technologies. The major R&D outcomes are listed as follows:

In response to the competition from open market, the Company is dedicated to various products' research to enhance its competitiveness for the purpose of pursuing perfection and sustainable development.

- (1) Lean production by improve the wire diameter of copper conductors in order to increase the competitiveness of products.
- (2) Improved formulation of lead-free PVC sheath materials: 600V, PVC wires, PVC cables, cross-linked polyethylene power cables, and medium-voltage cross-linked polyethylene power cables have all been lead-free and mass-produced, and the formulation materials have been improved and increase product competitiveness.
- (3) In response to the demand for high-capacity with low-sag conductors for overhead transmission lines of TPC, the Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced (ZTACIR) 340mm² has been successfully developed and will strive for getting subsequent orders for overhead lines.
- (4) Armored optical cable: The excellent compressive resistance of the armored optical cable can be used for direct buried laying. The stiffness of steel tape can also prevent rodents from biting and achieve the effect of rodent-proof. The development has been completed and the order has been mass-produced.
- (5) Single slotted ribbon type optical fiber cable: The single slotted ribbon type optical fiber cable has the advantages of high fiber count (Max 300C) and dry core design ensure that easy and fast installation. It is suitable for subscribed network , local area network and long-haul communication. It has been ordered and mass production.
- (6) Self-Bonding Triple Insulated layers wire: In order to meet the various processing and temperature resistance needs of customers. Except the existing thermal, alcohol soluble type single layer or double layers insulated winding wire type, our company has developed various self-bonding triple insulated layers wire with different temperature class. Enhance the product categories to meet the broad market.
- (7) LITZ wire: LITZ wire can reduce the high-frequency power loss caused by skin effect. It also has good electrical impedance stability, and can be used in the design and application of high-Q circuits. It has entered the mass production and sales stage.
- (8) Single layer or more layers insulated winding wire: In response to the trend of compactness and exquisiteness, three-layer insulated wires can be directly used in transformers without interlayer insulation tape, which can reduce the volume and save the overall cost, and can be directly soldered without first removing the outer insulation. It has entered the mass production and sales stage.
- (9) Enameled copper wire for inverter-fed driven motors: In response to the increasing popularity of devices use frequency conversion, our company has developed anti-surge enameled wire for use in the

industry. Anti-surge enameled wire has a longer life and better anti-surge performance than general enameled wires in high temperature and harsh electrical environments, and better stability at high frequencies.

- (10) Silk covered Enameled Copper wires: Silk covered after the wires are twisted, it will increase the surface area of the conductor under the same diameter to reduce the skin effect, so that the high-frequency equivalent resistance decreases and the Q value increased.
- (11) Magnet-conducting enameled wire: The miniaturization and light weight of electronic equipment make the frequency converter develop towards high frequency. Energy will be lost in the conversion of electrical energy and magnetic energy, and energy loss will increase at high frequencies. Our company develops magnet-conducting enameled wire, which uses magnetic materials to interfere or guide the magnetic field line, overcome the proximity effect and skin effect of the wire, reduce high-frequency AC resistance, and effectively achieve the purpose of energy saving.
- (12) Copper clad aluminum enameled wire : Using advanced cladding welding manufacturing technology, the high-quality copper tape is wrapped on the surface of the aluminum rod in a concentric manner, and a strong interatomic metallurgical bond is formed between the copper layer and the core wire. Combine two different metal materials into an inseparable whole, which can be drawn and annealed like a single metal wire. The copper clad aluminum enameled wire developed by our company in the era of high copper prices has advantages such that light weight, good DC conductivity, and good solderability and low cost.
- (13) High lubricity enameled wire : High lubricity enameled wire uses self-developed environmentally friendly materials to replace the external wax oil currently used. In addition to better characteristics, it also makes the process more environmentally friendly and meets the company's consistent objectives-green inside.
- (14) Solar power generation system: Use high-temperature, weather-resistant insulation and sheath with precision equipment and manufacturing technology for PV wire and PV-CQ wire. This cable development is completed and it has passed TUV, EN, UL and Japanese JECTEC inspections. The quality is highly recognized by customers.
- (15) Thermal-Dissipation Enameled Wire: Due to the poor thermal conductivity of traditional enameled wire insulation, the heat generated during the operation of the motor accumulates inside the motor, which in turn increases the temperature of the entire motor, resulting in an increase in resistance and a decrease in motor efficiency. Thermal-Dissipation Enameled Wire can effectively improve the problem that the internal heat of the motor cannot be dissipated. In addition to prolonging the life of the motor, it can also improve the performance of the motor.
- (16) Electric vehicle rectangular enameled copper wire: Electric vehicle

rectangular enameled copper wire introduced advanced European In-line rectangular enameled copper wire equipment. Specializing in the production of rectangular enameled copper wire equipment for electric vehicles, combined with self-developed low-dielectric varnish, can greatly extend the life of electric vehicle motors.

- (17) Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced (ZTACIR) : To meet the requirements of TPC offshore wind farms for onshore and grid connection, the Invar stranded wire with lower expansion coefficient is matched with super heat-resistant aluminum alloy wire to complete the Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced (ZTACIR) certification and obtain TPC bidding qualification.
- (18) Semi-wet submarine cable research and development: It's successfully completed 66kV 3-core semi-wet submarine cable and passed sea site verification in 2020.

(四) Short-Term and Long-Term Business Development Plans:

1 、 Short-term business development plans:

- (1) To improve each product's cost, enhancing internal competitiveness.
- (2) To enlarge target market, locating postential customers.
- (3) To promote quality product concept to clients.
- (4) To strengthen the management of agents and monitor promotion status in each country.

2 、 Long-term business development plans:

- (1) Under the ECFA agreement, domestic manufacturers face the price competition from vendors in China. It is necessary to lower production cost to make product more competitive.
- (2) The Company consistently exploits agents from different countries to improve production efficiency, lower product cost, and remain price competitive.
- (3) Government will keep the strategy of producing energy system domestically. The Company's 345kV power cable and 69kV anti-termite cable passed Taipower certification to be its qualified vendors. The Company has successfully developed eco-cable and various optical cable.
- (4) To avoid the price war, the Company aggressively diversified its operation. The Company invested in TA YA GREEN ENERGY TECHNOLOGY CO., LTD. to professional operate solar energy power, which not only a Blue Ocean strategy and benefit its core business in cable and wire.
- (5) Many domestic electronic industries moved their production base overseas, which led to the shrinkage of demand in megnet cables. To expand megnet cable, business requires various certifications to validate its quality. In 2013,the Company's megnet cables got the TAF lab's certification. Meanwhile, the Company was dedicated to develop new proudcts for the sales to any area outside China market.

二、Overview for Market, Production and Sales：

(一)Market Analysis

1、Domestic and Export Sales Breakdown:

Unit: NT\$ thousand

Sales Area	Enameled wire		Plastic wire and cable		XLPE power cable		Communication cable	
	Amount	%	Amount	%	Amount	%	Amount	%
Asia	270,078	8.42	1,276	0.08	-	-	-	-
Africa	2,702	0.13	-	-	-	-	-	-
Europe	0	0.00	-	-	-	-	-	-
India	52,724	2.62	-	-	-	-	-	-
Total export	325,504	11.17	1,276	0.08	-	-	-	-
Domestic sales	1,692,780	88.83	1,508,355	99.92	3,727,442	100	219,362	100
Total	2,018,284	100	1,509,631	100	3,727,442	100	219,362	100

2、Market Supply and Demand Outlook：

(1) Domestic Market Analysis：

A. Power Cable Overview：

In 2020, the growth rate of GDP in Taiwan was 3.11% and it was expected to be 4.64% the following year. The upward trend was mainly an impact of the anti “extradition agreement” in Hong Kong, which facilitated Taiwan manufacturers shifted and expanded their production base back to Taiwan. As more and more Taiwan manufacturers returned to Taiwan and made investments, it brought businesses and orders back to Taiwan. This situation heated up Taiwan’s economic growth and Taiwan’s performance was expected to take the lead of 4 Asia Dragons. Although the pandemic wreak havoc internationally, Taiwan outperformed than expected in export. Moreover, domestic consumption was getting even better. The GDP was revised to head up and was expected the performance to be the best year in recent 7 years. It was predicted that domestic consumptions would reach NT\$10 trillion. In 2012-2014, Taipower was questioned about its operational deficits. Since the Government and Taipower renegotiated its pricing. With the new formula released in April 1, 2015, Taipower generated annual profit of NT\$612 million, which was expected to gradually recover its loss. It was expected that Taipower would be released its investment in power supply system and the restriction in the system’s replacement. To ensure the reliability of the power supply system, Taipower keeps on track to develop the system domestically. In 2010 Council for Economic Planning and Development approved Taipower “The seventh Transmission and Transformation Plan”，which proceeded the Electric power transmission expansion project with total NT\$238.9 billion investment. In this project, it was planned to build 130 substations. Among those substations, there are 17 ultra-high voltage substations (E/S), 10 primary substations (P/S), 86 primary distribution substations (D/S) and 17 secondary substations (S/S). In the project, it would also expand transmission line to 2370 kilometers, including 539 circuit kilometers of 345kV UHV lines, 1307 circuit kilometers of 161kV primary transmission lines, and 524 circuit kilometers of 69kV

secondary transmission lines. The potential business to cable and wire was about NT\$500 billion. Even though the time frame of the whole project was long, it was expected to continuously execute the project with the support from Government to expand domestic demands.

In addition to the Taipower power expansion project, the Company also aggressively explored other business opportunities from public construction projects and civil constructions, including Hi-Tech companies' new plant constructions. The Company investigated the cable usage in solar energy and wind energy generator. In 2014, Ta Ya Group set up TA YA GREEN ENERGY TECHNOLOGY CO., LTD. in green power generator business, which could generate 50MW in 5 years. From 2015 till 2020, the Company had completed at least 5 different energy generator projects. In 2016, the first self-operated solar power plant "TOUCH SOLAR POWER CO.,LTD." was set up and was located at the roof top of the Company's headquarter. The power plant had a capacity of 2.39KW. TA YA GREEN ENERGY TECHNOLOGY CO., LTD provided solar power of 499KW; Ta Ya Parking provided 330KW and the Xin Zhong solar power plant at Xue Jia 76MW.

The newly elected government highly valued the green power construction. In October 2016, Executive Yuan approved the development project to build Green Energy Technology Industry-Shalun Green Energy Science City and investment in solar and wind power generators. The total investment was about NT\$50 billion. In July 2009, the Company's 345kv was approved by Taipower; the following year, the product got a domestic project at the amount of NT\$2.57 billion in August. In June 2011, got another project from Taipower. The contract value was NT\$25.7 billion. This project was completed and accepted by Taipower. This project was about 20 kilometers, which was the longest 345kv cable route in Taiwan. On December 10, 2013, the Company completed 94V1000mm² anti ant cable installation project, which was successfully operated. The Company was the first to get the approval of 69kV 、 161kV 、 345kV from Taipower and sold them to Taipower. In 2019, the Company had taken several orders from Taipower, including the bid of 161kV at the amount of NT\$16.72 billion and another bid of 15kV, 25kV with the contract value of NT\$10 billion. These projects were still produced in the factory. In December 2020 Taipower approved the Company's Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced, which would benefit the Company to tender a bid in Taipower's projects. Executive Yuan passed Looking-forward Infrastructure Development Project in response to devotion of the Government to the economic development. The project was a special budget with a total investment of NT\$8,824 billion in 8 years. Government strong resolution did fuel investment from non-government side.

The Look forward Infrastructure Development Project would invest NT\$424.1 billion in railroad construction, NT\$250.7 billion was used to improve water environment, green construction would invest NT\$24.3 billion, digital construction would use NT\$46 billion and NT\$137.2 billion was to renovate townships. In addition, on July 18, 2019 National Development Council pass the bill to approve NT\$247 billion for public construction in 2020. The special budget for Look Forward project was NT\$100.5 billion to build MRT to link New Taipei City and Taoyuan city. The fund was also for the railway improvement in East coast and the MRT project in Taichung. Taoyuan Airport Terminal 3 project with the budget of NT\$74.6 billion was expected to complete by end of 2025. Taipower would also set up 2 generators in Da Tan Power

Plant and

In response to the investments return to Taiwan and semiconductor production usage, Taipower will expand its gas-fired power plants to amplify its power supply. Tunghsiao Power Plant would build natural gas power station with an investment of NT\$90 billion, which was expected to operate in year 2027. In addition, Taipower also built natural gas power station in Taichung with an investment of NT\$100 billion, which was expected to complete in 2025. Taipower would also invest NT\$110.5 billion to build power generators in Da Tan Plant and to bury wire pole and cable underground, which is expected to use NT\$7 billion to finalize the construction in 7 years from 2017 to 2021. Taipower planned to invest NT\$420 billion in the next 15 years to promote green power, including solar, offshore wind power and geothermal energy. The above-mentioned construction from government will boot up the demand from power supply and transmission.

When the COVID-19 pandemic severely influenced the economy, the Government accelerated investment to boost domestic demand. It is expected that the demand to the Company's cable and wire products.

B. Plastic Wire Overview :

The prospect for years 2021 was still uncertain mainly because COVID-19 pandemic caused turbulence in politics, economics and society.

The observation was derived from international situation illustrated as follows

1. Risks brought by pandemic:

The pandemic caused direct lost to the economy, for example factory shut down and lower consumption led to inactive economic activity. However, many governments signed rescue plans to boost economy, which also impact the market.

2. Persisting trade conflicts:

The turbulent US-China trade war still went on, even though the US Presidential election was final. Currently every country focused on pandemic; however, the conflicts seemed hard to be solved in short.

3. Geo-politic Risk:

China was wrestling with the US, India, Australia and Taiwan. North Korea's nuclear weapon threatened the peace that area. The uncertainty would make the economy chaotic.

In Taiwan, Government facilitated domestic investment to boost economic growth and accelerate business transformation. In March 23, 2017, Executive Yuan pass the draft of "Special Act for Forward Looking Infrastructure" "to enlarge the investment in overall infrastructure, including to build up "Green and digital infrastructure", to better environment and living quality in "Township and water Environment" project and to construct a green transportation track project. It is forecasted that in the future 8 years (2017 to 2204) that an investment of NT\$882.4 billion from government and 1,777 billion from non-government side to accumulate GDP to 975.9 billion, creating 40-50 thousand jobs.

In 2021, Taipower kept on the NT\$25 billion investment which included improvement on Electricity Distribution System and offshore wind power

development projects. China Telecom planned to invest NT\$200 billion in the expansion of broadband by spreading out fiber cables. Bureau of Energy planned to build offshore wind power mills, which was expected to set up 400 wind mills on the and another 600 offshore. When fully operated, the wind power output value would be around NT\$500 billion.

From the public investment side, Ministry of Finance announced public construction projects by releasing 67 different tenders at a total value of NT\$130 billion. Among these tenders, there were 4 major projects with investment value over NT\$10 billion. The most large-scale was “THSR Taichung Station-Land development” which was expected to invest NT\$14.7 billion to build a 40 acres shopping and entertainment mall. New Taipei City would invest NT\$10.2 billion to build MRT to link to areas outside New Taipei City. Ministry of Transportation and Communications will put in NT\$336.6 billion to renovate Taoyuan Airport to enhance its international competitiveness. In Kaohsiung, it was expected to build a new bay center with the space of 1257 acres and investment amount of NT\$110 billion.

Non-government Side: TSMC led its production process and expected to make capital investment of NT\$840 billion. Due to the encouragement from Government, the capital inflow to Taiwan was about NT\$1166.3 billion. E United Group would make NT\$22.5 billion investment to develop a Preventive healthcare Center for all ages and Farms.

LME Copper spot was about US\$6,180 a metric ton in 2020. Due to the uncertainty in global economy and pandemic influence, the pricing of copper would keep unstable. It would be a major factor for the Company to offer its quotes.

The Company would constantly strive for perfection, coexistence and co-prosperity with the industry, seeking truth from facts and keeping innovation to rationalize its production. To consolidate the development in green industry, the Company would focus on solar power area, electrical automobile industry and wind power generator to cope with the industry trend in green products. In the future, the Company would promote its brand name to increase its market shares. The Company would also make contribution to the society. With the cooperation of professional technicians, the Company would assist to check the old houses and buildings’ power system for public safety. In addition, the Company would launch new products, promote its brand name in the market, diversify its operation into different areas to make the uncertainty to be the Company’s great opportunity.

The Company standardized the product’s specification to be total lead free and would consistently make all out efforts in green power energy development. With the promotion from government and the environmental consciousness from the public, it is believed that the Company would have better performance this year. The Company long-term strategy in promoting low-carbon and green energy with the vision to build a beautiful home land and fulfill social responsibility to create better life. The Company was rewarded by Ministry of Economic Affairs for the first Green Model. In EPIF(ECO-PRODUCT INTERNATIONAL FAIR) the Company also received award for its green model in 2014. In the future, the Company would be green inside out to devote to the environment.

C. Overview of Magnet Wire :

Due to the impact of COVID-19, the sales volume of magnet wires decreased in Q1 and Q2, 2020. With the efforts, the volumes increased slightly from 2019. On the other

hand, magnet wire faced competition. For example, the demand in domestic electronic products were slow, which led to price competition. The overseas competition made the Company's magnet wire sales decline.

The overseas Market: The competition situation was similar in the Taiwan market. The major 2 competitors in China also tumbled by COVID-17 and China-US trade war. To avoid high custom, many Taiwan and overseas manufacturers moved from China to Vietnam or any South-East Asia country. As China government also put strong emphasis on environmental issues, China vendors' factory in Chang-an and Kunshan were required by local environmental rules which eventually would increase production costs. This issue forced the Company to reevaluate how to consolidate the Company's global resources to come up a best marketing strategy.

Taiwan is an island and highly rely on international trade. The global economy and conflicts would have a profound impact on the Company sales performance and global funding. The Company need to monitor customer order shipment and to hedge against copper price to create profit to the Company.

In 2020, China and the US's trade war went on and the relationship between China and India was getting worse. This situation did not push the upstream manufacturers shifting their production base to Taiwan. Therefore,

The Company is dedicated to develop high added value product, such as LITZ wire 、freon-resistance enameled copper wire 、PIW240°C enameled wire 、enameled copper wire for inverter-fed driven motors 、flat wire 、copper clad aluminum enameled wire 、enameled aluminum wire 、brazing tape 、enameled wire for inductor 、self-bonding enameled wire 、triple layers insulated wire 、ultrafine wire , which were approved by end customers or in mass production.

D. Communication or Optical fiber Cable Overview :

Government launched Look Forward Infrastructure Project, including "Rail Way Construction", "Water Environment Construction", "Green Construction", "Digital Construction", "Township Construction", "Friendly Parenting Environment Construction", "Food Safety Plan Construction" and "Human Resource Incubator and Employment Construction". The 8 construction plans were expected to build foundation for Taiwan in the following 30 years.

"Special Act for Look Forward Infrastructure" went into effect on July 7, 2017 by President announcement. This project was divided into 4 year with a budget of NT\$420 billion. It was forecasted real GDP might increased to NT\$470.5 billion, Gross GDP to NT\$506.5 billion and the real GDP contribution might increase 1% per year.

The country set the foundation

on "Green", "Digital", "Water", "Railway", "Township", "Food" and "for the future 30 years

Look Forward Infrastructure Project is for Taiwan future development to cope with new industry, new skills and new life trends. The Company's main business is highly related with green and digital constructions, which was further illustrated as follows:

(一) Green Construction (First phase budget : NT\$800 million; Second phase budget : NT\$1,140 million)

1.Key Points: Solar energy, wind power energy and Shalun Green Energy Science City project.

2. Target :

- The benefit from energy transformation : Enhance energy safety, green economy development, perpetual environment and social fairness.

- Benefits to Industry : To build Taiwan as a important fortress in green power industry in 5-10 years.

(二) Digital Revolution (First phase budget : NT\$159 million; Second phase budget : NT\$272 million)

1.Key Construction : To accelerate the expansion of Super broadband, which was a fundamntl construction to the society.

2.Target : To provide users a safe and fast connection to internet, which would promote creative industry and hi valued products to rural township. This budget was about 25.2% of GDP in 2020.

(三) Railway Construction (First phase budget : NT\$16,600 million; Second phase budget : NT\$4,160 million)

1.Key Construction : To link THSR and Taiwan Railway, to upgrade and improve east coast railway, to accelerate commuting, to build MRT and sightseeing raiway in southern Taiwan.

2.Target : To make railway connects Taiwan to make mass transporation friendly and the industry would also benefit from it.

Conslusion

Forward Look Infrastructure focused on Taiwan future development. Government was a bellwether to stimulate the economy and enhance country's long-term competitiveness. In January 2021, the 3rd phase special budget was released to decrease the budget to NT\$229.8 billions from original budget NT\$230 billion. As 5G broad band was enabled, it was expected to build base stations and procure new terminls and systems; however, the prevailing pandemic cast uncertainty to global market situation. The Company needed to pay attention to the mixed factors to the market and economic development.

The Company aggressively tracked the tenders released by telecom companies. Taiwan Telecom has announed to purchase copper cables for NT\$630 million and optical fiber for NT\$850 million. The cable suppliers endeavored to submit their bids to get the orders.

The Company had been in communication cable market for over 20 years. In reponse to digital construction, the Company took any opportunity to submit its tender to Taiwan Teleocom, any telcom company and government project. Since digital construction was essential which production value was expected to reach NT\$100 billion. The Company would

E: Semiconductor IC packaging wire:

After evaluation, the semiconductor package wires business was ceased. The Company

(2) Foreign market analysis :

Last year, the Company's main product was megnet wire. The main oversea market was China, Japan, southeast Asia an India.

Japan started to purchase from Ta Ya. As the certification of KEMA, the Company start to tender bids in ASEAN and middle east market to establish sales channels.

In year 2020, the Company ceased the product line of IC packaging wire. In the same year, the Company successfully developed modified copper wire and plunged into the business of IC test wire and medical wire business.

3、Business Objectives：

Sales forecast for 2021 is as follows:

Unit: metric ton	
Majority products	Shipments
XLPE power cable	18,102
Plastic wire and cable	7,122
Rubber wire and cable	37
Communication cable	1,551
Enameled wire	10,646
Bare copper wire	4,367
others	1,727
Total	43,552

4、Development Prospects and Favorable and Unfavorable Factors：

(1) Favorable factors：

A. In 2019, Government continued to expand domestic demand, Executive Yuan announce Executive Yuan passed Looking-forward Infrastructure Development Project in response to devotion of the Government to the economic development. The project was a special budget with a total investment of NT\$8,824 billion in 8 years. Government strong resolution did fuel investment from non-government side.

B. China and Taiwan had signed ECFA agreement.

C. The 7th electricity transmission and distribution plan was expected to biring business opportunity by about NT\$500 billion.€ € € € € € € €

D. To improve nationwide competitiveness, Government enlarged the public investment scale. Taipower was expected to replce its old system, which was expected to create business opportunity for the next 3-5 year.

E.The international cable market faced the market reform due to the recession. The Company continusouly improves its competitiveness to take part in the business opportunity broght by Taiwan overseas investment returned to Taiwan.

F.345kV and 69kV anti-ant wire was approved by Taipower and started to deliver the order. Communication slot optical cable was produced in year 2014. In December 2020, Super-Thermal Resistant Aluminum Alloy Conductor with Aluminum-Clad Invar Reinforced was approved by Taipower and got the qualification to tender a bid to Taipower.

G.The Company set up TA YA GREEN ENERGY TECHNOLOGY CO., LTD. to participate in the solar power generator business, which also create the business in offshore wind power and solar power gengerator.

H.The Company invested in two new enterprises which main business would be the downstream of the Company. The purpose of these investment was to explore new client development and market research.

I.The relationship between China and India got worse. The Company might have the opportunity in India.

(2) unfavorable factors :

- A.Sluggish demand in the market caused price competition among peers.
- B.Deterating economy made the Company to renew its clients' credit.
- C.Due to the trade war between China and the US, it might impact the companies whose products were produced in China but ship to the US.
- D.It is hard to predict customers' demand, which might cuase higher cost in inventory.
- E.Oversupply of magnet wire in China kept the profit margin low.
- F.Due to pandemic, the shipping cost kept increasing.

(二) Uses and Production Process of Major Products :

1. The applications of main productst

Main Products	Applications
Plastic wire and cable	1. Wires for electronic appliances 2. Power cords 3. Power and control cables for low-voltage of electric power distribution system 4. Building wires and cables 5. Wires and cables of electrical appliances 6. Control cables
Rubber wire and cable	1. Portable cables 2. Wires and cables for thermal and nuclear power plants 3. Wires and cables for mine field 4. Lead wires for motors or transformers, etc. 5. Flexible cables and wires for electrical power distribution.
XLPE power cable	1. 69kV, 161kV and 345kV transmission cables for TPC. 2. Electrical power cables for 25kV distribution system 3. MV cable and low voltage cables for factory electrical power distribution system. 4. Electrical power distribution cables for community
Low-smoke non-toxic cable	1. Airport 2. Hospital 3. MRT system 4. Transmission and distribution cables of the Mass Transit Railway

Main Products	Applications
Fire Resistant cables	1. Electrical power distribution 2. Fire safety systems of indoor 3. Fire alarm System 4. Emergency power system
Heat-resistant cables	1. Emergency power system and various alarm systems 2. Fire safety systems of indoor 3. Fire Alarm System 4. Emergency lighting system 5. Broadcasting and communication systems
Solar cables	1. Solar power generation equipment 2. Small rooftop photovoltaic system 3. Plant with solar power system
Enameled wire	1. Transformers, power transformers for housework appliances, flyback transformers, dry-type transformers, oil-filled large-scale transformers, etc. 2. Motor: Servo motor, housework appliance motor, enclosed motor, refrigerator air conditioner motor. 3. Generator winding and coil 4. Various types of coils: choke coils, solenoid coils, audio coils, deflection coils for TV sets and computer terminals, oscillating coils, ignition coils 5. Relay coil 6. Motors for electric vehicles
Single, double layers insulated winding wire	Various types of high-frequency transformers and transformers used in communication networks
Communication cable and optical fiber cable	1. Communication cable use metal conductors as the medium for electric wave transmission, such as digital cable and telephone cable. 2. Optical fiber cable use light-guided wave for communication and information transmission, such as indoor and outdoor single-mode and multi-mode optical fiber cable. 3. Special transformers winding: Various types of high-frequency transformers and transformers used in communication networks
Medical wire	Applied in the medical industry application field.

Main Products	Applications
Modified copper wire	1. Purity can reach 99.99% 2. Compared with pure copper, modified copper wire can increase conductivity by about 2~3 times, and reduce surface resistivity by 55~70% 3. Excellent thermal conductivity (>5000w/Mk) 4. The above characteristics can be applied to future 5G series products that require heat dissipation and improve conductivity.

2. Product manufacturing process:

Row copper wire

- Drawing and stewing copper wire to the required soft copper wire.
- Stranding or compressing copper wire
- Triple-layer extruding for high voltage cable.
- Metallic shielding
- Sheath extruded
- Inspecting
- Packaging
- Customer.

(三) Supply of Major Raw Materials:

The company is engaged in the production of wires and cables, and the supply chain of main raw materials is as follows:

1、Copper：

The supplier is an international agent, signing a long-term supply contract every year, accounting for about 74% of the demand. The copper plate is imported from abroad, and the source of goods comes from Chile, China, Japan, Indonesia and other regions. After the copper plates are imported, they are entrusted to the related company Cuprime material co. ltd. to process them into 8mm copper wires, and the spot accounts for about 17% of the demand. Depending on the operational needs, they can be purchased from domestic and foreign markets. The supply chain is stable.

2、PVC Powder：

The suppliers are directly supplied by well-known domestic manufacturers such as Formosa Plastics, and the supply is stable and not affected by seasonality.

3、Cross-linked PE pellets：

The suppliers included DOW chemical in the United States, Borealis in Sweden, NUC in Japan, and Hanwha in South Korea. In terms of procurement policies, due to the characteristics of raw materials and its inability to produce in Taiwan, it must rely on imports. Therefore, it is difficult to control the price and quantity, by policy is to sign a long-term contracts with predict volume of orders received and price trends, to purchase in batches to minimize the impact from the seller's market.

4、Plasticizer(DINP)：

Mainly supplied by the famous domestic manufacturer UPC technology corporation, with long-term cooperation and stable supply.

5、Varnish：

Mainly supplied by the famous domestic manufacturer UPC technology corporation, with long-term cooperation and stable supply.

6 、 Communication cable raw material :

Low-density PE is the bulk, directly supplied by the internationally renowned manufactures: DOW chemical, BOROUGE, and HANWHA. The procurement policy is the same as cross-linked PE procurement.

7 、 Optical fiber raw material :

The main material of optical fiber cable, optical fiber, is currently based on Japanese manufacturers FURUKAWA, SUMITOMO and FUJIKURA as the main partners, and signed long-term contracts with them, or mass-based purchases in batches to reduce costs as much as possible.

Taiwan is an island country with resources shortage as copper and chemical composite materials. The sources of raw materials are imported and then application in various regions. Therefore, the purchase price is often restricted by the upstream suppliers or international agents. The suppliers of the above raw materials, whether from domestic or abroad, are all reputable professional manufacturers with high quality and punctual delivery. The materials of TA YA use are strong support by our supplier.

- (四) Information on suppliers/customers accounting for more than 10 percent of the total purchases (sales) of goods in any of the most recent two years:
1. Information on suppliers accounting for more than 10 percent of the total purchases of goods at the Company

Unit: NT\$ thousands

2019			2020			Three Month Ended March 31, 2021		
Company Name	Amount	[%]	Relation with Issuer	Company Name	Amount	[%]	Relation with Issuer	Amount
A suppliers	2,537,226	32.75	NA	A suppliers	2,373,136	29.90	NA	719,805
B suppliers	1,279,761	16.52	NA	B suppliers	923,312	11.63	NA	258,344
Net purchases Amount	7,746,919	100.00		C suppliers	794,361	10.01	Re-investment	240,793
				Net purchases Amount	7,936,071	100.00		2,391,638

2. Information on customers accounting for more than 10 percent of the total sales of goods at the Company:

Unit: NT\$ thousand

2019			2020			Three Month Ended March 31, 2021		
Company Name	Amount	[%]	Relation with Issuer	Company Name	Amount	[%]	Relation with Issuer	Amount
None				None			A customers	314,180
Net Sale Amount	8,746,027	100		Net Sale Amount	8,940,088	100	Net Sale Amount	2,930,584

(五) Breakdown of production volume and value of steel products in the most recent :

two years

Unit: Tons, NT\$ thousands

Major Products	2020		2019	
	Quantity	Amount	Quantity	Amount
Plastic wire and cable	9,081	1,397,339	7,985	1,267,307
XLPE power cable	20,145	3,726,308	16,058	3,026,042
Rubber wire and cable	21	5,089	27	6,671
Bare copper wire	5,309	1,009,956	4,721	963,475
Enameled wire	8,973	1,982,228	8,688	2,037,269
Communication cable	1,063	202,001	1,225	292,741
Building revenues	0	0	0	0
others	2,305	174,599	2,366	185,555
Total	46,897	8,497,520	41,070	7,779,060

(六) Breakdown of sales volume and value of steel products in the most recent :

two years

Unit: Tons, NT\$ thousands

Major Products	Sales	2020		2019	
		Quantity	Amount	Quantity	Amount
Plastic wire and cable	Domestic sales	9,081	1,508,355	8,221	1,394,087
	Export sales	2	1,276	12	2,696
XLPE power cable	Domestic sales	18,686	3,727,442	16,977	3,734,832
	Export sales	0	0	15	3,243
Rubber wire and cable	Domestic sales	21	5,354	29	7,483
	Export sales	0	0	0	0
Bare copper wire	Domestic sales	5,299	1,007,955	4,694	938,583
	Export sales	9	4,883	11	6,037
Enameled wire	Domestic sales	7,581	1,692,780	7,653	1,799,659
	Export sales	1,303	325,504	943	255,728
Communication cable	Domestic sales	1,021	219,362	1,231	339,723
	Export sales	0	0	0	0
Building revenues	Domestic sales	0	43,166	0	77,200
others	Domestic sales	2,281	402,629	2,254	174,323
	Export	24	3,354	112	12,432

	sales				
Total	Domestic sales	43,970	8,607,043	41,059	8,465,890
	Export sales	1,338	335,017	1,093	280,136

三、Information on Employees Number of employees, average age and years of service at the Company in the most 2 years:

Year		2019	2020	As of March 31, 2021
Number of employees	Management & Staff	178	164	178
	Technicians	437	450	431
	Total	615	614	609
Average Age		41.82	43.45	43.80
Average Years of Service		13.28	14.83	14.97
Education	PhD	0.3%	0.3%	0.3%
	Masters	12.8%	12.5%	12.5%
	Bachelors	43.6%	44.6%	44.5%
	Senior High School	38.0%	37.5%	37.8%
	Below Senior High School	5.3%	5.1%	4.9%

四、Information on Environmental Protection：

(一) Information on Environmental Management and Environmental Protection Expenditure

Losses (including damages and violations of the environmental regulations named in environmental audits, which should list the date, document number, and article number and content of the regulations violated, and penalty description) incurred for polluting the environment in last two years and up to the publication date of this annual report, and estimated potential loss at present and in the future and countermeasures:

None

(二) Losses caused by pollution in the most recent year up to the publication date of this annual report：

The Company was in compliance with environmental regulations. Throughout production process, there was no environmental pollution issue. The Company strives to take environmental protection measures. There was a specified unit to monitor environmental, health, and safety management. It is expected to target at zero pollution.

五、Labor Relations

(一) Employee welfare, education and training, retirement system and implementation. The relationship between employee and the Company and measures to protect employee benefit

Harmonious relationship is the foundation of successive business growth. The regulations for human resource management in the Company adhere to and Labor Standard Acts and put into execution. There were labor union and employer-employee conferences to provide communication channel.

1、Employee Benefit:

Revenue from selling scraps was the main source of subsidy to fund welfare benefits. Current :

(1) Company Insurance:

In addition to statutory benefits, such as Labor Insurance, National Health Insurance, Employee Welfare Committee also provide group insurance, which provides coverage to family with preferential co-fee paid by family.

(2) Company Tour:

The Company provided subsidy to employees with seniority requirements for company tour. There were 351 people enjoyed this benefit in 2020.

(3) Clubs and Activities:

The Company was highly concerned about employees' body and mental health. It encouraged employees to take part in activities about health and entertainment. The Company provides various clubs or activities to encourage employees to join them, which might help to relieve the pressure from work or family. Each club or activity will be provided a subsidy of NT\$15,000 per year. Any activity involved with sport would get extra subsidy of NT\$20,000 per year.

(4) Child birth and education Subsidy:

Child birth subsidy was provided to 10 headcounts in year 2020. The education subsidy was provided to 234 headcounts. In 2020 the children who received the fund ranged from students in elementary school to those who took master degree.

(5) Employee restaurant:

The Company provided cafeteria to encourage them to stay in the plant. The Company subsidy \$25 to each employee per day.

(6) Birthday Coupon:

The welfare committee provided birthday coupon to each employee.

(7) The Company would hold year-end party to entertain employees.

(8) Gifts for festivals.

(9) Various bonus provided

(10) Cash gifts and Bereavement cash.

(11) Retirement:

In addition to legal pension plan pursuant to the Labor Standards Act, the Company would provide memorial trophy and gifts to show the appreciation to the retired employees for their contribution.

(12) To praise employees:

The Company would praise employees for their excellence in their jobs or special contribution. The Company would reward them with certificate and bonus of NT\$6,000.

- (13) Bereavement support payment
- (14) Mutual aid funds from employees to the employees and employees' family.
- (15) Uniform and safety shoes
- (16) Regular and periodic health check up.

2、Employee training and education:

Employees are important assets to the Company. The Company has established a complete learning program in accordance with "Training Strategy for Planning and Appraisal Procedures", and "On The Job Training procedure" to provide employees a thorough training resource. The Company has trained internal instructors to provide the skills and knowledge developed in the Company to pass on. In 2020, the Company's provided 160 different classes with total education hours was above 6,890 hours and attendance of 1,950 headcounts. The average education hours to each employee were above 11 hours.

- (1) Special Project Training :
The Company would review its strategy to arrange the courses for managerial and staffs. Courses for managerial would focus on strategy and managerial skill improvements. The Company would provide courses to supplement what employees require to perform their daily function. The Company would arrange teacher from outside or internal instructors.
- (2) Professional Training :
The Company would focus on the industry and profession knowledge each department required and employees may propose their requests. Then the Company might arrange the courses. After training, employees might improve their expertise and make contribution to their job.
- (3) On-Job Training :
To upgrade the competency on job, each department would come up training projects.
- (4) New Recruits Training :
Every half year, the new recruits would be required to take various course arranged by HR department. Those courses include corporate culture, history, operation concepts, employee rules of conduct, benefit, company insurance, payroll, safety and security to the environment, ISO and so on. Through those courses, the new hire would have better understand the company.
- (5) Position Training :
The new recruits would be trained based on their duty and job description to assign to their department head to provide their position training, including machinery operation, job routine, corporate culture, and so on.
- (6) List of directors, supervisors and managerial members who took training courses in 2020 :

A. List of directors and supervisor

Title	Name	Date	Sponsoring Organization	Course	Training Hours
Chairman and CEO	Shen, Shang-Hung	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics.	3H
		8/18			3H
Vice Chairman	Shen, Shang-Pang	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics.	3H
		8/18			3H
Director and President	Shen, San-Yi	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics.	3H
		8/18			3H
Director and Executive Vice President	Shen, Shang-Tao	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics.	3H
		8/18			3H
Director	Horng, Lan-Horng	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics.	3H
		8/18			3H
Independent Director	Chang, Lee-Chiou	8/11 11/12	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Insider trading prevention and countermeasures Securities Regulations and Global Trend Analysis-Risks and Opportunities.	3H 3H
Independent Director	Wei, Chun-Hsien	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics.	3H
		8/18			3H
Independent Director	Cheng, Duen-Chian	6/18	TAIWAN CORPORATE GOVERNANCE ASSOCIATION	Changes in the 5G era: industrial level, future business applications and contactless economy The general trend of CSR and sustainable governance.	3H
		7/31			3H

B. List of managerial members

Title	Name	Date	Sponsoring Organization	Course	Training Hours
Energy & Telecom. Cable Business Group General Manager	Chuang, Pa-Kuei	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD.	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises.	3H
		8/18			3H
		9/14			2.5H
Energy & Telecom. Cable Business Group Director	Cheng, Chi-Lin	8/18	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD. Unity Sustainability Services Co., LTD.	Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises. Create sustainable influence of enterprise development.	3H
		9/14			2.5H
		11/23			3H
Energy & Telecom. Cable Business Group Plant Manager	Huang, Ming-Chin	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD. Unity Sustainability Services Co., LTD.	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises. Create sustainable influence of enterprise development.	3H
		8/18			3H
		9/14			2.5H
		11/23			3H
Energy & Telecom. Cable Business Group Director	Pan, Chen-Hsun	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD. Unity Sustainability Services Co., LTD.	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises. Create sustainable influence of enterprise development.	3H
		8/18			3H
		9/14			2.5H
		11/23			3H
Magnet Wire Business Group General Manager	Shen, Shang-Hui	7/7	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD.	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises.	3H
		8/18			3H
		9/14			2.5H
Magnet	Chiu,	7/7	TAIWAN	Tax laws and practices for	3H

Title	Name	Date	Sponsoring Organization	Course	Training Hours
Wire Business Group Deputy General Manager	Jung-Kun	8/18 9/14	CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD.	business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises.	3H 2.5H
Magnet Wire Business Group Plant Manager	Chang, Fang-Chi	7/7 8/18 9/14 11/23	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD. Unity Sustainability Services Co., LTD.	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises. Create sustainable influence of enterprise development.	3H 3H 2.5H 3H
NIC Business Group General Manager	Lee, Wen-Bing	7/7 8/18 11/23	TAIWAN CORPORATE GOVERNANCE ASSOCIATION Unity Sustainability Services Co., LTD.	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. Create sustainable influence of enterprise development.	3H 3H 3H
NIC Business Group Deputy General Manager	Chen, Chin-Nan	7/7 8/18 9/14 11/23	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD. Unity Sustainability Services Co., LTD.	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises. Create sustainable influence of enterprise development.	3H 3H 2.5H 3H
NIC Business Group Plant Manager	Chuang, Yi-Hsin	8/18 9/14 11/23	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD. Unity Sustainability Services Co., LTD.	Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises. Create sustainable influence of enterprise development.	3H 2.5H 3H
Construction Business Group	Chiu, Tsung-Jen	7/7 8/18	TAIWAN CORPORATE GOVERNANCE	Tax laws and practices for business operations and reinvestment.	3H 3H

Title	Name	Date	Sponsoring Organization	Course	Training Hours
General Manager		9/14 11/23	ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD. Unity Sustainability Services Co., LTD.	Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises. Create sustainable influence of enterprise development.	2.5H 3H
Business Administration Group Deputy General Manager	Chen, Chung-Kuang	7/7 8/18 9/14	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD.	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. Implementation of the Labor Incident Law-Impact and Response to Enterprises.	3H 3H 2.5H
Corporate Governance Officer	Hung, Chung-Ming	7/7 8/18 8/21 9/14 9/25 12/4	TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD. Securities and Futures Institute Securities and Futures Institute	Tax laws and practices for business operations and reinvestment. Reconstructing information security from the perspective of digital forensics. How does the company do a good job in fraud detection and prevention and establish a whistle blowing mechanism to strengthen corporate governance. Create sustainable influence of enterprise development. 109 Annual Prevention of Insider Trading and Insider Equity Trading Publicity Seminar. Analysis of the practical operation and the latest interpretation letter after the implementation of the company law.	3H 3H 3H 2.5H 3H 3H
Financial Officer	Hung, Chung-Ming	5/26 11/05~11/06	Accounting Research and Development Foundation Accounting Research and Development Foundation	Supervise business management from the financial report figures. Continuing education for the issuer's securities firm and stock exchange accounting supervisor.	6H 12H
The Chief Audit	Huang, I-Ching	3/2 6/9	Ahead International Management Consulting Co., Ltd.	IECQ QC080000 : 2017 Inside the hazardous	6H 6H

Title	Name	Date	Sponsoring Organization	Course	Training Hours
		7/7	The Institute of Internal Auditors-Chinese Taiwan	substance management system.	3H
		8/18	TAIWAN CORPORATE GOVERNANCE ASSOCIATION TAIWAN CORPORATE GOVERNANCE ASSOCIATION YU HENG MANAGEMENT CONSULTANTS LTD.	Financial analysis index interpretation and management risk prevention. Tax laws and practices for business operations and reinvestment.	3H 2.5H 6H
		9/14		Reconstructing information security from the perspective of digital forensics.	3H
		10/6	The Institute of Internal Auditors-Chinese Taiwan	Implementation of the Labor Incident Law-Impact and Response to Enterprises.	
		11/23	Unity Sustainability Services Co., LTD.	Internal audit and internal control of personal information law actual combat operations. Create sustainable influence of enterprise development.	

(7) Certification of employees whose jobs are related to accounting and auditing :

Certification	Number of Employees	
	Internal Audit	Financial Accounting
Certified Public Accountants	0	1
New Auditor	5	0
Enterprise Internal Control	1	0

3 、 Retirement system and the implementation:

In July 30 1984 the Company had drafted its retirement regulations in line with the requirements of the Labor Standards Law and Labor Pension Act. In August 1 1984, the Company set up Supervisory Committees of Workers' Retirement Reserve Funds. It made monthly contributions at 15% of the monthly salary to the pension reserve for its employees under the old pension fund program. Under new pension fund starting from July 1 2005, the Company made monthly contributions at 6% of the corresponding pay grade into the employees' personal pension accounts. Employees may make voluntary monthly contributions up to 6% of the corresponding pay grade into their personal pension accounts.

The Company's pension program is as follows:

1. Voluntary Retirement :

Employee who meets the following criteria may apply for voluntary retirement. :

- (1) Where the worker attains the age of fifty-five and has worked for fifteen years.
- (2) Where the worker has worked for more than twenty-five years.

(3) Where the worker attains the age of sixty and has worked for ten years.

2. Forced by Law to retire :

An employer shall not force a worker to retire unless any of the following situations has occurred:

1. Where the worker attains the age of sixty-five.

2. Where the worker is unable to perform his/ her duties due to disability.

A business entity may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

3. Pension Fund :

(1) The pension is calculated based on Article 55 Labor Standards Act for peion fund before and after the amendment of pension fund contribution.

(2)As set forth in Subparagraph 2 of Paragraph 1 of Article 54, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties.

Employees under the new pension plan pursuant to the Labor Pension Act: Monthly contributions are made at 6% of the corresponding pay grade into the employees' personal pension accounts.

4. The Company shall pay the pensions specified in Paragraph 1 within 30 days from the day of retirement.

4 、 Labor-management harmony and employee rights maintenance measures :

The Company has drafted "Moral Conduct Regulations" intended to maintain employees' lawful rights and interests and also the Company's reputation. To implement gender equality, the Company set up a regulation to prevent and punish any violation. The Company regularly holds employer-employee conferences to publicize the importance to follow the regulations. to discuss and negotiate issues of importance. The Company has drafted "internal work regulations" intended to maintain employees' lawful rights and interests and help eliminate illegal and unreasonable treatment of employees. There was labor union which would help to discuss and negotiate any doubtful issues.

(二) Losses (including violations of the Labor Standards Act named in labor inspections, which should list the date, document number, article number, content of the regulations violated, and penalty description) incurred for labor disputes in last two years and up to the publication date of this annual report:

1 、 Losses including violations of the Labor Standards Act named in labor inspections : None

The Company's Human Resource regulatory was based on Labor Standard Law. The Company had set up various welfare benefit measures and set up labour union to channel understanding and view points between employer-employee. So far no Losses including violations of the Labor Standards Act named in labor inspections.

2 、 Estimated losses due to current and possible future labor-management disputes: None

3 、 Response measure : The Company would strive for the mission to make

employee work happily in the Company.

六、Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Long-term Loan	Mega Bank	2017.09.27~2022.09.27	500,000,000	None
Long-term Loan	KGI Bank	2020.12.21~2022.12.21	800,000,000	None
Long-term Loan	Yuanta Bank	2020.10.20-2022.10.19	300,000,000	None
Long-term Loan	O-Bank	2019.06.24-2022.06.24	250,000,000	None
Long-term Loan	O-Bank	2019.06.24-2022.06.24	350,000,000	None
Long-term Loan	O-Bank	2020.08.10-2024.08.10	400,000,000	None
Long-term Loan	O-Bank	2020.09.21-2023.11.10	200,000,000	None
Long-term Loan	O-Bank	2020.10.23-2024.10.23	100,000,000	None
Long-term Loan	O-Bank	2020.10.23-2022.06.24	100,000,000	None

VI. Financial Information

6.1 Five-Year Financial Summary: Condensed Balance Sheet, Income Statements

6.1.1 Condensed Balance Sheet

6.1.1-1. Consolidated Condensed Balance Sheet – Based on International Financial Reporting Standards (IFRS)

Unit : NT\$ thousands

Year Item		Financial Summary over the past five years					2021 Q1
		2020	2019	2018	2017	2016	
Current Assets		11,032,706	10,608,109	11,174,306	10,327,409	9,903,800	13,256,905
Property, Plant & Equipment		7,543,746	4,821,771	4,758,440	4,080,134	3,864,874	8,074,140
Intangible Assets		325	690	1,013	1,312	16,252	262
Other Assets		6,627,426	5,370,446	4,507,145	4,042,541	3,916,069	7,344,282
Total Assets		25,204,203	20,801,016	20,440,904	18,451,396	17,700,995	28,675,589
Current	Before Distribution	8,038,515	7,891,857	6,164,611	6,085,669	6,867,658	9,221,423

Liabilities	After Distribution	Note1	8,070,377	6,336,265	6,285,932	6,867,658	Note1
Non-Current Liabilities		8,035,644	4,514,977	6,174,639	4,484,371	3,381,757	9,649,608
Total Liabilities	Before Distribution	16,074,159	12,406,834	12,339,250	10,570,040	10,249,415	18,871,031
	After Distribution	Note1	12,585,354	12,510,904	10,770,303	10,249,415	Note1
Equity attributable to owners of the parent		7,765,911	7,095,796	6,797,753	6,693,079	6,389,364	8,215,469
Common Stock		5,950,680	5,950,680	5,721,808	5,721,808	5,721,808	5,950,680
Capital Surplus		602,220	531,117	524,667	524,957	505,964	601,588
Retained Earnings	Before Distribution	1,373,602	791,159	689,655	722,124	264,909	1,807,767
	After Distribution	Note1	612,639	518,001	501,861	264,909	Note1
Other Equity		(125,666)	(146,288)	(117,607)	(255,040)	(56,755)	(109,641)
Treasury Stock		(34,925)	(30,872)	(20,770)	(20,770)	(46,562)	(34,925)
Non-Controlling Interest		1,364,133	1,298,386	1,303,901	1,188,277	1,062,216	1,589,089
Total Equity	Before Distribution	9,130,044	8,394,182	8,101,654	7,881,356	7,451,580	9,804,558
	After Distribution	Note1	8,215,662	7,930,000	7,661,093	7,451,580	Note1

Note1: The Proposal of 2019 profit distribution is pending for resolution by the Annual General Shareholders' Meeting

Note 2: Financial information as of first quarter of 2020 has been audited and verified by CPAs.

6.1.1-2. Condensed non-consolidated balance sheet- IFRS

Unit: NT\$ thousands

Year Item	Financial Summary for The Last Five Years (Note 1)					Financial data up to March 31, 2021 (Note 2)
	2020	2019	2018	2017	2016	
Operating Revenue	18,300,805	18,153,101	18,577,212	16,743,012	14,268,029	6,011,651
Gross Profit	1,600,997	1,305,570	1,280,887	1,551,131	1,028,899	620,164
Operating Profit	428,272	305,922	342,359	683,026	214,665	362,521
Non-operating income & Expense	790,396	421,837	348,184	13,834	(66,278)	184,321
Income before tax	1,218,668	727,759	690,543	696,860	148,387	546,842
Profit from Continuing Operations	1,033,720	584,844	571,663	613,611	95,519	468,095
Profit/Loss from Discontinued	0	0	0	0	0	0

Operations						
Net Income (Loss)	1,033,720	584,844	571,663	613,611	95,519	468,095
Other Comprehensive Income/ Loss for the period (After Tax)	6,275	(35,721)	(10,075)	(249,699)	(127,519)	18,536
Total Comprehensive Income/Loss	1,039,995	549,123	561,588	363,912	(32,000)	486,631
Net earnings attributable to owners of the parent	850,045	505,047	471,252	467,463	28,136	435,433
Net earnings attributable to non-controlling interest	183,675	79,797	100,411	146,148	67,383	32,662
Comprehensive Income attributable to owners of the parent	879,256	476,746	455,795	259,275	(82,543)	451,458
Comprehensive Income attributable to non-controlling interest	160,739	72,377	105,793	104,637	50,543	35,173
Earnings per Share(Note 2)	1.45	0.86	0.80	0.83	0.05	0.74

Note 1 : It is required to specify the fiscal year that has not been audited by the certified public accountant.

Note 2 : Listed company or company that has its stock listed and traded on the stock exchange shall have the information stated up to the season of the printing of the annual report. Besides, it is also a must to note whether the financial information has or has not been certified and reviewed by accountant.

Note 3 : The net loss from discontinued operations is an amount net of income tax.

Note 4 : For those who have been notified by the competent authorities to revise their financial data, all the figures/numbers used shall be the revised ones, and the status for such revision shall be noted.

(3) Condensed non-consolidated balance sheet

Unit: NT\$ thousands

Year Item	Financial Summary for The Last Five Years (Note 1)				
	2020	2019	2018	2017	2016
Current assets	5,245,084	4,652,223	5,017,282	4,457,617	4,908,776
Property, Plant & Equipment(Note 2)	2,285,519	2,301,157	2,329,104	2,369,108	2,329,504
Intangible assets					

Other assets		8,075,398	6,555,230	6,209,502	5,887,665	5,445,961
Total assets		15,606,001	13,508,610	13,555,888	12,714,390	12,684,241
Current liabilities	Before distribution	3,693,639	3,272,183	2,860,209	3,335,752	4,087,719
	After distribution	Note 3	3,450,703	3,031,863	3,556,015	4,087,719
Non-Current Liabilities		4,146,451	3,140,631	3,897,926	2,685,559	2,207,158
Total liabilities	Before distribution	7,840,090	6,412,814	6,758,135	6,021,311	6,294,877
	After distribution	Note 3	6,591,334	6,929,789	6,241,574	6,294,877
Equity attributable to owners of the parent		7,765,911	7,095,796	6,797,753	6,693,079	6,389,364
Common Stock		5,950,680	5,950,680	5,721,808	5,721,808	5,721,808
Capital surplus		602,220	531,117	524,667	524,957	505,964
Retained earnings	Before distribution	1,373,602	791,159	689,655	722,124	264,909
	After distribution	Note 3	612,639	518,001	501,861	264,909
Other Equity		(125,666)	(146,288)	(117,607)	(255,040)	(56,755)
Treasury Stock		(34,925)	(30,872)	(20,770)	(20,770)	(46,562)
Non-Controlling Interest		1,364,133	1,298,386	1,303,901	1,188,277	1,062,216
Total equity	Before distribution	7,765,911	7,095,796	6,797,753	6,693,079	6,389,364
	After distribution	Note 3	6,917,276	6,626,099	6,472,816	6,389,364

Note 1 : Financial summary for the last five years has been audited by CPA.

Note 2 : If assets were applied for revaluation in the current year, the date of evaluation and the added value after the revaluation should be disclosed.

Note 3 : The Company's 2020 profit distribution has not yet been approved by Shareholders' Meeting.

Note 4 : For those who have been notified by the competent authorities to revise their financial data, all the figures/numbers used shall be the revised ones, and the status and reasons for such revision shall be noted.

(4) Parent Company Only Condensed Statement of Comprehensive Income

Unit: NT\$ thousands

Year	Financial Summary for The Last Five Years (Note 1)
Item	

	2020	2019	2018	2017	2016
Operating revenue	8,940,088	8,746,027	8,650,827	7,973,731	7,185,456
Gross Profit	580,286	564,251	566,358	699,156	396,009
Operating Profit	(52,785)	38,796	117,593	273,481	12,372
Non-operating income & Expense	978,578	547,031	419,502	208,762	39,374
Income before tax	925,793	585,827	537,095	482,243	51,746
Profit from Continuing Operations	850,045	505,047	471,252	467,463	28,136
Profit/Loss from Discontinued Operations	0	0	0	0	0
Net Income (Loss)	850,045	505,047	471,252	467,463	28,136
Other Comprehensive Income/ Loss for the period (After Tax)	29,211	(28,301)	(15,457)	(208,188)	(110,679)
Total Comprehensive Income/Loss	879,256	476,746	455,795	259,275	(82,543)
Net earnings attributable to owners of the parent	850,045	505,047	471,252	467,463	28,136
Net earnings attributable to non-controlling interest	183,675	79,797	100,411	146,148	67,383
Comprehensive Income attributable to owners of the parent	879,256	476,746	455,795	259,275	(82,543)
Comprehensive Income attributable to non-controlling interest	160,739	72,377	105,793	104,637	50,543
Earnings per Share(Note 2)	1.45	0.86	0.80	0.83	0.05

Note 1 : Financial summary for the last five years has been audited by CPA.

Note 2 : Earning per share of the year shall be calculated based on the weighted average outstanding shares of the year, which are after retrospective adjustments.

(5) Auditors' Opinions for the Last Five Years

Year	Accounting Firm	CPA	Audit Opinion

2016	Solomon & Co., CPAs	LU, YA-ZHE & Lu, Song Yu	Unqualified
2017	Solomon & Co., CPAs	LU, YA-ZHE & Lu, Song Yu	Unqualified
2018	Solomon & Co., CPAs	LU, YA-ZHE & Lu, Song Yu	Unqualified
2019	Solomon & Co., CPAs	LU, YA-ZHE & Lu, Song Yu	Unqualified
2020	Solomon & Co., CPAs	Lu, Song Yu & Chen, Yu Tzu	Unqualified

二、Five-Year Financial Analysis

(一) Consolidated Financial Analysis

Unit: NT\$ thousands

Year Item		Financial Summary for The Last Five Years					As of March 31, 2021(Note 2)
		2020	2019	2018	2017	2016	
Financial Structure (%)	Debt Ratio	63.77	59.64	60.36	57.29	57.90	
	Ratio of long-term capital to property, plant and equipment	227.54	267.72	300.02	303.07	280.30	
Solvency (%)	Current Ratio	137.24	134.41	181.26	169.70	144.21	
	Quick Ratio	95.40	87.94	118.20	110.71	100.69	
	Interest earned ratio (times)	663.40	360.58	396.44	476.29	192.71	
Operating Performance	Accounts receivable turnover (times)	5.50	5.80	5.45	4.96	4.77	
	Average collection days in sales	66.36	62.93	66.97	73.58	76.52	
	Inventory turnover (times)	4.95	4.72	4.89	4.80	4.76	
	Accounts payable turnover (times)	26.23	25.33	25.08	21.19	18.96	
	Average days in sales	73.73	77.33	74.64	73.58	76.68	
	Property, plant and equipment turnover (times)	2.95	3.78	4.20	4.21	3.78	
	Total assets turnover (times)	0.79	0.88	0.96	0.93	0.81	
Profitability	Return on total assets (%)	5.24	3.91	3.89	4.40	1.12	
	Return on stockholders' equity (%)	11.79	7.09	7.15	7.15	0.44	
	Net income before tax as a percentage of paid-in capital (%)	20.47	12.22	12.06	12.18	2.59	
	Profit Margin (%)	5.64	3.22	3.07	3.66	0.20	
	Earnings per share (NT\$)	1.45	0.88	0.80	0.83	0.05	
Cash Flow	Cash flow ratio (%)	7.30	7.67	6.97	(3.23)	1.69	

	Cash flow adequacy ratio (%)	22.03	43.55	20.90	15.94	38.41	
	Cash reinvestment ratio (%)	2.14	2.75	1.64	(4.04)	0.78	
Leverage	Operating leverage	183.67	222.88	192.38	142.02	233.87	
	Financial leverage	202.04	1148.18	312.89	136.61	393.07	

Reasons for changes in financial ratios exceeding 20%:

1、Increase on interest earned ratio:

a rise in the price of copper resulted in the increase in revenue, gross profit and profit before tax.

2、Decrease on property, plant and equipment turnover:

Due to increase in Capital expenditure.

3、Increase on return on total assets, return on stockholders' equity, net income before tax as a percentage of paid-in capital and earnings per share:

A rise in the price of copper resulted in the increase in revenue, gross profit and profit before tax.

3、Decrease on cash flow adequacy ratio and cash reinvestment ratio:

Due to increase in Capital expenditure.

4、Decrease on financial leverage:

Due to increase in operating profit.

(二)Parent Company Only Financial Analysis

Unit: NT\$ thousands

Year(Note 1) Item		Financial Summary for The Last Five Years				
		2020	2019	2018	2017	2016
Financial Structure (%)	Debt Ratio	50.23	47.47	49.85	47.36	49.63
	Ratio of long-term capital to property, plant and equipment	521.21	444.83	459.21	398.87	369.03
Solvency (%)	Current Ratio	142.00	142.17	175.41	133.63	120.09
	Quick Ratio	87.79	79.40	109.91	79.04	77.15
	Interest earned ratio (times)	1354.53	785.45	659.53	697.50	163.88
Operating Performance	Accounts receivable turnover (times)	7.46	7.90	7.41	6.45	5.13
	Average collection days in sales	48.92	46.20	49.25	56.59	71.15
	Inventory turnover (times)	4.12	4.16	4.37	4.07	4.09
	Accounts payable turnover (times)	18.75	22.99	24.25	17.03	14.38
	Average days in sales	88.59	87.74	83.52	89.68	89.24
	Property, plant and equipment turnover (times)	3.89	3.77	3.68	3.39	3.07
	Total assets turnover (times)	0.61	0.64	0.65	0.63	0.57
Profitability	Return on total assets (%)	6.24	4.23	4.17	4.21	0.86
	Return on stockholders' equity (%)	11.43	7.27	6.98	7.15	0.44
	Net income before tax as a percentage of paid-in capital (%)	15.55	9.84	9.38	8.43	0.90
	Profit Margin (%)	9.50	5.77	5.44	5.86	0.39
	Earnings per share (NT\$)	1.45	0.86	0.80	0.83	0.05
Cash Flow	Cash flow ratio (%)	7.74	3.56	9.52	7.34	(1.65)
	Cash flow adequacy ratio (%)	34.67	68.62	10.70	11.02	41.40
	Cash reinvestment ratio (%)	0.76	-0.43	0.51	1.95	(0.61)
Leverage	Operating leverage	(184.33)	450.77	204.06	144.32	1139.75
	Financial leverage	41.70	(83.12)	544.33	141.86	(18.03)

Note 1: Financial information for the last five years has been audited and verified by CPAs.

Note 2: The company listed on the TWSE or traded on the TPEX shall include in its analysis the updated financial data which are audited or reviewed by a CPA for the most recent period up to the publication date of the annual report.

Analysis of Deviation over 20%:

1. Increase on interest earned ratio, return on total assets, return on stockholders' equity, net income before tax as a percentage of paid-in capital and earnings per share:

Increase in share of profit of associates and net gain of financial assets at fair value through profit and in 2020 resulted in the increase in income before income tax.

2. Increase on cash flow ratio:
Due to increase in net cash generated from operating activities.
3. Decrease on cash flow adequacy ratio:
Due to decrease in five-year sum of net cash provided by operating activities.
4. Increase on cash reinvestment ratio:
Due to increase in net cash generated from operating activities.
5. Decrease on operating leverage and Increase on financial leverage:
Increase in operating expenses resulted in loss from operations in 2020.

The equations for calculation in financial analysis:

[I] Financial structure

- (1) Liabilities to assets ratio = Total liabilities / Total assets
- (2) Long-term capital to PP&E ratio = (Gross shareholder' s equity + Non-current liabilities) / Net PP&E

[II] Solvency

- (1) Current ratio = Current assets / Current liabilities
- (2) Quick ratio = (Current assets - Inventory - Prepayments) / Current liabilities
- (3) Interest coverage ratio = EBIT / Interest expense for current period

[III] Operations

- (1) Account receivable (including account receivable and note receivable from operation) turnover = Net revenue / Balance of average account receivable (including account receivable and note receivable from operation)
- (2) Average collection period = 365 / Account receivable turnover
- (3) Inventory turnover = Cost of goods sold / Average inventory
- (4) Account payable (including account payable and note payable from operation) turnover = Cost of goods sold / Balance of average account payable (including account payable and note payable from operation)
- (5) Average daily sales = 365 / Inventory turnover
- (6) PP&E turnover = Net revenue / Average Net PP&E
- (7) Total assets turnover = Net revenue / Average total assets

[IV] Profitability

- (1) ROA = [Profit(loss) after tax + Interest expenses x (1-tax rate)] / Average total assets
- (2) ROE = Profit(Loss) after tax / Average equity
- (3) Net income before tax as a percentage of paid-in capital = pre-tax profit / Paid-in Capital
- (4) Net profit rate = Profit(Loss) after tax / Net revenue
- (5) EPS = (Net profit attributable to owners of the parent - dividend from preferred shares) / Weighted average number of outstanding shares

[V] Cash flow

- (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities

- (2) Cash flow adequacy ratio = Net cash flow from operating activities for the past five years / (Capital expenditure+Increases in inventory + Cash dividends) over the past five years
- (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross PP&E + Long-term investments + Other non-current assets + Working capital)

[VI] Leverage

- (1) Operations leverage = (Net revenue - Variable cost and expenses from operations) / Operating profit
- (2) Financial leverage = Operating profit / (Operating profit-interest expenses)

三、 Audit Committee's Report for the Most Recent Year：

(一) Inspection Report of Audit Committee

To: The General Meeting of Shareholders of year 2021

The undersigned has duly audited the Operating Report, Financial Statements prepared by the Board of Directors for the year of 2020, and found the same to be true and correct. Therefore, the Audit Committee's Report is hereby issued in accordance with the Article 14-4 of the Securities and Exchange Act and the Article 219 of Company Act.

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Audit Committee Convener: Chang Lee Chiou



March 11, 2021

(二) Proposed profit distribution Inspection Report of Audit Committee

To: The General Meeting of Shareholders of year 2021

The undersigned has duly audited the Schedule of Earnings Distribution prepared by the Board of Directors for the year of 2020, and found the same to be true and correct. Therefore, the Audit Committee's Report is hereby issued in accordance with the Article 14-4 of the Securities and Exchange Act and the Article 219 of Company Act.

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Audit Committee Convener: Chang Lee Chiou



April 22, 2021

四、2020 Financial Statements：

Please refer to page 227 to page 308.

五、The Audited Nonconsolidated Financial Statement for the Year of 2020：

Please refer to page 309 to page 380.

六、The Company and Affiliated Enterprises Have Not Experienced Any Financial Difficulties During the Most Recent Year up to the Publication Date.

柒、Review of Financial Conditions, Financial Performance, and Risk Management

1. Financial Status - Consolidated (Based on IFRSs) :

Unit: NT\$ Thousands

Items \ Year	2020	2019	Difference	
			Amount	%
Current Assets	11,032,706	10,608,109	424,597	4.00
Property, plant and equipment	7,543,746	4,821,771	2,721,975	56.45
Intangible assets	325	690	(365)	(52.90)
Other Assets	6,627,426	5,370,446	1,256,980	23.41
Total Assets	25,204,203	20,801,016	4,403,187	21.17
Current Liabilities	8,038,515	7,891,857	146,658	1.86
Noncurrent Liabilities	8,035,644	4,514,977	3,520,667	77.98
Total Liabilities	16,074,159	12,406,834	3,667,325	29.56
Capital Stock	5,950,680	5,950,680	0	0
Capital Surplus	602,220	531,117	71,103	13.39
Retained Earnings	1,373,602	791,159	582,443	73.62
Others	(125,666)	(146,288)	20,622	(14.10)
Treasury stock	(34,925)	(30,872)	(4,053)	13.13
Total Equity Attributable To Owners Of The Parent	7,765,911	7,095,796	670,115	9.44
Non-Controlling Interests	1,364,133	1,298,386	65,747	5.06
Total Equity	9,130,044	8,394,182	735,862	8.77

• Analysis of Deviation over 20%:
(1) The increase of property, plant and equipment was due to capital expenditure in 2020.
(2) The decrease of intangible assets was due to amortization over times.
(3) The increase of other assets was due to financial assets at fair value through profit or loss increasing and the mortgage demand deposits transferred to other assets form current assets.
(4) The increase of noncurrent liabilities was due to bonds payable and long-term loans increasing.
(5) The increase of retained earnings was due to net income increasing in 2020.
• Major Impact on Financial Position : The above deviations had no major impact on TA YA's financial position.
• Future Plan on Financial Position : Not applicable.

2. Financial Performance - Consolidated (Based on IFRSs) :

(1). Comparison of Compensation of Net Revenue, Income From Operations and Net Income in the Past Two Years :

Unit: NT\$ Thousands

	2020	2019	Difference	
	Tatol	Tatol	Amount	%
Net Revenue	18,300,805	18,153,101	147,704	0.81
Cost Of Revenue	16,699,808	16,847,531	(147,723)	(0.88)
Gross Profit Before Realized (Unrealized) Gross Profit On Sales	1,600,997	1,305,570	295,427	22.63
Realized (Unrealized) Gross Profit On Sales	—	—	—	—
Gross Profit	1,600,997	1,305,570	295,427	22.63
Operating Expenses	1,172,725	999,648	173,077	17.31
Income From Operations	428,272	305,922	122,350	39.99
Non-Operating Income And Expenses	790,396	421,837	368,559	87.37
Income Before Income Tax	1,218,668	727,759	490,909	67.45
Income Tax (Expense) Benefit	184,948	142,915	42,033	29.41
Net Income	1,033,720	584,844	448,876	76.75
NET PROFIT ATTRIBUTABLE TO Owners Of The Parent	850,045	505,047	344,998	68.31

● The variance analysis :

1. Gross profit :

Gross profit increased in 2020 compared to 2019 was due to copper price rising in 2020 and bid proposal from Taiwan Power Company.

2. Non-Operating Income And Expenses :

Non-operating income and expenses increased in 2020 compared to 2019 due to the increase of investment income recognized under the equity method and gain on disposal of investments.

3. There are no significant difference in other items.

(2). Mainly attributed factors of predetermined sales volume in the next year and anticipated sales volume increasing and decreasing:

Expected sales volume in the next year: :

Primary Product	Sales Volume (ton)
Cross-Linked Power Cables	18,102
Plastic Power Cable	7,122
Rubber Power Cable	37
Telecommunication Cable	1,551
Enameled Wire	10,646
Bare Copper Wire	4,367
Others	1,727
Tatol	43,552

● Major Impact on Financial Position : The above deviations had no major impact on TA YA's financial position.

● Future Plan on Financial Position : Not applicable.

3. Cash Flow - Consolidated (Based on IFRSs) :

● Cash flow analysis for the current year:

Unit: NT\$ Thousands

Cash and Cash Equivalents at the beginning of the year	Net Cash flow from Operating Activities	Net Cash flow From Investing and Financing Activities	Cash and Cash Equivalents at the ending of the year	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
2,452,870	587,493	(133,739)	2,906,624	None	None

Analysis of Cash Flow :

- (1). The inflows of net cash generated by operating activities were NT\$ 587,493 thousand due to the profit before taxes.
- (2). The outflows of net cash used in investing activities were NT\$133,739 thousand due to the purchase of property, plant, and equipment.
- (3). The inflows of net cash generated by financing activities were NT\$2,906,624 thousand due to the increase of borrowings and corporate bonds.

● Remedial Actions for Liquidity Shortfall :

As a result of positive operating cash flows and cash on-hand, remedial

actions are not required.

● Cash flow Analysis for the coming year :

Unit: NT\$ Thousands

Cash and Cash Equivalents at the beginning of the year	Net Cash flow from Operating Activities	Net Cash flow From Investing and Financing Activities	Cash and Cash Equivalents at the ending of the year	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
1,158,587	1,070,297	(1,207,494)	1,021,390	None	None
Analysis of Cash Flow :					
(1). The inflows of net cash generated by operating activities due to the increase of profit before taxes.					
(2). The outflows of net cash used in investing activities due to the purchase of property, plant, and equipment.					
(3). The outflows of net cash used in financing activities due to the repayment of short-term and long-term loans.					
Liquidity analysis and remedial measures against cash deficit: None					

4. Recent Years Major Capital Expenditures and Impact on Financial and Business

Utilization of Major Capital Expenditures and Sources of Funds:

Unit: NT\$ Thousands

Project	Actual or Planned Source of Capital	Actual or Estimated Completion Date	Total Amount	Actual or Expected Status of Spending		
				2021	2020	2019
Equipment ,hardware and software	Long-term loans and cash flow generated from operations	2019 to 2021	708,211	217,642	298,252	192,317

五 、 Investment Policy in Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

1.Investment Policy in Recent Year : The strategy of the company reinvestment is long-term. The solar power plants which are invested by the Company have been running for now, and the Company will be continuously investing more in that solar power plants.

2. Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year :

Unit: NT\$ Thousands

Investee company	Main businesses and products	Share of profits/losses of investee
TA YA (CHINA) HOLDING LTD.	Investment	(8,398)
TA YA VENTURE HOLDINGS LTD.	Investment	6,646
TA YA (Vietnam) INVESTMENT HOLDING LTD.	Investment	43,595
TA YA Innovation Investment Co., Ltd.	Investment	68,759
TA YA ELECTRIC WIRE & CABLE (H.K.) CO.,LTD.	Sales Agent	—
TA YA VENTURE CAPITAL CO., LTD.	Investment	305,185
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Electric wire	27,421
TA HO ENGINEERING, CO., LTD.	Cables design and Cables Construction	320
TA YI PLASTIC CO., LTD.	Plastic material	897
CUPRIME MATERIAL CO., LTD.	Copper Melting and Copper Ingot Rolling	(13,815)
UNITED ELECTRIC INDUSTRY CO., LTD.	Cable joints	100,822
AD ENGINEERING CORPORATION	Electrical equipment engineering	21,787
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	Investment	4,166
Jung Shing Wire Co., Ltd.	Manufacturing, processing and marketing of magnet wire	32,459
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Energy Technical Services	40,790
AMIT system service Ltd.	Information Supply Services	(1,725)
UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	(5,951)
Hengs Technology Co., Ltd.	Optoelectronics related	(12,347)
Total		610,611

- The Company will expand business to new market and new customer by actively developing high value-added wire and cable.
- The Investment Plans for the Coming Year : The Company continues to expand its investment in solar power plant.

六、Risk Analysis and Assessment During the Most Recent Fiscal Year and as they Stood on the Date of Publication of the Annual Report

1. Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Measures :

The company's financing is to borrow raw material imports from banks for foreign exchange settlement loans and for expansion, increase or renewal

The equipment is mainly borrowed from the bank, so changes in the interest rate level will affect the company's interest expenses.

Into an impact. Approximately 8% of the company's operating income is foreign currency transactions, and the main raw material supply sources are all

Relying on imports, about 80% of the purchase of materials are traded in foreign currencies, so the exchange rate trend is against the company's original

Material costs and exchange gains and losses will have a considerable impact.

2. Policies, Main Causes of Profit or Loss and Future Measures with Respect to High-risk, High-leverage Investments, Lending or Endorsement Guarantees, and Derivatives Transactions :

The company does not engage in high-risk and high-leveraged investments. Fund loans to others and endorsement guarantees are limited to acting on behalf of related parties, and comply with laws and regulations.

Derivative commodity trading is for hedging transactions within the net position of foreign currencies. In the future, in addition to complying with laws and regulations, the responsible unit will evaluate and carefully select good financial products to engage in hedging actions in a timely manner.

3. Research and Development Projects, the Current Status of Unfinished R&D Projects, Expected R&D Expenditure, Estimated Time of Production, and the Factors Leading to the Success :

Unit: NT\$ Thousands

The Most Recent Year R&D Projects		The Current Status of Unfinished R&D Projects	Expected R&D Expenditure	Estimated Time of Production
Industry	Material			
Power cable	Class A Invar wire 260mm ² (stranded trapezoidal aluminum alloy wire)	1. Stranded cable. 2. Obtain the qualification for bidding.	6200	The first half of the year 2022
Electrical and electronic industry	Rectangular enameled copper wire applied for Electric vehicle	1. Quality verification analysis. 2. Sent samples to the customer for certification and results confirmation. 3. Development and discussion of mass production process technology.	2000	The second half of the year 2021
Electrical and electronic industry	Low Dielectric constant Enameled Wire	1. Improvement of material characteristics and development of process technology. 2. Confirmation of batch sample processing effect. 3. Development and discussion of mass production process technology.	2000	The second half of the year 2021
Electrical and electronic industry	Thermal-Dissipation Enameled Wire	1. Improvement of material characteristics and development of process technology. 2. Sent samples to the customer for certification and results confirmation. 3. Mass production process technology development and equipment design.	2000	The second half of the year 2021
Electronic industry	Wires for semiconductor testing	1. To build the process ability. 2. To produce the batch samples and to confirm the quality. 3. Development of mass production process.	1300	The first half of the year 2021

the factors leading to the success :

- (1) Accuracy of structural change analysis.
- (2) Master the pulse of industrial development.
- (3) Customer satisfaction, willingness to use.
- (4) Global cost competitiveness.

4. Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Business : None.

5. Effects of and Response to Changes in Technology Relating to Corporate Finance and Business : None.

6. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures :

The company upholds sustainable operations to maintain corporate image and abides by laws and regulations. If there is a situation that affects the corporate image or violates laws and regulations, a special team will be formed to develop countermeasures.

7. Expected Benefits and Risks Relating to Merger and Acquisition Plans : Not Applicable.

8. Expected Benefits and Risks Relating to Plant Expansion Plans : None.

9. Risks Relating to Excessive Concentration of Purchasing Sources and Customers and Response Measures :

As for the company's sales customers, the largest sales customer accounts for about 10% of the net sales. The remaining sales customers account for a small percentage of the net sales, and there is no sales concentration. In addition, in terms of purchasers, the largest purchaser accounts for about 20% of the total purchase amount, and adopts the principle of multiple decentralized purchases, and there is no centralized purchase. The sales products are diversified and new sources of purchase are developed, so there is no risk of concentration.

10. Effects of, and Risks Relating to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10% : None.

11. Effects of, Risks Relating to and Response to the Changes in Management Rights : Not Applicable.

12.) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the Company and/or any company Director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report : None.

13. Other Major Risks and Reponse Measures :

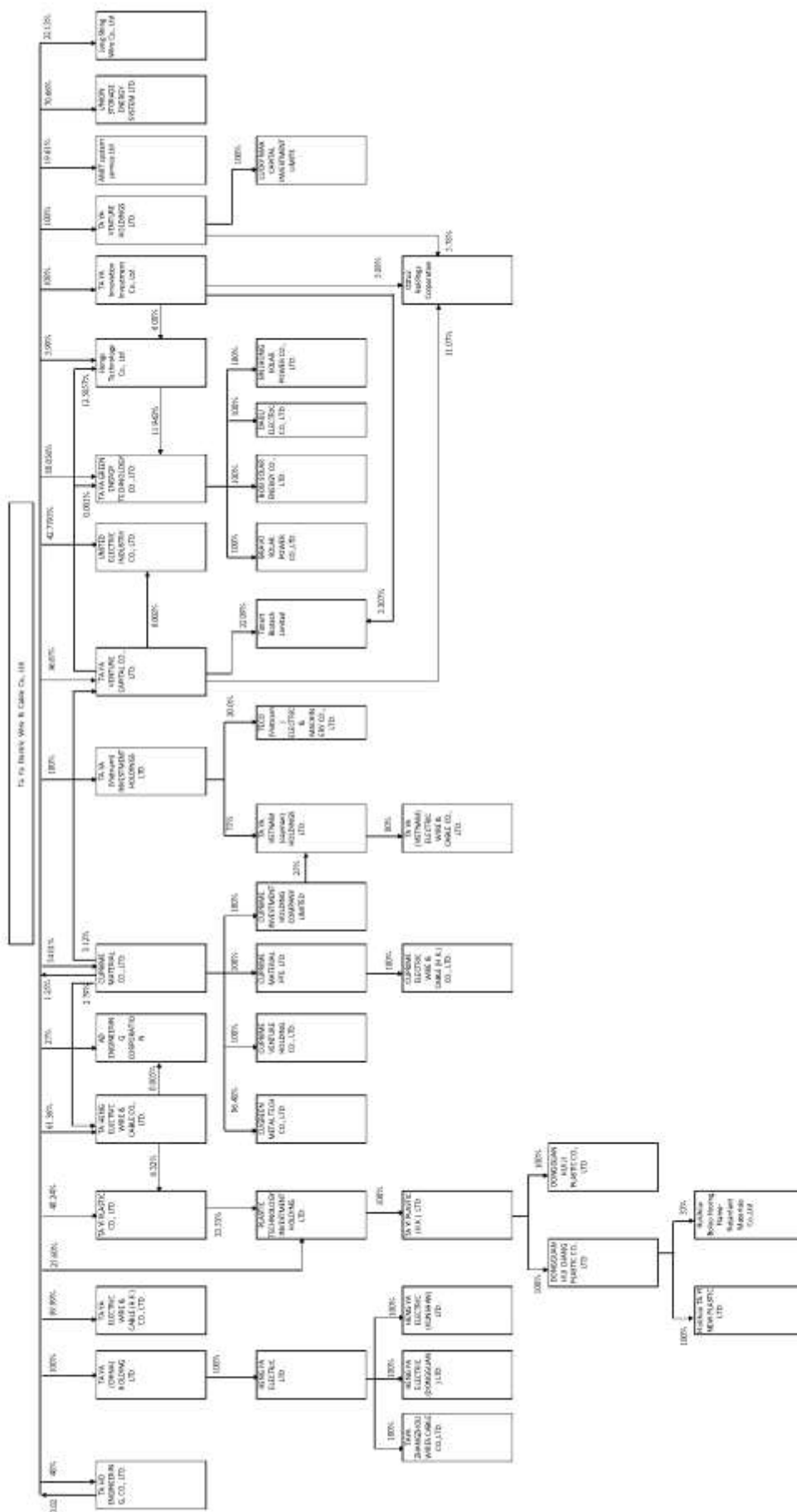
Information security risk :

In order to ensure the security of company data and prevent hardware, software and user data from external or internal threats, the company installs a network firewall to block hackers who try to invade the company network to ensure the continuous operation of the information system. And formulate information communication security operating procedures, through effective information security management, to prevent the company's information system

from being damaged by potential threats.
七、Other Important Information: None.

捌、Special Disclosures

一、Summary of Affiliated Companies



2. Background Information of the Affiliated Companies

As of 03/31/2021

Unit: Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified

Company	Date of Incorporation	Address	Capital	Main Operation Items
TA YA VENTURE CAPITAL CO., LTD.	1998.05.21	2F, No. 149, Wugong Rd., Wugu Dist., New Taipei City	969,230	Venture Capital Industry
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	1992.01.29	No. 149, Yilin Rd., Rende Dist., Tainan City	215,000	Bare copper wire, various wire and cable materials manufacturing, processing and trading business
CUPRIME MATERIAL CO., LTD.	1980.05.26	No. 855, Xinfu Rd., Guanyin Dist., Taoyuan City	600,000	Processing, manufacturing and trading of various wires and cables, copper products and aluminum products
TA HO ENGINEERING, CO., LTD.	1989.06.23	16F, No. 571, Qingping Rd., Anping Dist., Tainan City	25,000	Design, construction, maintenance, diagnosis, consulting and consulting services of power cables
TA YI PLASTIC CO., LTD.	1995.04.24	No. 15-1, Nanxing Rd., Yongkang Dist., Tainan City	76,000	Plastic pellet manufacturing, processing and trading, enameled wire manufacturing and trading, and plastic extrusion and injection molding manufacturing, processing and trading
UNITED ELECTRIC INDUSTRY CO., LTD.	1997.01.13	7F, No. 149, Wugong Rd., Wugu Dist., New Taipei City	617,725	Manufacturing, processing and trading of wireless communication equipment, etc.
大亞聯合工程(股)公司	96.08.13	No. 15-9, Nanxing Rd., Yongkang Dist., Tainan City	30,000	Long-distance, urban power and telecommunications line engineering, etc.
TA YA Innovation Investment Co., Ltd.	2011.01.18	2F, No. 149, Wugong Rd., Wugu Dist., New Taipei City	44,627	General investment industry
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	2014.05.13	No. 149, Yilin Rd., Rende Dist., Tainan City	2,275,732	Energy Technology Service Industry
BOSI SOLAR ENERGY CO., LTD.	2014.09.29	16F, No. 571, Qingping Rd., Anping Dist., Tainan City	244,232	Energy Technology Service Industry
TOUCH SOLAR POWER CO., LTD.	2015.06.04	No. 15-9, Nanxing Rd., Yongkang Dist., Tainan City	35,000	solar energy generation
BRAVO SOLAR POWER CO., LTD.	2017.05.15	Room A, 2F, No. 82, Luke 5th Rd., Luzhu Dist., Kaohsiung City	100,000	solar energy generation
SIN JHONG SOLAR POWER CO., LTD.	2019.01.14	No. 168, Yongkehuan Rd., Yongkang Dist., Tainan City	800,000	solar energy generation
TA YA (CHINA) HOLDING LTD.	2003.01.02	Sea Meadow House Blackburne Highway P.O.Box 116 Road Town Tortola British Virgin Islands	USD 45,000,000	General investment industry
TA YA VENTURE HOLDINGS LTD.	2000.05.23	Tropic Isle Building, P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD 12,520,000	General investment industry
LUCKY MAX CAPITAL INVESTMENT LTD.	2019.03.28	SUITES D & E, 18/F., WEST GATE TOWER, 7 WING HONG STREET, KOWLOON, HONG KONG.	HKD 19,875,000	General investment industry
TA YA ELECTRIC WIRE & CABLE(H.K.) CO., LTD.	1993.08.24	Unit 904, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kowloon, Hong Kong	HKD 20,000	Sales agent
TA YA(VIETNAM) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	1992.09.07	No.1,1A Road, Bien Hoa Industrial Zone 2, Dong Nai Province, Vietnam	VND 306,899,450,637	Manufacturing, processing and trading of various wires and cables
HENG YA ELECTRIC LTD.	1992.12.15	Unit 04, 9/F, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kowloon, Hong Kong	HKD 347,716,000	Wire and cable manufacturing and processing
HENG YA ELECTRIC (KUNSHAN) LTD.	2003.10.23	No. 200 Deng Ta Rd, Yushan Town, Kunshan City, Jiangsu Province, China	USD 23,200,000	Production and processing of various types of precision enameled wires and other special materials for components, enameled wire materials and special copper materials, and sales of self-produced products
TAYA ZHANGZHOU WIRES CABLE CO.,LTD.	2007.12.24	No. 362, Daxian village, Heping Township, Yunxiao County, Zhangzhou City, Fujian Province, China	USD 9,000,000	Production and sales of precision enameled wire and three-layer green wire
HENG YA ELECTRIC (DONGGUAN) LTD.	2011.06.09	No. 2 Zhenan West Road, South Industry Zone, Xiagang Village, Changan Town, Dongguan City, Guangdong Province, China	USD 18,200,000	Production and sales of precision enameled wire and three-layer green wire
CUPRIME MATERIAL PTE. LTD.	1997.02	149 Rochor Road #05-01 Fu Lu Shou Complex Singapore 188425	SGD 3,255,000	General investment industry
CUPRIME VENTURE HOLDING CO., LTD.	2000.05.15	P.O. Box 438, Road Town, Tortola, British Virgin Islands	USD 2,400,000	General investment industry
CUPRIME ELECTRIC WIRE & CABLE(H.K.) CO., LTD.	1994.10.04	SUITES D & F,18/F., WEST GATE TOWER, 7 WING HONG STREET, KOWLOON, HONG KONG	HKD 18,000,000	General investment industry
CUPRIME INVESTMENT HOLDING COMPANY LIMITED	2007.08	P.O. Box 438, Road Town, Tortola British Virgin Islands	USD 2,850,000	General investment industry
CUGREEN METAL TECH CO., LTD.	2011.10.20	No. 855, Xinfu Rd., Guanyin Dist., Taoyuan City	65,000	Mainly produce electroplating grade copper oxide powder
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	2000.05.03	Sea Meadow House Blackburne Highway P.O.Box 116 Road Town Tortola British Virgin Islands	HKD 30,579,406	General investment industry
TA YI PLASTIC (H.K.) LTD.	2000.06.09	Unit 04, 9/F, Saxon Tower, 7 Cheung Shun Street, Lai Chi Kok, Kowloon, Hong Kong	HKD 37,000,000	Wire and cable manufacturing and processing
DONGGUAN HUI JI PLASTIC CO., LTD	2019.05.28	No. 25, Xihuan Road, HENG-LI TOWN DONGGUAN CITY GUANDDONG	USD 500,000	Production and sales of plastic pellets
DONGGUAN HUI CHANG PLASTIC CO., LTD	2011.08.22	No. 25-1, Xihuan Road, HENG-LI TOWN DONGGUAN CITY GUANDDONG	USD 1,000,000	Plastic pellet manufacturing, processing, trading, flame retardant, plasticizer wholesale, import and export
TA YI PLASTIC LTD.	2019.06.26	Tianliao Industrial Park, Huzhen Town, Boluo County	CNY 9,100,000	Production, processing, sales: plastic pellets; domestic trade, goods or technology import and export
TA YA (Vietnam) INVESTMENT HOLDING LTD.	2004.11.10	Clarence Thomas Building,P.O. Box 4649, Road Town, Tortola,VIRGIN ISLANDS, BRITISH.	USD 9,000,000	General investment industry
TA YA VIETNAM (cayman) HOLDINGS LTD.	2015.01.12	Oleander Way, 802 West Bay Road, P.O. Box 32052 Grand Cayman KY1-1208,Cayman Islands	USD 10,600,000	General investment industry
UNION STORAGE ENERGY SYSTEM LTD.	2017.06.13	4F, No. 149, Wugong Rd., Wugu Dist., New Taipei City	22,926	Energy Technology Service Industry

Note : 2020.12.31 Exchange Rate

SGD:NTD=1:21.56

USD:NTD=1:28.48

- 3、The information of identical shareholders presumed to have control and subsidiary relationship : None.
- 4、Business types of the affiliated companies :
- (1)Manufacturing, processing and trading of various wires and cables, copper products and aluminum products.
 - (2)Iron plate, iron material and lathe machinery parts trading business.
 - (3)Design, construction, maintenance and diagnosis consulting services for power cables.
 - (4)Plastic pellet manufacturing, processing, trading, enameled wire manufacturing and trading, and plastic extrusion, injection, and molding manufacturing, processing, and trading business.
 - (5)Manufacturing, processing, and trading of wireless communication equipment.
 - (6)Contract engineering, construction engineering and technical consultation, etc.
 - (7)industrial design.
 - (8)General investment industry and venture capital industry.
 - (9)Energy technology and solar power generation.

5. Directors and Presidents of the Affiliated Companies

Company	Title	Name or Representative	Shareholding	
			Shares	%
TA YA VENTURE CAPITAL CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hung	93,888,303	96.87
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen San Yi		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Pang		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Tao		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Lee Wen Bing		
	Supervisor	Representative of JIA HSI INVESTMENT HOLDING CO., LTD.: Shen Shang Hui	2,085	—
	Supervisor	Representative of CUPRIME MATERIAL CO., LTD: Hung Chung Ming	3,028,440	3.12
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Chairman	Shen San Yi	693,000	3.22
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hui	13,192,229	61.36
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Pang		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: YAO JUNG LIN		
	Director	Representative of JIA HSI INVESTMENT HOLDING CO., LTD.: Shen Shang Tao	1,368,000	6.36
	Director	Lin Fu Chih	300,000	1.40
	Director	SHEN SHANG AN	430,000	2.00
	Supervisor	Hung Chung Ming	10,000.00	0.05
	Supervisor	CHANG PAI HUI	20,000	0.09
CUPRIME MATERIAL CO., LTD	Chairman	Shen Shang Hung	923,049	1.54
	Vice Chairman	Shen San Yi	1,795,683	2.99
	Director	Shen Shang Pang	1,288,981	2.15
	Director	Representative of JIA HSI INVESTMENT HOLDING CO., LTD.: Shen Shang Hui	366,851	0.61
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Wang Wen Ruey	32,407,802	54.01
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Lee Wen Bing		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Chiu Jung Kun		
	Supervisor	CHEN HUAN LIEN	203,433	0.34
	Supervisor	Horng Lan Horng	129,032	0.22
TA HO ENGINEERING, CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Chuang Pa Kuei	1,199,998	48.00
	Vice Chairman	Katsuji Nishimura	—	—
	Director	HUANG SHU JEN	49,999	2.00
	Supervisor	Shen Shang Hung	25,001	1.00
	Supervisor	NAN SHOU CHUN	—	—
TA YI PLASTIC CO., LTD.	Chairman	Shen Shang Hui	960,000	12.63
	Director	Shen San Yi	288,000	3.79
	Director	Lin Mu Chuan	760,000	10.00
	Supervisor	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Chiu Jung Kun	3,464,000	45.58
UNITED ELECTRIC INDUSTRY CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hung	26,425,996	42.78
	Vice Chairman	Representative of PACIFIC ELECTRIC WIRE&CABLE CO., LTD.: LI, CHAO-CHUN	15,871,096	25.69
	Director	Representative of PACIFIC ELECTRIC WIRE&CABLE CO., LTD.: YUAN CHUN TANG		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Chuang Pa Kuei	26,425,996	42.78
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Huang Shu Lin		
	Director	HONG TAI ELECTRIC INDUSTRIAL CO., LTD	4,267,101	6.91
	Director	DAH SAN ELECTRIC WIRE & CABLE CORP.: Su wen pin	4,267,101	6.91
	Director	SPEEDY-CARE ENT. CO., LTD.: CHIANG PING HSUN	1,250,863	2.02
	Supervisor	Representative of TA YA VENTURE CAPITAL CO., LTD.: Lee Wen Bing	1,216	—
	Supervisor	CHENG CHAO CHUN	—	—

TA YA Innovation Investment Co., Ltd.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hung	44,626,784	100.00
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen San Yi		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Pang		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Tao		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Lee Wen Bing		
	Supervisor	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Hung Chung Ming		
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hung	193,436,062	85.00
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen San Yi		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Chuang Pa Kuei		
	Director	Representative of HENG S TECHNOLOGY CO., LTD.: CHOU HENG HAO	34,135,977	15.00
	Supervisor	Representative of TA YA VENTURE CAPITAL CO., LTD.: Lee Wen Bing	1,141	—
BOSI SOLAR ENERGY CO., LTD.	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen Shang Hung	24,423,168	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Lee Wen Bing		
TOUCH SOLAR POWER CO., LTD.	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen Shang Hung	3,500,000	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Lee Wen Bing		
BRAVO SOLAR POWER CO., LTD.	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen Shang Hung	10,000,000	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Lee Wen Bing		
SIN JHONG SOLAR POWER CO., LTD.	Chairman	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen Shang Hung	80,000,000	100.00
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Shen San Yi		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: CHOU HENG HAO		
	Supervisor	Representative of TA YA GREEN ENERGY TECHNOLOGY CO., LTD.: Lee Wen Bing		
TA YA (CHINA) HOLDING LTD.	Director	Shen Shang Hung	45,000,000	100.00
	Director	Shen Shang Pang		
	Director	Shen Shang Hui		
	Director	Shen San Yi		
	Director	Shen Shang Tao		
TA YA VENTURE HOLDINGS LTD.	Director	Shen Shang Hung	12,520,000	100.00
	Director	Shen Shang Tao		
	Director	Shen Shang Pang		
	Director	Shen San Yi		
	Director	Lee Wen Bing		
LUCKY MAX CAPITAL INVESTMENT LTD.	Director	Shen Shang Hung	19,875,000	100.00
	Director	Shen San Yi		
	Director	Shen Shang Hui		
	Director	Lee Wen Bing		
TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Director	Shen San Yi	19,998	99.99
	Director	Shen Shang Hung		
	Director	Shen Shang Tao		
	Director	Shen Shang Hui		
	Shareholder only	Shen Ta Chih	1	0.005

TA YA (VIETNAM) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY.	Chairman	Shen Shang Pang	24,555,172	80.00
	Member	Shen Shang Yi		
	Member	Shen Shang Hung		
	Member	Wang Ting Shu		
	Member	Tsai Chung Cheng		
	Member	Tu Ting Jui		
	Member	Lin Fu Chih		
	Vice Chairman	Shen Shang Tao		
	Deputy General Director	Hsu Ching Yao		
	General Director	Wang Ting Shu		
HENG YA ELECTRIC LTD.	Director	Shen Shang Hung	347,716,000	100.00
	Director	Shen Shang Pang		
	Director	Shen Shang Hui		
	Director	Shen San Yi		
	Director	Shen Shang Tao		
	Director	Hsieh Chin Hsiung		
	Director	Chiu Jung Kun		
HENG YA ELECTRIC (KUNSHAN) LTD.	Chairman	Shen Shang Hui	23,200,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Pang		
	Director	Shen San Yi		
	Director	Chiu Jung Kun		
	Director	Hsieh Chin Hsiung		
	Supervisor	Shen Shang Tao		
TAYA ZHANGZHOU WIRES CABLE CO.,LTD.	Chairman	Shen Shang Hui	9,000,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Pang		
	Director	Shen San Yi		
	Director	Shen Shang Tao		
	Supervisor	顏文全		
HENG YA ELECTRIC (DONGGUAN) LTD.	Chairman	Shen Shang Hui	18,200,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Pang		
	Director	Shen San Yi		
	Director	Chiu Jung Kun		
	Director	Kuo Hsu Hao		
	Supervisor	Shen Shang Tao		
CUPRIME MATERIAL PTE. LTD.	Director	Shen Shang Hui	3,255,000	100.00
	Director	Shen Shang Pang		
	Director	Shen Shang Hung		
	Director	Shen San Yi		
	Director	Wang Wen Ruey		
	Director	Lee Wen Bing		
	Director	Chiu Jung Kun		
	Director	Ng Chee Seng		
CUPRIME VENTURE HOLDING CO., LTD.	Director	Shen Shang Hung	2,400,000	100.00
	Director	Shen Shang Tao		
	Director	Shen San Yi		
	Director	Wang Wen Ruey		
	Director	Shen Shang Pang		

CUPRIME ELECTRIC WIRE & CABLE(H.K.) CO., LTD.	Director	Shen San Yi	18,000,000	100.00
	Director	Shen Shang Hui		
	Director	Shen Shang Hung		
	Director	Shen Shang Pang		
	Director	Lee Wen Bing		
	Director	Wang Wen Ruey		
	Director	Chiu Jung Kun		
CUPRIME INVESTMENT HOLDING COMPANY LIMITED	Director	Shen Shang Hung	285	100.00
	Director	Wang Wen Ruey		
	Director	Shen San Yi		
	Director	Shen Shang Pang		
	Director	Shen Shang Hui		
CUGREEN METAL TECH CO., LTD.	Chairman	Representative of CUPRIME MATERIAL CO., LTD.: Shen Shang Hung	6,890,170	98.43
	Director	Representative of CUPRIME MATERIAL CO., LTD.: Wang Wen Ruey		
	Director	Representative of CUPRIME MATERIAL CO., LTD.: Lee Wen Bing		
	Director	Representative of CUPRIME MATERIAL CO., LTD.: Lo Wen Ho		
	Director	Representative of CUPRIME MATERIAL CO., LTD.: Shen San Yi		
	Supervisor	WANG SHENG LUNG	189	—
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	Director	Shen Shang Hung	18,079,406	59.13
	Director	Shen Shang Hui		
	Director	Kwok Mun Ping		
	Director	Kwok Mun Bo		
	Director	Lin Mu Chuan		
TA YI PLASTIC (H.K.) LTD.	Director	Shen Shang Hung	1	—
	Director	Shen Shang Hui	36,999,999	100.00
	Director	Lin Mu Chuan		
	Director	Kwok Mun Ping		
	Director	Kwok Mun Bo		
DONGGUAN HUI JI PLASTIC CO., LTD	Legal Representative	Legal Representative of TA YI PLASTIC (H.K.) LTD.: Lin Mu Chuan	500,000	100.00
DONGGUAN HUI CHANG PLASTIC CO., LTD	Legal Representative	Legal Representative of TA YI PLASTIC (H.K.) LTD.: Lin Mu Chuan	1,000,000	100.00
TA YI PLASTIC LTD.	Legal Representative	Legal Representative of DONGGUAN HUI CHANG PLASTIC CO., LTD: LIU CHI MAN	9,900,000	100.00
TA YA (Vietnam) INVESTMENT HOLDINGS LTD.	Director	Shen Shang Pang	9,000,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Tao		
	Director	Shen San Yi		
	Director	Shen Shang Hui		
TA YA VIETNAM (cayman) HOLDINGS LTD.	Director	Shen Shang Pang	10,600,000	100.00
	Director	Shen Shang Hung		
	Director	Shen Shang Tao		
	Director	Shen San Yi		
	Director	Shen Shang Hui		
	Director	Wang Wen Ruey		
UNION STORAGE ENERGY SYSTEM LTD.	Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Shen Shang Hung	1,620,007	70.66
	Vice Chairman	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: LIU CHIH PENG		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Chuang Pa Kuei		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Huang Ming Chin		
	Director	Representative of TA YA ELECTRIC WIRE & CABLE CO., LTD.: Cheng Chi Lin		
	Director	Representative of SHIHLIN ELECTRIC & ENGINEERING CORPORATION: KUO YUEH SE	138,074	6.02
	Director	Representative of TAIWAN AUTO-DESIGN CO.: YANG SHUN JU	230,124	10.04
	Supervisor	YEH YUAN SEN	—	—

六、Operations of Affiliates

Unit: NT\$ (USD) thousands

Entity Name	Total Paid-in Capital	Total Equity	Total Liability	Net Value	Operating Revenue	Operating Income	Net Income (after tax)	EPS
TA YA VENTURE CAPITAL CO., LTD.	969,230	1,335,447	84,167	1,251,280	415,710	259,898	263,035	2.71
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	215,000	495,361	173,093	322,268	1,057,844	56,174	48,115	2.24
CUPRIME MATERIAL CO., LTD.	600,000	1,484,133	788,805	695,328	2,570,391	24,404	(19,723)	(0.39)
TA HO ENGINEERING, CO., LTD.	25,000	94,407	31,641	62,766	40,131	(6,625)	727	0.29
TA YI PLASTIC CO., LTD.	76,000	88,006	7,410	80,596	5,781	(2,758)	3,059	0.40
UNITED ELECTRIC INDUSTRY CO., LTD.	617,725	1,278,918	313,579	965,339	927,177	193,596	239,441	3.88
TA YA Innovation Investment Co., Ltd.	446,268	572,802	50,326	522,476	101,361	68,970	68,759	1.54
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	1,226,665	1,366,070	70,257	1,295,813	10,170	3,890	52,124	0.42
BOSI SOLAR ENERGY CO., LTD.	206,976	1,481,592	1,224,823	256,769	143,897	69,529	38,754	1.87
TOUCH SOLAR POWER CO., LTD.	35,000	136,952	93,886	43,066	16,049	8,150	5,090	1.45
BRAVO SOLAR POWER CO., LTD.	100,000	356,841	245,369	111,472	34,367	16,422	9,470	0.95
SIN JHONG SOLAR POWER CO., LTD.	800,000	2,877,832	2,081,895	795,937	—	(4,872)	(3,734)	(0.05)
TA YA (CHINA) HOLDING LTD.	1,453,920	619,485	78	619,407	—	(80)	(8,398)	(0.19)
TA YA VENTURE HOLDINGS LTD.	405,380	342,671	50	342,621	45,683	32,837	6,646	0.53
LUCKY MAX CAPITAL INVESTMENT LTD.	75,910	72,795	57	72,738	—	(148)	(148)	(0.06)
TA YA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	68	380	1,045	(665)	—	—	—	—
TA YA (VIETNAM) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	407,610	1,137,519	547,727	589,792	2,099,790	106,958	87,291	2.94
HENG YA ELECTRIC LTD.	1,328,275	1,750,740	1,125,978	624,762	36,991	(50,490)	(11,205)	(0.03)
HENG YA ELECTRIC (KUNSHAN) LTD.	691,742	1,020,506	650,042	370,464	1,565,133	24,213	24,226	Note1
HENG YA ELECTRIC (DONGGUAN) LTD.	573,723	1,596,564	1,133,019	463,545	2,671,301	41,495	16,541	Note1
TAYA ZHANGZHOU WIRES CABLE CO., LTD.	268,167	106,078	67,200	38,878	—	(4,542)	(7,659)	Note1
CUPRIME MATERIAL PTE. LTD.	63,270	97,625	134	97,491	—	(211)	1,905	0.59
CUPRIME VENTURE HOLDING CO., LTD.	76,217	50,426	—	50,426	—	(128)	533	0.22
CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	68,760	97,582	88	97,494	—	(129)	1,607	0.09
CUPRIME INVESTMENT HOLDING COMPANY LIMITED.	97,242	122,240	—	122,240	—	(68)	17,330	60,807.02
CUGREEN METAL TECH CO., LTD.	65,000	127,883	96,683	31,200	197,024	(27,489)	(29,419)	(4.53)
PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	133,150	244,246	—	244,246	—	—	16,274	0.53
TA YI PLASTIC (H.K.) LTD.	141,340	249,949	5,861	244,088	—	(8,230)	16,276	0.44
DONGGUAN HUI JI PLASTIC CO., LTD	15,054	112,049	72,020	40,029	182,556	20,025	20,212	Note1
DONGGUAN HUI CHANG PLASTIC CO., LTD	27,884	164,376	112,222	52,154	154,870	4,176	6,785	Note1
TA YI PLASTIC LTD.	39,557	39,742	—	39,742	—	—	—	Note1
TA YA (Vietnam) INVESTMENT HOLDING LTD.	276,480	426,591	—	426,591	—	(118)	43,595	4.84
TA YA VIETNAM (cayman) HOLDINGS LTD.	316,918	474,107	29	474,078	—	(295)	69,543	6.56
Union Storage Energy System LTD.	22,926	34,666	15,362	19,304	23,512	(11,000)	(8,734)	(3.81)

Note2

Note1 : Unissued shares.

Note2 : CUPRIME INVESTMENT HOLDING COMPANY LIMITED. The number of issued shares is 285.

二、Private Placement Securities in the Most Recent Years and to the publish date of the annual report: None.

三、The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years and to the publish date of the annual report:

Unit: NT\$ thousands; shares; %

Name of Subsidiary (Note 1)	Paid-In Capital	Source of Funds	Shareholding Ratio Held by the Company	Date of Acquisition or Disposal	Shares and Amount Acquired (Note 2)	Shares and Amount Disposed of (Note 2)	Investment Gain or Loss	Number of shares up to the Publication Date of this Annual Report (Note 3)	Status of Shares Pledged	Amount of Endorsements/ Guarantees Made for Subsidiaries by the Company	Amount Loaned to Subsidiaries by the Company
CUPRIME MATERIAL CO., LTD.	600,000	Own funds	54.01%	2020	None	400,000 shares 22,337	4,859	7,414,267 shares 149,027	None	None	100,000
				Current year up to 2021.03.31	None	None	None	7,414,267 shares 146,802	None	None	100,000
TAHO ENGINEERING CO., LTD.	25,000	Own funds	48.00%	2020	None	None	None	124,800 shares 2,509	None	None	None
				Current year up to 2021.03.31	None	None	None	124,800 shares 2,509	None	None	None

Note 1: Each subsidiary is listed separately.

Note 2: The aforementioned amount refers to the actual amount acquired or disposed of.

Note 3: The status of holding and disposal are listed separately.

Note 4: Please explain the impact on the financial performance and condition of the Company.

四、Other Essential Supplement: None

玖、The Items with Material Impact on Shareholder's Equity or Stock Market Price in accordance with the Article 36, paragraph 3 item 2 of Securities and Exchange Act: None.

Ta Ya Electric Wire & Cable Co., Ltd. Operating Procedures for Preventing Insider Trading

Article 1 Purpose

These Procedures are specially adopted to establish sound mechanisms for the handling and disclosure of material inside information by the Company, in order to prevent improper information disclosures and to ensure the consistency and accuracy of information released by the Company to the public.

Article 2 Scope

The Company shall implement the practices with respect to the prevention of insider trading in accordance with these Operating Procedures unless it is otherwise stipulated by other laws.

Article 3 Scope of Application

This Operational Procedure shall apply to:

1. The director and managerial officer of the Company, and a natural person designated to exercise powers as representative pursuant to Company Act Article 27 Paragraph 1 (Where a government agency or a juristic person acts as a shareholder of a company, it may be elected as a director of the company provided that it shall designate a natural person as its proxy to exercise, in its behalf, the duties of a shareholder.)
2. The shareholders holding more than ten percent of the shares of the company
3. The person who has learned the information by reason of occupational or controlling relationship.
4. The person who, though no longer among those listed in one of the preceding three subparagraphs, has only lost such status within the last six months.
5. The person who has learned the information from any of the persons named in the preceding four subparagraphs.

In accordance with paragraph 5 of the same article, the director and managerial officer of the Company, and the shareholders holding more than ten percent of the shares of the company, and also applicable to shares owned by their respective spouses, minor children, and nominees.

Article 4 Definition of information that significantly affects stock prices:

1. The information relating to the finances or businesses of a company that would have a material impact on its stock price or on the investment decisions of a reasonably prudent investor refers to the definition stipulated in Article 7 of the Securities and Exchange Act Enforcement Rules.
2. The information relating to the supply and demand of such securities on the market, or tender offer of such securities, the specific content of which will have a material impact on the price of the securities, or will have a material impact on the investment decision of a reasonably prudent investor refers to Article 2 and 3 of the Regulations Governing the Scope of Material Information and the Means of its Public

Disclosure Under Article 157-1, Paragraph 4 of the Securities and Exchange Act.
Article 5 Insider trading definition and constituent elements:

1. Upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons listed in Article 3 above shall not purchase or sell the shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company. Violating these regulations constitutes insider trading.
2. The constituent elements of insider trading include:
 - (1) Regulated actors (from operating procedures Article 3)
 - (2) Knowing of material information.
 - (3) Prior to the public disclosure of material information or within 18 hours after its public disclosure.
 - (4) Purchasing or selling the shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company.
3. Penalties for insider trading:
 - (1) Criminal: A person who has violated the prohibition of insider trading of the Securities and Exchange Act Article 157-1, shall be punished under Article 171, Paragraphs 1 and 2 of the Securities and Exchange Act.
 - (2) Civil: A person who has violated insider trading of Article 157-1, Paragraphs 1 and 2 of the Securities and Exchange Act, to trading counterparts who on the day of the violation undertook the opposite-side trade with bona fide intent, for damages in the amount of the buy or sell price.

Article 6 Operating Procedures for Material Information

1. Establishing responsible unit in charge of the handling of material inside information:

Finance Department is the responsible unit in charge of the handling of material information, responsible for material inside information procedures.

2. Operating Procedures for Confidentiality

(1) The Company's directors, managerial officers and employees shall exercise the duty of care and fiduciary of a good administrator and act in good faith when performing their duties, and shall sign a non-disclosure agreement.

(2) No director, managerial officer or employee having knowledge of any internal material information of the Company may divulge such information to others.

(3) No director, managerial officer or employee of the Company may seek to obtain or collect any internal material information of the Company from a person having knowledge of such information and such information is not within the scope of their office functions. They also may not divulge to others any non-public internal material information of the Company coming to their knowledge not as a result of performing their duties.

(4) Files and documents containing the Company's internal material information shall be maintained in proper protection when transmitted in writing. When transmitted by e-mail or other electronic means, such documents shall be protected with proper encryption, digital signature or other security technologies.

Files and documents containing the Company's internal material information shall be backed up and kept in safe places.

(5) Adopt adequate control measures for the firewalls and perform periodic testing.

(6) Enhance measures for safekeeping and maintaining the secrecy of files and documents containing non-public material inside information of the Corporation.

(7) Any organization or person outside of the Company that is involved in any corporate action of the Company relating to a merger & acquisition, major memorandum of understanding, strategic alliance or other business partnership plan, or the execution of a material contract shall be required to sign a non-disclosure agreement, and may not divulge the Company's internal material information thus acquired to others.

3. Prohibited period of stock trading:

Upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, the persons who are locked in scope of Article 3 and others who have learned the news due to any factors shall not purchase or sell the shares of the company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the company, otherwise it constitutes insider trading.

4. Procedures for Disclosure Material Information

(1) Principles of disclosure of material inside information:

(a) The information shall be disclosed in an accurate, complete and timely manner.

(b) The information shall be disclosed on a well-founded basis.

(c) The information shall be disclosed on a fair basis.

(2) Implementation of the spokesperson system

(a) Any disclosure of the Company's internal material information shall, unless otherwise provided by laws or regulations, be made by the Company's spokesperson, or, as the case may be, by any person duly acting as a deputy spokesperson.

(b) The Company's spokesperson or deputy spokesperson shall communicate to outside parties only information within the scope authorized by the Company, and no personnel of the Company other than those serving as the Company's responsible person, spokesperson, or deputy spokesperson may disclose any internal material information of the Company to outside parties without authorization.

(3) Record of disclosure of material inside information

The Company shall keep records of the following in respect of any disclosure of information to outside parties:

(a) Who disclosed the information, on what date, and at what time.

(b) How the information was disclosed.

(c) What information was disclosed.

(d) What written material was delivered.

(4) Response to false media coverage

If any media agency releases information that in any respect is inconsistent with material information disclosed by the Company, the Company shall, having regard to the nature of the information, make a clarification announcement on the Market Observation Post System (MOPS) and also request the media agency to correct the information.

5. Measures of unusual events

Any director, managerial officer, or employee of the Company shall report to the special task force and the legal division of the Company as soon as possible if becoming aware of any unauthorized disclosure of the Company's internal material information. Upon receipt of a report under the preceding paragraph, the special task force shall formulate

corresponding measures to be taken, and when necessary may invite members from the legal and other divisions to meet for discussion of such measures, and shall document the results of the measures so taken for future reference. The internal auditors shall also perform such audits as their duties may require.

6. Disciplinary measures

The Company shall pursue disciplinary action and take appropriate legal measures against any personnel to whom either of the following applies:

- (1) Any personnel of the Company without authorization discloses internal material information to any outside party or otherwise violates this Operating Procedure or any other applicable laws or regulations.
- (2) The spokesperson or deputy spokesperson of the Company communicates to any outside party any information beyond the scope authorized by the Company or otherwise violates this Operating Procedure or any other applicable laws or regulations.
- (3) If any person outside the Company divulges any internal material information of the Company and thereby causes damage to any property or interest of the Company, the Company shall pursue appropriate measures to hold legally liable the person divulging such information.

Article 7 Awareness campaigns:

At least once per year, the Company shall conduct educational campaigns to promote awareness among all directors, supervisors, managerial officers, and employees with respect to these Procedures and related laws and regulations.

The Company shall also provide educational campaigns to new directors, supervisors, managerial officers, and employees in a timely manner.

Article 8 These Procedures, and any amendments to them, shall be implemented upon approval by the board of directors.

These procedures were formulated on March 19, 2012. They were first amended on August 6, 2018.

Ta Ya Electric Wire & Cable Co., Ltd.

Corporate Governance Best Practice Principles

2020.3.12 approved by the board of directors

Chapter 1 General

Article 1 (Purpose)

To establish sound corporate governance systems and improve the Company's management, the Company is advised to formulate its own corporate governance principles with reference to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and relevant legal regulations, and to establish an effective corporate governance framework and disclose them through the Market Observation Post System (MOPS).

Article 2 (Corporate Governance Principle)

When setting up the corporate governance system, in addition to complying with relevant laws, regulations, articles of incorporation, contracts signed with the TWSE or GTSM, and other relevant regulations, the Company shall follow the following principles:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of supervisors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

Article 3 (Establishment of Internal Control Procedures and Policy)

The Company shall follow the Criteria Governing Establishment of Internal Control Systems by Public Reporting Companies and take into consideration the overall operational activities of itself and its subsidiaries to design and fully implement an internal control system, and shall conduct continuing reviews of the system, in order to ensure the continued effectiveness of its design and implementation in light of changes in the company's internal and external environment.

The Company shall perform full self-assessments of its internal control system.

Its board of directors and management shall review the results of the self-assessments by each department at least annually and the reports of the internal audit department on a quarterly basis. The audit committee or supervisors shall also attend to and supervise these matters. The Company is advised to establish channels and mechanisms of communication between its independent directors, audit committees or supervisors, and chief internal auditors. Directors and supervisors shall periodically hold discussions with its internal auditors about reviews of internal control system deficiencies. A record of the discussions shall be kept, and the discussions shall be followed up, improvements implemented, and a report submitted to the board of directors and the convener of the audit committee shall report the communications between members of the audit committees and chief internal auditors at the shareholders' meeting.

The management of the Company shall pay special attention to the internal audit department and its personnel, fully empower them and urge them to

conduct audits effectively, to evaluate problems of the internal control system and assess the efficiency of its operations to ensure that the system can operate effectively on an on-going basis, and to assist the board of directors and the management to perform their duties effectively so as to ensure a sound corporate governance system.

Appointment, dismissal, evaluation and review, salary and compensation of internal auditors of the Company shall be reported to the board of directors or shall be submitted by the chief auditor to the board chairperson for approval.

Article 3-1 (Personnel responsible for corporate governance affairs)

The company is advised to have an adequate number of corporate governance personnel with appropriate qualifications based on the size of the company, business situations and management needs, and shall appoint in accordance with the requirements of the competent authorities, TWSE or TPEx a chief corporate governance officer as the most senior officer to be in charge of corporate governance affairs. Said officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company in handling legal affairs, legal compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs.

It is required that the corporate governance affairs mentioned in the preceding paragraph include at least the following items:

1. Handling matters relating to board meetings and shareholders meetings according to laws.
2. Producing minutes of board meetings and shareholders meetings.
3. Assisting in onboarding and continuous development of directors and supervisors.
4. Furnishing information required for business execution by directors and supervisors.
5. Assisting directors and supervisors with legal compliance.
6. Other matters set out in the articles of incorporation or contracts.

Chapter 2 Protection of Shareholders' Rights and Interests

Section 1 Encouraging Shareholders to Participate in Corporate Governance

Article 4 (Taking the protection of shareholders' rights and interests as its foremost goal)

When implementing the corporate governance system, the Company shall take the protection of shareholders' rights and interests and treat all shareholders fairly.

The Company shall establish a corporate governance system which ensures shareholders' rights of being fully informed of, participating in and making decisions over important matters of the company.

Article 5 (Convening shareholders meetings and relevant laws and regulations)

The Company shall convene shareholders meetings in accordance with the Company Act and relevant laws and regulations, and provide comprehensive rules for such meetings. The Company shall faithfully implement resolutions adopted by shareholders meetings in accordance with the rules for the meetings.

Resolutions adopted by shareholders meetings of the Company shall comply

with laws, regulations and articles of incorporation.

- Article 6 (The board of directors shall properly arrange the agenda items and procedures for shareholders meetings)
The board of directors of the Company shall properly arrange the agenda items and procedures for shareholders meetings, and formulate the principles and procedures for shareholder nominations of directors and supervisors and submissions of shareholder proposals. The board shall also properly handle the proposals duly submitted by shareholders. Arrangements shall be made to hold shareholders meetings at a convenient location, with sufficient time allowed and sufficient numbers of suitable personnel assigned to handle attendance registrations. No arbitrary requirements shall be imposed on shareholders to provide additional evidentiary documents beyond those showing eligibility to attend. Shareholders shall be granted reasonable time to deliberate each proposal and an appropriate opportunity to make statements. For a shareholders meeting called by the board of directors, it is advisable that the board chairperson chair the meeting, that a majority of the directors (and at least one supervisor), the convener of the audit committee attend in person, and that at least one member of each functional committee attend as representative. Attendance details should be recorded in the shareholders meeting minutes.
- Article 7 (Encouraging its shareholders to actively participate in corporate governance)
The Company shall encourage its shareholders to actively participate in corporate governance. It is advisable that the Company engage a professional shareholder services agent to handle shareholders meeting matters, so that shareholders meetings can proceed on a legal, effective and secure basis. The Company shall seek all ways and means, including fully exploiting technologies for information disclosure, to upload annual reports, annual financial statements, notices, agendas and supplementary information of shareholders meetings in both Chinese and English concurrently, and shall adopt electronic voting, to enhance shareholders' attendance rates at shareholders meetings and ensure their exercise of rights at such meetings in accordance with law. The Company is advised to avoid raising extraordinary motions and amendments to original proposals. The Company is advised to arrange for its shareholders to vote on each separate proposal in the shareholders meeting agenda, and following conclusion of the meeting, to enter the voting results the same day, namely the numbers of votes cast for and against and the number of abstentions, through the Market Observation Post System.
- Article 8 (Minutes of shareholders' meeting)
The Company, in accordance with the Company Act and other applicable laws and regulations, shall record in the shareholders meeting minutes the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. With respect to the election of directors, the meeting minutes shall record the method of voting adopted therefore and the total number of votes for the elected directors.

The shareholders meeting minutes shall be properly and perpetually kept by the Company during its legal existence, and should be sufficiently disclosed on the Company's website.

Article 9 (The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company)

The chairperson of the shareholders meetings shall be fully familiar and comply with the rules governing the proceedings of the shareholders meetings established by the Company. The chairperson shall ensure the proper progress of the proceedings of the meetings and may not adjourn the meetings at will.

In order to protect the interests of most shareholders, if the chairperson declares the adjournment of the meeting in a manner in violation of rules governing the proceedings of the shareholders meetings, it is advisable for the members of the board of directors other than the chairperson of the shareholders meeting to promptly assist the attending shareholders at the shareholders meeting in electing a new chairperson of the shareholders meeting to continue the proceedings of the meeting, by a resolution to be adopted by a majority of the votes represented by the shareholders attending the said meeting in accordance with the legal procedures.

Article 10 (The Company shall place high importance on the shareholder right to know)

The Company shall place high importance on the shareholder right to know, and shall faithfully comply with applicable regulations regarding information disclosure in order to provide shareholders with regular and timely information on company financial conditions and operations, insider shareholdings, and corporate governance status through the MOPS or the website established by the Company.

To treat all shareholders equally, it is advisable that the Company concurrently disclose the information under the preceding paragraph in English.

To protect its shareholders' rights and interests and ensure their equal treatment, the Company shall adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market.

It is advisable that the rules mentioned in the preceding paragraph include stock trading control measures from the date insiders of the Company become aware of the contents of the company's financial reports or relevant results.

Article 11 (The shareholders shall be entitled to profit distributions by the Company)

The shareholders shall be entitled to profit distributions by the Company. In order to ensure the investment interests of shareholders, the shareholders meeting may, pursuant to Article 184 of the Company Act, examine the statements and books prepared and submitted by the board of directors and the reports submitted by the audit committee or supervisors, and may decide profit distributions and deficit off-setting plans by resolution. In order to proceed with the above examination, the shareholders meeting may appoint an inspector.

The shareholders may, pursuant to Article 245 of the Company Act, apply with the court to select an inspector in examining the accounting records and assets of the Company.

The board of directors, audit committee or supervisors, and managers of the Company shall fully cooperate in the examination conducted by the inspectors in the aforesaid two paragraphs without any obstruction, rejection or circumvention.

Article 12 (Material financial and business transactions shall be approved by the shareholders meeting)

In entering into material financial and business transactions such as acquisition or disposal of assets, lending funds, and making endorsements or providing guarantees, the Company shall proceed in accordance with the applicable laws and/or regulations and establish operating procedures in relation to these material financial and business transactions which shall be reported to and approved by the shareholders meeting so as to protect the interests of the shareholders.

When the Company is involved in a merger, acquisition or public tender offer, in addition to proceeding in accordance with the applicable laws and/or regulations, it shall not only pay attention to the fairness, rationality, etc. of the plan and transaction of the merger, acquisition or public tender offer, , but information disclosure and the soundness of the company's financial structure thereafter. The relevant personnel of the Company handling the matters in the preceding paragraph shall pay attention to the occurrence of any conflicts of interest and the need for recusal.

Section 2 Establishing a Mechanism for Interaction with Shareholders

Article 13 (it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals)

In order to protect the interests of the shareholders, it is advisable that the Company designate personnel exclusively dedicated to handling shareholder proposals, inquiries, and disputes.

The Company shall properly deal with any legal action duly instituted by shareholders in which it is claimed that shareholder rights and interests were damaged by a resolution adopted at a shareholders meeting or a board of directors meeting in violation of applicable laws, regulations, or the Company's articles of incorporation, or that such damage was caused by a breach of applicable laws, regulations or the Company's articles of incorporation by any directors, supervisors or managers in performing their duties.

It is advisable that the Company adopts internal procedures for appropriate handling of matters referred to in the preceding two paragraphs, and that it keep relevant written records for future reference and incorporate the procedures in its internal control system for management purposes.

Article 13-1 (The board of directors is responsible for establishing a mechanism for interaction with shareholders)

The board of directors of the Company is responsible for establishing a mechanism for interaction with shareholders to enhance mutual understanding of the development of company's objectives.

Article 13-2 (Efficient communication with shareholders to gain their support)

In addition to communicating with shareholders through shareholders

meetings and encouraging shareholders to participate in such meetings, the board of directors of the Company together with officers and independent directors shall engage with shareholders in an efficient manner to ascertain shareholders' views and concerns, and expound company policies explicitly, in order to gain shareholders' support.

Section 3 Corporate Governance Relationships Between the Company and Its Affiliated Enterprises

Article 14 (Establishing firewalls)

The Company shall clearly identify the objectives and the division of authority and responsibility between it and its affiliated enterprises with respect to management of personnel, assets, and financial matters, and shall properly carry out risk assessments and establish appropriate firewalls.

Article 15 (A manager of the company may not serve as a manager of its affiliated enterprises)

Unless otherwise provided by the laws and regulations, a manager of the company may not serve as a manager of its affiliated enterprises. A director who engages in any transaction for himself or on behalf of another person that is within the scope of the Company's operations shall explain the major content of such actions to the shareholders meeting and obtain its consent.

Article 16 (Establishing sound objectives and systems for management of finance, operations, and accounting)

The Company shall establish sound objectives and systems for management of finance, operations, and accounting in accordance with applicable laws and regulations. It shall further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with and customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17 (When the Company and its affiliated enterprises enter into inter-company business transactions shall be in accordance with the principle of fair dealing and reasonableness)

When the Company and its affiliated enterprises enter into inter-company business transactions, a written agreement governing the relevant financial and business operations between them shall be made in accordance with the principle of fair dealing and reasonableness. Price and payment terms shall be definitively stipulated when contracts are signed, and non-arm's length transactions shall be prohibited.

All transactions or contracts made by and between the Company and its affiliated persons and shareholders shall follow the principles set forth in the preceding paragraph, and improper channeling of profits is strictly prohibited.

Article 18 (A corporate shareholder having controlling power over the Company shall comply with the provisions)

A corporate shareholder having controlling power over the Company shall comply with the following provisions:

1. It shall bear a duty of good faith to other shareholders and shall not directly or indirectly cause the company to conduct any business which is contrary to normal business practice or not profitable.

2. Its representative shall follow the rules implemented by its company with respect to the exercise of rights and participation of resolution, so that at a shareholders meeting, the representative shall exercise his/her voting right in good faith and for the best interest of all shareholders and shall exercise the fiduciary duty and duty of care of a director or supervisor.
3. It shall comply with relevant laws, regulations and the articles of incorporation of the company in nominating directors or supervisors and shall not act beyond the authority granted by the shareholders meeting or board meeting.
4. It shall not improperly intervene in corporate policy making or obstruct corporate management activities.
5. It shall not restrict or impede the management or production of the company by methods of unfair competition such as monopolizing corporate procurement or foreclosing sales channels.
6. The representative that is designated when a corporate shareholder has been elected as a director shall meet the company's requirements for professional qualifications. Arbitrary replacement of the corporate shareholder's representative is inappropriate.

Article 19 (Retaining a register of major shareholders and the persons with ultimate control over those major shareholders)
The Company shall retain at all times a register of major shareholders who own a relatively high percentage of shares and have controlling power, and of the persons with ultimate control over those major shareholders.
The Company shall disclose periodically important information about its shareholders holding more than 10 percent of the outstanding shares of the company relating to the pledge, increase or decrease of share ownership, or other matters that may possibly trigger a change in the ownership of their shares.

Chapter 3 Enhancing the Function of Board of Directors

Section 1 Structure of Board of Directors

Article 20 (The abilities of the board of directors shall possess)
The board of directors of the Company shall guide the company strategy, supervise management and be responsible to the Company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings.
The structure of the Company's board of directors shall be determined by choosing an appropriate number of board members, not less than five, in consideration of its business scale, the shareholdings of its major shareholders, and practical operational needs.
The composition of the board of directors shall be determined by taking diversity into consideration, except for directors who are also managers of the company shall not exceed one third of the number of directors, and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two

general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to conduct management administration.
4. Ability to conduct crisis management.
5. Knowledge of the industry.
6. An international market perspective.
7. Ability to lead.
8. Ability to make policy decisions.

Article 21 (The Company shall establish a fair, just, and open procedure for the election of directors)

The Company shall establish a fair, just, and open procedure for the election of directors to encourage its shareholders to actively participate for taking the protection of shareholders' rights and interests and treating all shareholders fairly, and shall adopt the cumulative voting mechanism pursuant to the Company Act in order to fully reflect shareholders' views. Unless the competent authority otherwise grants an approval, a spousal relationship or a familial relationship within the second degree of kinship may not exist among more than half of the directors of the Company. When the number of directors falls below five due to the discharge of a director for any reason, the Company shall hold a by-election for director at the following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact for a by-election for director(s).

The aggregate shareholding percentage of all of the directors of the Company shall comply with the laws and regulations. Restrictions on the share transfer of each director and the creation, release, or changes of any pledges over the shares held by each director shall be subject to the relevant laws and regulations, and the relevant information shall be fully disclosed.

Article 22 (The Company adopts the candidate nomination system for elections of directors pursuant to the Company Act.)

The Company shall specify in its articles of incorporation in accordance with the laws and regulations of the competent authorities that it adopts the candidate nomination system for elections of directors, carefully review the qualifications of a nominated candidate and the existence of any other matters set forth in Article 30 of the Company Act, and act in accordance with Article 192-1 of the Company Act.

Article 23 (The board of directors shall draw clear distinctions of the authorities and responsibilities of the functional committees, chairperson of the board and general manager)
Clear distinctions shall be drawn between the responsibilities and duties of the chairperson of the board of the Company and those of its general manager.
It is inappropriate for the chairperson to also act as the general manager.
The company with a functional committee shall clearly define the responsibilities and duties of the committee.

Section 2 Independent Director System

Article 24 (The Company shall appoint independent directors in accordance with its articles of incorporation)
The Company shall appoint independent directors in accordance with its articles of incorporation. They shall be not less than two in number and not less than one-fifth of the total number of directors.
Independent directors shall possess professional knowledge and there shall be restrictions on their shareholdings and the positions they may concurrently hold. Applicable laws and regulations shall be observed and, in addition, it is not advisable for an independent director to hold office concurrently as a director (including independent director) or supervisor of more than five other TWSE/TPEX listed companies. Independent directors shall also maintain independence within the scope of their directorial duties, and may not have any direct or indirect interest in the company.
If the Company and its group enterprises and organizations, and another company and its group enterprises and organizations nominate for each other any director, supervisor or managerial officer as a candidate for an independent director of the other, the Company shall, at the time it receives the nominations for independent directors, disclose the fact and explain the suitability of the candidate for independent director. If the candidate is elected as an independent director, the Company shall disclose the number of votes cast in favor of the elected independent director.
The "group enterprises and organizations" in the preceding paragraph comprise the subsidiaries of the Company, any foundation to which the Company's cumulative direct or indirect contribution of funds exceeds 50 percent of its endowment, and other institutions or juristic persons that are effectively controlled by the company.
Change of status between independent directors and non-independent directors during their term of office is prohibited.
The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination and other requirements with regard to the independent directors shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies, and the rules and regulations of the Taiwan Stock Exchange or Taipei Exchange.

Article 25 (The matters of the Company shall submit to the board of directors for approval by resolution)
The company shall submit the following matters to the board of directors for

approval by resolution as provided in the Securities and Exchange Act. When an independent director has a dissenting opinion or qualified opinion, it shall be noted in the minutes of the directors meeting:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
3. A matter bearing on the personal interest of a director or a supervisor.
4. A material asset or derivatives transaction.
5. A material monetary loan, endorsement, or provision of guarantee.
6. The offering, issuance, or private placement of any equity-type securities.
7. The hiring, discharge, or compensation of an attesting CPA.
8. The appointment or discharge of a financial, accounting, or internal auditing officer.
9. Any other material matter so required by the competent authority.

Article 26 (The Company shall stipulate the scope of duties of the independent directors)

The Company shall stipulate the scope of duties of the independent directors and empower them with manpower and physical support related to the exercise of their power. The company or other board members shall not obstruct, reject or circumvent the performance of duties by the independent directors.

The Company shall stipulate the remuneration of the directors according to applicable laws and regulations under its articles of incorporation, or by resolution of its shareholders meeting. The remuneration of the directors shall fully reflect the personal performance and the long-term management performance of the company, and shall also take the overall operational risks of the company into consideration. Different but reasonable remuneration from that of other directors may be set forth for the independent directors.

Section 3 Audit Committee and Other Functional Committees

Article 27 (Setting up functional committees)

For the purpose of developing supervisory functions and strengthening management mechanisms, the board of directors of the Company, in consideration of the company's scale and type of operations and the number of its board members, may set up functional committees for auditing, remuneration, nomination, risk management or any other functions, and based on concepts of corporate social responsibility and sustainable operation, may set up environmental protection, corporate social responsibility, or other committees, and expressly provide for them in the articles of incorporation.

Functional committees shall be responsible to the board of directors and submit their proposals to the board of directors for approval, provided that the performance of supervisor's duties by the audit committee pursuant to Article 14-4, paragraph 4 of the Securities and Exchange Act shall be excluded.

Functional committees shall adopt an organizational charter to be approved

by the board of directors. The organizational charter shall contain the numbers, terms of office, and powers of committee members, as well as the meeting rules and resources to be provided by the company for exercise of power by the committee.

Article 28 (The Company shall establish an audit committee)

The Company establishes an audit committee.

The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The exercise of power by audit committee and independent directors and related matters shall be set forth in accordance with the Securities and Exchange Act, the Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and the rules and regulations of the TWSE or TPEx.

Article 28-1 (The Company shall establish a remuneration committee)

The Company establishes a remuneration committee, and it is advisable that more than half of the committee members be independent directors. The professional qualifications for the committee members, the exercise of their powers of office, the adoption of the organizational charter, and related matters shall be handled pursuant to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.

(The Company is advised to establish a nomination committee)

Article 28-2 The Company is advised to establish a nomination committee and its articles of association. It is advisable that a majority of the members of said committee be independent directors and an independent director be its chairperson.

Article 28-3 (A whistleblowing system)

The Company is advised to establish and announce channels for internal and external whistleblowers and have whistleblower protection mechanisms in place. The unit that handles whistleblowers' reporting shall be independent, provide encrypted protection for the files furnished by whistleblowers, and appropriately restrict access to such files. It shall also formulate internal procedures and incorporate those procedures into the company's internal control system for management purposes.

Article 29 (Enhancing and improving the quality of financial reports)

To improve the quality of its financial reports, the Company shall establish the position of deputy to its principal accounting officer.

To enhance the professional abilities of the deputy accounting officer of the preceding paragraph, the deputy's continuing education shall proceed following the schedule of the principal accounting officer.

Accounting personnel handling the preparation of financial reports shall also participate in relevant professional development courses for 6 hours or more

each year. Those courses may be company internal training activities or may be professional courses offered by professional development institutions for principal accounting officers.

The Company shall select as its external auditor a professional, responsible, and independent attesting CPA, who shall perform regular reviews of the financial conditions and internal control measures of the company. With regard to any irregularity or deficiency discovered and disclosed in a timely manner by the auditor during the review, and concrete measures for improvement or prevention suggested by the auditor, the company shall faithfully implement improvement actions. It is advisable that the company establish channels and mechanisms of communication between the independent directors, the audit committee, and the attesting CPA, and to incorporate procedures for that purpose into the company's internal control system for management purposes.

The Company shall evaluate the independence and suitability of the CPA engaged by the company regularly, and no less frequently than once annually. In the event that the company engages the same CPA without replacement for 7 years consecutively, or if the CPA is subject to disciplinary action or other circumstances prejudicial to the CPA's independence, the company shall evaluate the necessity of replacing the CPA and submit its conclusion to the board of directors.

Article 30 (Providing adequate legal services to the company)

It is advisable that the Company engage a professional and competent legal counsel to provide adequate legal consultation services to the company, or to assist the directors and the management to improve their knowledge of the law, for the purposes of preventing any infraction of laws or regulations by the company or its staff and ensuring that corporate governance matters proceed pursuant to the relevant legal framework and the prescribed procedures.

When, as a result of performing their lawful duties, directors or the management are involved in litigation or a dispute with shareholders, the company shall retain a legal counsel to provide assistance as circumstances require.

The audit committee or an independent director may retain the service of legal counsel, CPA, or other professionals on behalf of the company to conduct a necessary audit or provide consultation on matters in relation to the exercise of their power, at the expense of the company.

Section 4 Rules for the Proceedings and Decision-Making Procedures of Board Meetings

Article 31 (Convening the board of directors)

The board of directors of the Company shall meet at least once every quarter, or convene at any time in case of emergency. To convene a board meeting, a meeting notice which specifies the purposes of the meeting shall be sent to each director no later than 7 days before the scheduled date. Sufficient meeting materials shall also be prepared and enclosed in the meeting notice. If the meeting materials are deemed inadequate, a director may ask the unit in charge to provide more information or request a postponement of the meeting with the consent of the board of directors.

The Company shall adopt rules of procedure for board meetings, which shall follow the Regulations Governing Procedure for Board of Directors Meetings of Public Companies with regard to the content of deliberations, procedures, matters to be recorded in the meeting minutes, public announcements, and other matters for compliance.

Article 32 (Directors shall exercise a high degree of self-discipline)

The Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the company, the director may not participate in discussion or voting on that proposal and shall enter recusal during the discussion and voting. The director also may not act as another director's proxy to exercise voting rights on that matter. Matters requiring the voluntary recusal of a director shall be clearly set forth in the rules of procedure for board meetings.

Article 33 (Independent director and the board of directors)

When a board meeting is convened to consider any matter submitted to it pursuant to Article 14-3 of the Securities and Exchange Act, an independent director of the Company shall attend the board meeting in person, and may not be represented by a non-independent director via proxy. When an independent director has a dissenting or qualified opinion, it shall be noted in the minutes of the board of directors meeting; if the independent director cannot attend the board meeting in person to voice his or her dissenting or qualified opinion, he or she should provide a written opinion before the board meeting unless there are justifiable reasons for failure to do so, and the opinion shall be noted in the minutes of the board of directors meeting. In any of the following circumstances, decisions made by the board of directors shall be noted in the meeting minutes, and in addition, publicly announced and filed on the MOPS two hours before the beginning of trading hours on the first business day after the date of the board meeting:

1. An independent director has a dissenting or qualified opinion which is on record or stated in a written statement.
2. The matter was not approved by the audit committee (if the company has set up an audit committee), but had the consent of more than two-thirds of all directors.

During a board meeting, managers from relevant departments who are not directors may, in view of the meeting agenda, sit in at the meetings, make reports on the current business conditions of the company and respond to inquiries raised by the directors. Where necessary, a CPA, legal counsel, or other professional may be invited to sit in at the meetings to assist the directors in understanding the conditions of the company for the purpose of adopting an appropriate resolution, provided that they shall leave the meeting when deliberation or voting takes place.

Article 34 (The minutes of the board of directors meetings)

Staff personnel of the Company attending board meetings shall collect and correctly record the meeting minutes in detail, as well as a summary, the method of resolution, and voting results of all the proposals submitted to the board meeting in accordance with relevant regulations.

The minutes of the board of directors meetings shall be signed by the chairperson and secretary of the meeting and sent to each director and supervisor within 20 days after the meeting. The director attendance records shall be made part of the meeting minutes, treated as important corporate records, and kept safe permanently during the life of the company. Meeting minutes may be produced, distributed, and preserved by electronic means.

A company shall record on audio or video tape the entire proceedings of a board of directors meeting and preserve the recordings for at least 5 years, in electronic form or otherwise.

If before the end of the preservation period referred to in the preceding paragraph a lawsuit arises with respect to a resolution of a board of directors meeting, the relevant audio or video recordings shall be preserved for a further period, in which case the preceding paragraph does not apply.

Where a board of directors meeting is held via teleconference or video conference, the audio or video recordings of the meeting form a part of the meeting minutes and shall be preserved permanently.

When a resolution of the board of directors violates laws, regulations, the articles of incorporation, or resolutions adopted in the shareholders meeting, and thus causes an injury to the company, dissenting directors whose dissent can be proven by minutes or written statements will not be liable for damages.

Article 35 (The matters of the Company shall submit to its board of directors for discussion)

The Company shall submit the following matters to its board of directors for discussion:

1. Corporate business plans.
2. Annual and semi-annual financial reports, with the exception of semi-annual financial reports which, under relevant laws and regulations, need not be CPA audited and attested.
3. Adoption or amendment to an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and evaluation of effectiveness of an internal control system.
4. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, to the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
5. The offering, issuance, or private placement of any equity-type securities.
6. The performance assessment and the standard of remuneration of the managerial officers.
7. The structure and system of director's remuneration.
8. The appointment or discharge of a financial, accounting, or internal

audit officer.

9. A donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster may be submitted to the next board meeting for retroactive recognition.

10. Any matter required by Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw to be approved by resolution at a shareholders meeting or to be approved by resolution at a meeting of the board of directors, or any such significant matter as may be prescribed by the competent authority.

Except for matters that must be submitted to the board of directors for discussion under the preceding paragraph, when the board of directors is in recess, it may delegate the exercise of its power to others in accordance with law, regulations, or its articles of incorporation. However, the level of delegation or the content or matters to be delegated shall be clearly specified, and general authorization is not permitted.

Article 36 (The Company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions)
The company shall ask the appropriate corporate department or personnel to execute matters pursuant to board of directors' resolutions in a manner consistent with the planned schedule and objectives. It shall also follow up on those matters and faithfully review their implementation.
The board of directors shall remain informed of the progress of implementation and receive reports in subsequent meetings to ensure the actual implementation of the board's management decisions.

Section 5 Fiduciary Duty, Duty of Care and Responsibility of Directors

Article 37 (Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator)
Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law for approval in shareholders meetings or in the articles of incorporation, they shall ensure that all matters are handled according to the resolutions of board of directors.

It is advisable that the Company formulate rules and procedures for board of directors performance assessments. Each year, in respect of the board of directors and individual directors, it shall conduct regularly scheduled performance assessments through self-assessments or peer-to-peer assessments, and may also do so through outside professional institutions or in any other appropriate manner. A performance assessment of the board of directors shall include the following aspects, and appropriate assessment indicators shall be developed in consideration of the company's needs:

1. The degree of participation in the company's operations.
2. Improvement in the quality of decision making by the board of directors.
3. The composition and structure of the board of directors.
4. The election of the directors and their continuing professional education.
5. Internal controls.

The performance assessments of board members (self-assessments or peer-to-peer assessments) shall include the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. Their grasp of the company's goals and missions.
2. Their recognition of director's duties.
3. Their degree of participation in the company's operations.
4. Their management of internal relationships and communication.
5. Their professionalism and continuing professional education.
6. Internal controls.

It is advisable that the Company conduct performance assessments of a functional committee, covering the following aspects, with appropriate adjustments made on the basis of the company's needs:

1. The degree of participation in the company's operations.
2. Their recognition of the duties of the functional committee.
3. Improvement in the quality of decision making by the functional committee.
4. The composition of the functional committee, and election and appointment of committee members.
5. Internal controls.

The Company is advised to submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term.

Article 37-1 (Establishment a succession plan for the management)

It is advisable for the Company to establish a succession plan for the management. The development and implementation of such plan shall be periodically evaluated by the board of directors to ensure sustainable operation.

Article 37-2 (Establishment of an intellectual property regulatory system)

The board of directors is advised to evaluate and monitor the following aspects of the Company's direction of operation and performance in connection with intellectual properties, to ensure the company develops an intellectual property regulatory system in accordance with the Plan-Do-Check-Act cycle:

1. Formulate intellectual property regulatory policies, objectives and systems that are slightly associated with the operational strategies.
2. Develop, implement and maintain on the basis of scale and form its regulatory systems governing the procurement, protection, maintenance and utilization of intellectual properties.
3. Identify and provide the necessary resources sufficient to ensure effective implementation and maintenance of the intellectual property regulatory system.
4. Observe internally and externally the risks and opportunities that intellectual property regulation may present and adopt corresponding measures.

5. Plan for and implement a continuous improvement mechanism to ensure the operation and effects of the intellectual property regulatory regime meet the company's expectations.

Article 38 (The request of shareholders or independent director to discontinue the implementation of the resolution)
If a resolution of the board of directors violates law, regulations or the Company's articles of incorporation, then at the request of shareholders holding shares continuously for a year or an independent director to discontinue the implementation of the resolution, members of the board shall take appropriate measures or discontinue the implementation of such resolution as soon as possible.
Upon discovering a likelihood that the company would suffer material injury, members of the board of directors shall immediately report to the audit committee, an independent director member of the audit committee in accordance with the foregoing paragraph.

Article 39 (Directors liability insurance)
The Company shall take out directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of occupancy so as to reduce and spread the risk of material harm to the company and shareholders arising from the wrongdoings or negligence of a director.
The Company shall report the insured amount, coverage, premium rate, and other major contents of the liability insurance it has taken out or renewed for directors, at the next board meeting.

Article 40 (Members of the board of directors participating in training courses)
Members of the board of directors are advised to participate in training courses on finance, risk management, business, commerce, accounting, law or corporate social responsibility offered by institutions designated in the Rules Governing Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies, which cover subjects relating to corporate governance upon becoming directors and throughout their terms of occupancy. They shall also ensure that company employees at all levels will enhance their professionalism and knowledge of the law.

Chapter 4 Respecting Stakeholders' Rights

Article 41 (The company shall maintain communication with stakeholders and safeguard their rights and interests)
The Company shall maintain channels of communication with its banks, other creditors, employees, consumers, suppliers, community, or other stakeholders of the company, respect and safeguard their legal rights and interests, and designate a stakeholders section on its website.
When any of a stakeholder's legal rights or interests is harmed, the company shall handle the matter in a proper manner and in good faith.

Article 42 (The company shall provide sufficient information to banks and its other creditors)
The Company shall provide sufficient information to banks and its other creditors to facilitate their evaluation of the operational and financial conditions of the company and its decision-making process. When any of

their legal rights or interest is harmed, the company shall respond with a responsible attitude and assist creditors in obtaining compensation through proper means.

Article 43 (Establishing channels of communication with employees)

The Company shall establish channels of communication with employees and encourage employees to communicate directly with the management and directors, so as to reflect employees' opinions about the management, financial conditions, and material decisions of the company concerning employee welfare.

Article 44 (The company's social responsibility)

In developing its normal business and maximizing the shareholders' interest, the Company shall pay attention to consumers' interests, environmental protection of the community, and public interest issues, and shall give serious regard to the company's social responsibility.

Chapter 5 Improving Information Transparency

Section 1 Enhancing Information Disclosure

Article 45 (Internet-based reporting system for public information)

The Company shall establish an Internet-based reporting system for public information, appoint personnel responsible for gathering and disclosing the information, and establish a spokesperson system in accordance with the relevant laws and the related TWSE and TPEX rules, so as to ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders.

The Company is advised to publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.

Article 46 (Appointing the spokesperson)

In order to enhance the accuracy and timeliness of the material information disclosed, the Company shall appoint a spokesperson and acting spokesperson(s) who understand thoroughly the company's financial and business conditions and who are capable of coordinating among departments for gathering relevant information and representing the company in making statements independently.

The Company shall appoint one or more acting spokespersons who shall represent the company, when the spokesperson cannot perform his/her duties, in making statements independently, provided that the order of authority is established to avoid any confusion.

In order to implement the spokesperson system, the Company shall unify the process of making external statements. It shall require the management and employees to maintain the confidentiality of financial and operational secrets and prohibit their disclosure of any such information at will.

The company shall disclose the relevant information immediately whenever there is any change to the position of a spokesperson or acting spokesperson.

Article 47 (Setting up the corporate governance website)

In order to keep shareholders and stakeholders fully informed, the Company shall utilize the convenience of the Internet and set up a website containing the information regarding the company's finances, operations, and corporate governance. It is also advisable for the company to furnish the financial, corporate governance, and other relevant information in English. To avoid misleading information, the aforesaid website shall be maintained by specified personnel, and the recorded information shall be accurate, detailed and updated on a timely basis.

Article 48 (The method of holding the investor conference)

The Company shall hold an investor conference in compliance with the regulations of the TWSE, and shall keep an audio or video record of the meeting. The financial and business information disclosed in the investor conference shall be disclosed on the Market Observation Post System and provided for inquiry through the website established by the company, or through other channels, in accordance with the TWSE rules.

Section 2 Disclosure of Information on Corporate Governance

Article 49 (Disclosing the information regarding corporate governance)

The Company shall disclose and update from time to time the following information regarding corporate governance in the fiscal year in accordance with laws and regulations and TWSE rules :

1. Corporate governance framework and rules.
2. Ownership structure and the rights and interests of shareholders, including specific and explicit dividend policy).
3. Structure, professionalism and independence of the board of directors.
4. Responsibility of the board of directors and managerial officers.
5. Composition, duties and independence of the audit committee.
6. Composition, duties and operation of the remuneration committee and other functional committees.
7. The remuneration paid to the directors, general manager and vice general manager in the last two fiscal years, the analysis of the percentage of total remuneration to net profit after tax in the parent company only financial reports or individual financial reports, the policy, standard and package of remuneration payment, the procedure for determination of remuneration and the connection with the operation performance and future risk. Under special individual circumstances, remuneration of individual directors shall be disclosed.
8. The progress of training of directors and supervisors.
9. The rights, relationships, avenues for complaint, concerns, and appropriate response mechanism regarding stakeholders.
10. Details of the events subject to information disclosure required by law and regulations.
11. The enforcement of corporate governance, differences between the corporate governance principles implemented by the company and these Principles, and the reason for the differences.
12. Other information regarding corporate governance.

The Company is advised, according to the actual performance of the

corporate governance system, to disclose the plans and measures to improve its corporate governance system through appropriate mechanisms.

Chapter 6 Supplementary Provisions

Article 50 (Monitoring domestic and international developments)

The Company shall at all times monitor domestic and international developments in corporate governance as a basis for review and improvement of the company's own corporate governance mechanisms, so as to enhance their effectiveness.

Article 51 (Enforcement)

The Corporate Governance Best Practice Principles of the Company shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.

These principles were formulated on December 16, 2014. They were first amended on November 10, 2015 and subsequently amended on March 15, 2018 (2nd amendment), March 21, 2019 (3rd amendment), March 12, 2020 (4th amendment).

Ta Ya Electric Wire & Cable Co., Ltd.
Corporate Social Responsibility Best Practice Principles

2020.3.12 approved by the board of directors

Chapter 1 General Principles

Article 1 In order to fulfill corporate social responsibility initiatives and to promote economic, environmental, and social advancement for purposes of sustainable development, the Company hereby adopted the Principles to be followed.

Article 2 The Principles apply to the entire operations of the Company and its business group.

The Principles encourage the Company to actively fulfill its corporate social responsibility in the course of its business operations so as to follow international development trends and to contribute to the economic development of the country, to improve the quality of life of employees, the community and society by acting as responsible corporate citizens, and to enhance competitive edges built on corporate social responsibility.

Article 3 In fulfilling corporate social responsibility initiatives, the Company shall, in its corporate management guidelines and business operations, give due consideration to the rights and interests of stakeholders and, while pursuing sustainable operations and profits, also give due consideration to the environment, society and corporate governance.

The Company shall, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy.

Article 4 To implement corporate social responsibility initiatives, the Company is advised to follow the principles below:

1. Exercise corporate governance.
2. Foster a sustainable environment.
3. Preserve public welfare.
4. Enhance disclosure of corporate social responsibility information.

Article 5 The company shall take into consideration the correlation between the development of domestic and international corporate social responsibility principles and corporate core business operations, and the effect of the operation of individual companies and of their respective business groups as a whole on stakeholders, in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility programs, which shall be approved by the board of directors and then reported to the shareholders meeting.

When a shareholder proposes a motion involving corporate social responsibility, the company's board of directors is advised to review and consider including it in the shareholders meeting agenda.

Chapter 2 Exercising Corporate Governance

Article 6 The Company is advised to follow the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, and the Code of Ethical Conduct to establish effective corporate governance frameworks and relevant ethical standards so as to

enhance corporate governance.

Article 7 The directors of the Company shall exercise the due care of good administrators to urge the company to perform its corporate social responsibility initiatives, examine the results of the implementation thereof from time to time and continually make adjustments so as to ensure the thorough implementation of its corporate social responsibility policies.

The board of directors of the company is advised to give full consideration to the interests of stakeholders, including the following matters, in the company's performance of its corporate social responsibility initiatives:

1. Identifying the company's corporate social responsibility mission or vision, and declaring its corporate social responsibility policy, systems or relevant management guidelines;
2. Making corporate social responsibility the guiding principle of the company's operations and development, and ratifying concrete promotional plans for corporate social responsibility initiatives; and
3. Enhancing the timeliness and accuracy of the disclosure of corporate social responsibility information.

The board of directors shall appoint executive-level positions with responsibility for economic, environmental, and social issues resulting from the business operations of the Company, and to report the status of the handling to the board of directors. The handling procedures and the responsible person for each relevant issue shall be concrete and clear.

Article 8 The Company is advised to, on a regular basis, organize education and training on the implementation of corporate social responsibility initiatives, including promotion of the matters prescribed in paragraph 2 of the preceding article.

Article 9 For the purpose of managing corporate social responsibility initiatives, the Company is advised to establish an exclusively (or concurrently) dedicated unit to be in charge of proposing and enforcing the corporate social responsibility policies, systems, or relevant management guidelines, and concrete promotional plans and to report on the same to the board of directors on a periodic basis.

The Company is advised to adopt reasonable remuneration policies, to ensure that remuneration arrangements support the strategic aims of the organization, and align with the interests of stakeholders.

It is advised that the employee performance evaluation system be combined with corporate social responsibility policies, and that a clear and effective incentive and discipline system be established.

Article 10 The Company shall, based on respect for the rights and interests of stakeholders, identify stakeholders of the company, and establish a designated section for stakeholders on the company website; understand the reasonable expectations and demands of stakeholders through proper communication with them, and adequately respond to the important corporate social responsibility issues which they are concerned about.

Chapter 3 Fostering a Sustainable Environment

Article 11 The Company shall follow relevant environmental laws, regulations and international standards to properly protect the environment and shall endeavor to promote a sustainable

environment when engaging in business operations and internal management.

Article 12 The Company endeavors to utilize all resources more efficiently and use renewable materials which have a low impact on the environment to improve sustainability of natural resources.

Article 13 The Company establishes proper environment management systems based on the characteristics of their industries. Such systems shall include the following tasks:

1. Collecting sufficient and up-to-date information to evaluate the impact of the company's business operations on the natural environment.
2. Establishing measurable goals for environmental sustainability, and examining whether the development of such goals should be maintained and whether it is still relevant on a regular basis.
3. Adopting enforcement measures such as concrete plans or action plans, and examining the results of their operation on a regular basis.

Article 14 The Company establishes a dedicated unit or assign dedicated personnel for drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and should hold environment education courses for their managerial officers and other employees on a periodic basis.

Article 15 The Company takes into account the effect of business operations on ecological efficiency, promote and advocate the concept of sustainable consumption, and conduct research and development, procurement, production, operations, and services in accordance with the following principles to reduce the impact on the natural environment and human beings from their business operations:

1. Reduce resource and energy consumption of their products and services.
2. Reduce emission of pollutants, toxins and waste, and dispose of waste properly.
3. Improve recyclability and reusability of raw materials or products.
4. Maximize the sustainability of renewable resources.
5. Enhance the durability of products.
6. Improve efficiency of products and services.

Article 16 To improve water use efficiency, the Company shall properly and sustainably use water resources and establish relevant management measures.

The Company shall construct and improve environmental protection treatment facilities to avoid polluting water, air and land, and use their best efforts to reduce adverse impact on human health and the environment by adopting the best practical pollution prevention and control measures.

Article 17 The Company is advised to assess the current and future potential risks and opportunities that climate change may present to enterprises and to adopt climate related measures.

The Company is advised to adopt standards or guidelines generally used in Taiwan and abroad to enforce corporate greenhouse gas inventory and to make disclosures thereof, the scope of which shall include the following:

1. Direct greenhouse gas emissions: emissions from operations that are owned or controlled by the company.

2. Indirect greenhouse gas emissions: emissions resulting from the generation of externally purchased or acquired electricity, heating, or steam.

The Company is advised to compile statistics on greenhouse gas emissions, volume of water consumption and total weight of waste and to establish policies for energy conservation, carbon and greenhouse gas reduction, reduction of water consumption or management of other wastes. The company's carbon reduction strategies should include obtaining carbon credits and be promoted accordingly to minimize the impact of their business operations on climate change.

Chapter 4 Preserving Public Welfare

Article 18 The Company shall comply with relevant laws and regulations, and the International Bill of Human Rights, with respect to rights such as gender equality, the right to work, and prohibition of discrimination.

The Company, to fulfill its responsibility to protect human rights, shall adopt relevant management policies and processes, including:

1. Presenting a corporate policy or statement on human rights.
2. Evaluating the impact of the company's business operations and internal management on human rights, and adopting corresponding handling processes.
3. Reviewing on a regular basis the effectiveness of the corporate policy or statement on human rights.
4. In the event of any infringement of human rights, the company shall disclose the processes for handling of the matter with respect to the stakeholders involved.

The Company shall comply with the internationally recognized human rights of labor, including the freedom of association, the right of collective bargaining, caring for vulnerable groups, prohibiting the use of child labor, eliminating all forms of forced labor, eliminating recruitment and employment discrimination, and shall ensure that their human resource policies do not contain differential treatments based on gender, race, socioeconomic status, age, or marital and family status, so as to achieve equality and fairness in employment, hiring conditions, remuneration, benefits, training, evaluation, and promotion opportunities.

The Company shall provide an effective and appropriate grievance mechanism with respect to matters adversely impacting the rights and interests of the labor force, in order to ensure equality and transparency of the grievance process. Channels through which a grievance may be raised shall be clear, convenient, and unobstructed. A company shall respond to any employee's grievance in an appropriate manner.

Article 19 The Company shall provide information for their employees so that the employees have knowledge of the labor laws and the rights they enjoy in the countries where the company has business operations.

Article 20 The Company provides safe and healthful work environments for their employees, including necessary health and first-aid facilities and shall endeavor to curb dangers to employees' safety and health and to prevent occupational accidents.

The Company organizes training on safety and health for its employees on a

regular basis.

Article 21 The Company creates an environment conducive to the development of its employees' careers and establish effective training programs to foster career skills.

The Company shall establish and implement reasonable employee welfare measures (including remuneration, leave and other welfare etc.) and appropriately reflect the business performance or achievements in the employee remuneration, to ensure the recruitment, retention, and motivation of human resources, and achieve the objective of sustainable operations.

Article 22 The Company shall establish a platform to facilitate regular two-way communication between the management and the employees for the employees to obtain relevant information on and express their opinions on the company's operations, management and decisions.

The Company shall respect the employee representatives' rights to bargain for the working conditions, and shall provide the employees with necessary information and hardware equipment, in order to improve the negotiation and cooperation among employers, employees and employee representatives.

The Company shall, by reasonable means, inform employees of operation changes that might have material impacts.

Article 22-1 The Company is advised to treat customers or consumers of its products or services in a fair and reasonable manner, including according to the following principles: fairness and good faith in contracting, duty of care and fiduciary duty, truthfulness in advertising and soliciting, fitness of products or services, notification and disclosure, commensuration between compensation and performance, protection of the right to complain, professionalism of salespersons etc. Said company shall also develop the relevant strategies and specific measures for implementation.

Article 23 The Company shall take responsibility for its products and services, and take marketing ethics seriously. In the process of research and development, procurement, production, operations, and services, the company shall ensure the transparency and safety of its products and services. It further shall establish and disclose policies on consumer rights and interests, and enforce them in the course of business operations, in order to prevent the products or services from adversely impacting the rights, interests, health, or safety of consumers.

Article 24 The Company shall ensure the quality of its products and services by following the laws and regulations of the government and relevant standards of its industries.

The Company shall follow relevant laws, regulations and international guidelines in regard to customer health and safety and customer privacy involved in, and marketing and labeling of, their products and services and shall not deceive, mislead, commit fraud or engage in any other acts which would betray consumers' trust or damage consumers' rights or interests.

Article 25 The Company evaluates and manage all types of risks that could cause interruptions in operations, so as to reduce the impact on consumers and society.

The Company provides a clear and effective procedure for accepting consumer complaints to fairly and timely handle consumer complaints, shall comply with laws and regulations related to the Personal Information Protection Act for respecting consumers' rights of privacy and shall protect personal data provided by consumers.

Article 26 The Company assesses the impact its procurement has on society as well as the environment of the community that they are procuring from, and shall cooperate with its suppliers to jointly implement the corporate social responsibility initiative.

The Company is advised to establish supplier management policies and request suppliers to comply with rules governing issues such as environmental protection, occupational safety and health or labor rights. Prior to engaging in commercial dealings, The Company is advised to assess whether there is any record of a supplier's impact on the environment and society, and avoid conducting transactions with those against corporate social responsibility policy.

When the Company enters into a contract with any of their major suppliers, the content should include terms stipulating mutual compliance with corporate social responsibility policy, and that the contract may be terminated or rescinded any time if the supplier has violated such policy and has caused significant negative.

Article 27 The Company shall evaluate the impact of their business operations on the community, and adequately employ personnel from the location of the business operations, to enhance community acceptance.

The Company is advised to, through equity investment, commercial activities, endowments, volunteering service or other charitable professional services etc., dedicate resources to organizations that commercially resolve social or environmental issues, participate in events held by citizen organizations, charities and local government agencies relating to community development and community education to promote community development.

Chapter 5 Enhancing Disclosure of Corporate Social Responsibility Information

Article 28 The Company shall disclose information according to relevant laws, regulations and the Corporate Governance Best Practice Principles and shall fully disclose relevant and reliable information relating to their corporate social responsibility initiatives to improve information transparency.

Relevant information relating to corporate social responsibility which the Company shall disclose includes:

1. The policy, systems or relevant management guidelines, and concrete promotion plans for corporate social responsibility initiatives, as resolved by the board of directors.
2. The risks and the impact on the corporate operations and financial condition arising from exercising corporate governance, fostering a sustainable environment and preserving social public welfare.
3. Goals and measures for realizing the corporate social responsibility initiatives established by the company, and performance in implementation.
4. Major stakeholders and their concerns.

5. Disclosure of information on major suppliers' management and performance with respect to major environmental and social issues.

6. Other information relating to corporate social responsibility initiatives.

Article 29 The Company shall adopt internationally widely recognized standards or guidelines when producing corporate social responsibility reports, to disclose the status of its implementation of the corporate social responsibility policy. It also is advisable to obtain a third-party assurance or verification for reports to enhance the reliability of the information in the reports. The reports are advised to include:

1. The policy, system, or relevant management guidelines and concrete promotion plans for implementing corporate social responsibility initiatives.

2. Major stakeholders and their concerns.

3. Results and a review of the exercising of corporate governance, fostering of a sustainable environment, preservation of public welfare and promotion of economic development.

4. Future improvements and goals.

Chapter 6 Supplementary Provisions

Article 30 The Company shall at all times monitor the development of domestic and foreign corporate social responsibility standards and the change of business environment so as to examine and improve its established corporate social responsibility framework and to obtain better results from the implementation of the corporate social responsibility policy.

Article 31 The principles shall be implemented after the board of directors grants the approval. The same procedure shall be followed when the principles have been amended.

These principles were formulated on August 11, 2015. They were first amended on March 15, 2018 and second amended on March 12, 2020.

Ta Ya Electric Wire & Cable Co., Ltd.
Codes of Ethical Conduct

Article 1 Purpose of and basis for adoption

For the purpose of encouraging directors, managerial officers and employees of the Company to act in line with ethical standards, and helping interested parties better understand the ethical standards of the company, the code of ethical conduct is established.

Article 2 Content of the code

Involved departments shall submit the written report for the company director's approval if any of the following matter occurred. For matters with serious impact, it shall be proposed in the board of director meeting for resolutions.

1. Prevention of conflicts of interest:

To prevent a director, managerial officer, or an employee of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. If the Company has loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, managerial officer, or an employee works, shall follow the Procedures Governing Loaning of Funds and Making of Endorsements/Guarantees, Procedures Governing the Acquisition and Disposal of Assets, and purchasing and selling related operation regulations.

When directors, managerial officers, and employees of the Company have concerns about their own interests that may be harmful to the interests of the Company, the individual shall report to their superiors for discussion. The directors may proactively explain in the board meeting whether they have potential conflicts of interest with the Company, but they must not participate in discussions and voting, and may not act for other directors to exercise their voting rights.

2. Minimizing incentives to pursue personal gain:

The Company shall prevent its directors, managerial officers, or employees from engaging in any of the following activities: (1) Seeking an opportunity to pursue personal gain by using company property or information or taking advantage of their positions. (2) Obtaining personal gain by using company property or information or taking advantage of their positions. (3) Competing with the company. When the Company has an opportunity for profit, it is the responsibility of the directors, managerial officers, and employees to maximize the reasonable and proper benefits that can be obtained by the Company.

3. Confidentiality:

The directors, managerial officers, and employees of the Company shall be

bound by the obligation to maintain the confidentiality of any information regarding the Company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the suppliers and customers.

4. Fair trade:

Directors, managerial officers, and employees shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

5. Safeguarding and proper use of company assets:

All directors, managerial officers, and employees have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the Company's profitability.

6. Legal compliance:

The Company shall strengthen its compliance with the Securities and Exchange Act and other applicable laws, regulations, and bylaws

7. Encouraging reporting on illegal or unethical activities:

The Company shall raise awareness of ethics internally and encourage employees to report to a company managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the Company shall establish a concrete whistle-blowing system and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.

8. Disciplinary measures:

When a director, managerial officer, or an employee violates the code of ethical conduct, the Company shall pursue the responsibility of the negligent person or take appropriate legal measures in accordance with the violation of the law, and shall without delay disclose on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken. It is advisable that the Company establish a relevant complaint system to provide the violator with remedies.

Article 3 Procedures for exemption

When an exemption applies, any exemption for directors, managerial officers, or employees from compliance with the code be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the

period of, reasons for, and principles behind the application of the exemption be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to safeguard the interests of the Company by ensuring appropriate mechanisms for controlling any circumstance under which such an exemption occurs.

Article 4 Method of disclosure

The Company shall disclose the code of ethical conduct it has adopted, and any amendments to it, on its company website, in its annual reports and prospectuses and on the MOPS.

Article 5 Enforcement

The Company's code of ethical conduct, and any amendments to it, shall enter into force after it has been adopted by the board of directors.

These codes were formulated on December 16, 2014. They were first amended on April 21, 2015 and second amended on March 15, 2018.

Ta Ya Electric Wire & Cable Co., Ltd.

Procedures for Ethical Management and Guidelines for Conduct

2019.12.18 approved by the board of directors

Article 1 Purpose of adoption and scope of application

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for Ta Ya Electric Wire & Cable Co., Ltd. and the applicable laws and regulations of the places where the Company and its business groups and organizations operate, with a view to providing all personnel of the Company with clear directions for the performance of their duties. The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.

Article 2 Applicable subjects

For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, supervisor, managerial officer, employee, mandatary or person having substantial control, of the Company or its group enterprises and organizations.

Any provision, promise, request, acceptance of any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 Unethical conduct

For the purposes of these Procedures and Guidelines, "unethical conduct" means

that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. The counterparties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 Types of benefits

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded. The benefits received or given in accordance with accepted social customs in the preceding paragraph, are handled in accordance with Article 6 of the provisions of these procedures and guidelines for conduct.

Article 5 Responsible unit

The Company designates the Human Resources Department as the solely responsible unit (hereinafter, "responsible unit") to be in charge of the amendment with respect to these Procedures and Guidelines, supervised by the audit office and also submit regular reports to the board of directors.

Article 6 Prohibition against providing or accepting improper benefits

Except under one of the following circumstances, when providing, accepting, promising, or requesting money, gratuity, service, preferential treatment, entertainment, dining, or any other benefits, directly or indirectly, the conduct of the given personnel of the Company shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for the Company and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. In compliance with the laws and regulations of the country where the Company is doing business.
2. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
3. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
4. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
5. Attendance at folk festivals that are open to and invite the attendance of the general public.
6. Rewards, emergency assistance, condolence payments, or honorariums from the management.
7. Property with a market value of NT\$100 thousand or less received due to engagement, marriage, maternity, relocation, assumption of a position, promotion or transfer, retirement, resignation, or severance, or the injury, illness, or death of the recipient or the recipient's spouse or lineal relative.

8. Other conduct that complies with the rules of The Company.

Article 7 Procedures for handling the acceptance of improper benefits

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any money, gratuity, service, preferential treatment, entertainment, dining, or any other benefits by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall report to their immediate supervisor, top director of business group, and notify the Company's audit office within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor, top director of business group, and notify the Company's audit office, and the responsible unit shall be notified if necessary.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact. When the Company encounters the first paragraph situation, the responsible unit of the Company shall make a proposal, based on the nature and value of the benefit, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved, and the company's audit office shall be notified at the same time, and the responsible unit shall be notified if necessary.

Article 8 Prohibition of and handling procedure for facilitating payments

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provide or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the responsible unit shall also immediately report to the relevant judicial agency.

Article 9 Procedures for handling political contributions

The Company shall neither provide nor promise any political contributions.

Article 10 Procedures for handling donations or sponsorships

The total amount of donations or sponsorships of the Company throughout the year is capped at 0.2% of the total operating revenue, and be provided in accordance with the following provisions. The revision of the annual total amount shall be implemented after the approval of the board of directors. When the total annual amount exceeds the upper limit, except for public welfare donations for emergency relief due to major natural disasters, which can be ratified by the next board of directors, the rest shall be provided only after it has been submitted for adoption by the board of directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
2. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest
3. After a donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 Recusal

Company directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, and the relationship is likely to prejudice the interests of the company, can state opinions and answer inquiries, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate supervisor, top director of business group, the Company's audit office, and the responsible unit, the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12 Special unit in charge of confidentiality regime and its responsibilities

The Company sets up a business information protection committee to convene relevant departments to review and amend the business information protection mechanism in response to regulations, technology, current affairs and internal audit findings irregularly. All personnel of the Company shall faithfully follow the Codes of Ethical Conduct, and

observe the Personal Data Protection Act, Trade Secrets Act, and other relevant laws and regulations when using.

Article 13 Prohibition of disclosing trade secrets

All personnel of this Corporation shall faithfully follow the operational directions pertaining to trade secrets and may not disclose to any other party any trade secrets, nor may they inquire about or collect any trade secrets of the Company unrelated to their individual duties.

Article 14 Prohibition against insider trading

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Article 15 Non-disclosure agreement

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16 Announcement of policy of ethical management

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the Company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17 Ethical management evaluation prior to development of commercial relationships

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counterparty with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.

2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18 Statement of ethical management policy to counterparties in commercial dealings

Any personnel of The Company, when engaging in commercial activities, shall make a statement to the trading counterparty about The Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name, including rebates, commissions, facilitation payments, or providing or receiving improper benefits through other channels.

Article 19 Avoidance of commercial dealings with unethical operators

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counterparty in commercial interactions that is involved in unethical conduct. When the counterparty or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20 Stipulation of terms of ethical management in contracts

Before entering into a contract with another party, The Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of The Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
2. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 Handling of unethical conduct by personnel of The Company

When the Company discovers or receives reports of untrustworthy conduct by the Company's personnel, it shall immediately investigate the relevant facts. If it is confirmed that there is a violation of relevant laws or the Company's integrity management policies and regulations, the perpetrator should immediately be required to stop the relevant behavior and deal with it appropriately, and if necessary, request damages through legal

procedures to protect the reputation and rights of the Company.

The time limit for handling a reported case is one month in principle. Those who fail to complete the case within the time limit may extend the time limit by one month only once.

With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.

The audit office of the Company shall report to the board of directors a follow-up report on dishonest behaviors, handling methods of each unit, and follow-up review and improvement measures.

Article 22 Actions upon event of unethical conduct by others towards The Company

If any personnel of the Company discover that another party has engaged in unethical conduct towards The Company, and such unethical conduct involves alleged illegality, The Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, The Company shall additionally notify the governmental anticorruption agency.

Article 23 Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violate ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of The Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 Enforcement

These Procedures and Guidelines, and any amendments hereto, shall be approved by the audit committee, be implemented after adoption by resolution of the board of directors, and reported to the shareholders meeting.

These Procedures and Guidelines were formulated on December 18, 2019.

Ta Ya Electric Wire & Cable Co., Ltd.
Ethical Corporate Management Best Practice Principles

2019.11.7 approved by the board of directors

Article 1 (Purpose and Scope)

To foster a corporate culture of ethical management and sound development, for establishing good commercial practices.

These principles applicable to business groups and organizations of the Company, which comprise its subsidiaries, any foundation to which the Company's direct or indirect contribution of funds exceeds 50 percent of the total funds received, and other institutions or juridical persons which are substantially controlled by such company ("business group").

Article 2 (Unethical conduct is prohibited)

When engaging in commercial activities, directors, managers, employees, and mandataries of the Company or persons having substantial control over the Company ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3 (Types of Benefits)

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 (Statutory compliance)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

Article 5 (Policy)

The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and obtain approval from the board of directors, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 (Prevention programs)

The Company shall in its own ethical management policy clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training.

When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its business group are operating.

In the course of developing the prevention programs, the Company are advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders.

Article 7 (Scope of prevention programs)

The Company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review its adequacy and effectiveness on a regular basis. It is advisable for the Company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper benefits.
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Engaging in unfair competitive practices.
7. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 (Commitment and Implementation)

The Company shall request its directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such policy.

The Company and its respective business group shall clearly specify in their rules and external documents and on the company website the ethical corporate management policies and the commitment by the board of directors and senior management on rigorous and thorough implementation of such policies, and shall carry out the policies

in internal management and in commercial activities.

The Company shall compile documented information on the ethical management policy, statement, commitment and implementation mentioned in the first and second paragraphs and retain said information properly.

Article 9 (Commercial activities in a fair and transparent manner)

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with their agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance

with ethical corporate management policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 10 (Bribery is prohibited)

When conducting business, the company and their directors, managers, employees, mandataries, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders., except those in compliance with the laws and regulations of the country where the Company is doing business.

Article 11 (Illegal political donation is prohibited)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees, and substantial controllers, shall comply with the Political Donations Act and its own relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 12 (Improper donation or sponsorship is prohibited)

When making or offering donations and sponsorship, the Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 13 (Unreasonable presents, hospitality or other improper benefits are prohibited)

The Company and its directors, managers, employees, mandataries, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents,

hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article14 (Infringement of intellectual property rights is prohibited)

The Company and its directors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

Article15 (Conducts of unfair competition is prohibited)

The Company shall engage in business activities in accordance with applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article16 (Preventing products and services from damaging the safety of its stakeholders)

In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, supervisors, managers, employees, mandataries, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, its products and services. It shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out

the policy in its operations, with a view to preventing its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders. Where there are sufficient facts to determine that the company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the company shall, in principle, recall those products or suspend the services immediately.

Article17 (Organization and Responsibility)

The directors, managers, employees, mandataries, and substantial controllers of the Company shall exercise the due care of good administrators to urge the company to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, the Company shall establish a dedicated unit that is under the board of directors and avail itself of adequate resources and staff itself with competent personnel, responsible for establishing and supervising

the implementation of the ethical corporate management policies and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the board of directors on a regular basis (at least once a year):

1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article18 (Compliance requirement to conduct business)

The Company and its directors, managers, employees, mandataries, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article19 (Conflict of interest avoidance)

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, managers, and other stakeholders attending or present at board meetings of the Company, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may

not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The Company's directors, managers, employees, mandataries, and substantial controllers shall not take advantage of their positions or influence in the company to obtain improper benefits for themselves, their spouses, parents, children or any other person

Article20 (Accounting and Internal control)

The Company shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of the Company shall, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans? Including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly the compliance with the prevention programs. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article21 (Procedures and guidelines)

The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide directors, managers, employees, and substantial controllers on how to conduct business. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.

7. Handling procedures for violations of these Principles.
8. Disciplinary measures on offenders.

Article22 (Training and Performance appraisal system)

The chairperson, general manager, or senior management of the Company shall communicate the importance of corporate ethics to its directors, employees, and mandataries on a regular basis.

The Company shall periodically organize training and awareness programs for directors, managers, employees, mandataries, and substantial controllers and invite the Company's commercial transaction counterparties so they understand the Company's resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

The Company shall apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system.

Article23 (Whistle-blowing system)

The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow company insiders and outsiders to submit reports.
2. Dedicated personnel or unit appointed to handle whistle-blowing system. Any tip involving a director or senior manager shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures to be adopted depending on the severity of the circumstances after investigations of cases reported are completed. Where necessary, a case shall be reported to the competent authority or referred to the judicial authority.
4. Documentation of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases.
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing.
7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to its awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article24 (Disciplinary and Appeal system)

The Company shall adopt and publish a well-defined disciplinary and appeal system for

handling violations of the ethical corporate management rules, and shall make immediate disclosure on the company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article25 (Information Disclosure)

The Company shall collect quantitative data about the promotion of ethical management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. It shall also disclose the measures taken for implementing ethical corporate management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on their company websites, annual reports, and prospectuses, and shall disclose their ethical corporate management best practice principles on the Market Observation Post System.

Article26 (Ethical corporate management policies and measure for better implementation)

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers, and employees to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article27 (Enforcement)

The ethical corporate management best practice principles of the Company shall be sent to the audit committee, be implemented after the board of directors grants the approval, and shall be reported at a shareholders' meeting. The same procedure shall be followed when the principles have been amended.

When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

These principles were formulated on December 16, 2014. They were first amended on March 15, 2018 and second amended on November 7, 2019.

TA YA ELECTRIC WIRE & CABLE CO., LTD.
Final Terms and Condition of 1st Secured Corporate Bonds Issue in 2018

The first secured corporate bonds issued in 2018 by Ta Ya Electric Wire & Cable Co., Ltd. was approved by Taipei Exchange (Ref. No.: Zheng-Gre-Zai-Zi-10700258671) and the final terms as below:

1. Bond Name: Ta Ya Electric Wire & Cable Co., Ltd. 1st Secured Corporate Bonds Issue in 2018 (“Bonds”)
2. Issue amount: TWD 500 Million
3. Face Value: TWD 1,000,000
4. Issue price: 100%
5. Tenor: 5 Years, from 25th September 2018 to 25th September 2023
6. Coupon rate: 0.97%
7. Repayment: bullet repayment.
8. Interest Payment Terms: annual interest payable, Act/Act day count
9. Guarantor: Chang Hwa Commercial Bank
10. Underwriting method: public offering through underwriter by negotiated sale method
11. Underwriter: Chang Hwa Commercial Bank
12. Trustee: Mega International Commercial Bank
13. Agent for repayment of principal and payment of interest: Chang Hwa Commercial Bank
14. Notification: information related to the Bonds will announced in the MOPS website (<http://mops.twse.com.tw>), unless otherwise specified
15. Bond form: registered bond
16. Bonds, which is buy back including repurchase from secondary market, or repayment of principal on an earlier time, should be cancelled and shall not be re-sold or re-issued.
17. Restriction for Investors: Professional Investors as defined in “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds” of the ROC..

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Chairman Shang-Hung Shen

Date: September 17, 2018

TA YA ELECTRIC WIRE & CABLE CO., LTD.
Final Terms and Condition of 1st Secured Corporate Bonds Issue in 2020

The first secured corporate bonds issued in 2020 by Ta Ya Electric Wire & Cable Co., Ltd. was approved by Taipei Exchange (Ref. No.: Zheng-Gre-Zai-Zi-10900138651) and the final terms as below:

1. Bond Name: Ta Ya Electric Wire & Cable Co., Ltd. 1St Secured Corporate Bonds Issue in 2020 (“Bonds”)
2. Issue amount: TWD 1 Billion
3. Face Value: TWD 1,000,000
4. Issue price: 100%
5. Tenor: 5 Years, from 2nd December 2020 to 2nd December 2025
6. Coupon rate: 0.61%
7. Repayment: 5 equal installments paid in every half year, starting in the 3rd year.
8. Interest Payment Terms: semi-annual interest payable, Act/Act day count
9. Guarantor: Bank SinoPac
10. Bond form: registered bond
11. Trustee: Taishin International Bank
12. Agent for repayment of principal and payment of interest: Bank SinoPac
13. Underwriter: SinoPac Securities Corporation
14. Notification: information related to the Bonds will announced in the MOPS website (<http://mops.twse.com.tw>), unless otherwise specified
15. Restriction for Investors: Professional Investors as defined in “Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds” of the ROC.
16. any matters or terms not covered herein shall be governed by the applicable laws, rules, and regulations of the ROC.

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Chairman Shang-Hung Shen

Date: November 25, 2020

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of TA YA ELECTRIC WIRE & CABLE Company Limited as of and for the year ended December 31, 2020, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, TA YA ELECTRIC WIRE & CABLE Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Chairman Shang-Hung Shen

March 23, 2021



INDEPENDENT AUDITORS' REPORT

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of Ta Ya Electric Wire & Cable Co., Ltd and its subsidiaries (the Company), which comprise the consolidated financial balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section of this report), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the financial statement as of and for the year ended December 31, 2020 in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional

Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the Company's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

Loss allowance of accounts receivable

The recognition of the loss allowance of accounts receivable is based on the customer's credit quality, situation of collecting payments, and future economic conditions. Since the expected credit loss ratio involves subjective judgments and significant estimates of managements, the loss allowance of accounts receivable is identified as a key audit matter.

The book value of accounts receivable please refer to Notes 10 to the parent company's financial statements.

Our audit procedures consisted of obtaining the management's assessment information of expected credit loss ratio and assess that whether such assumptions is reasonable; recalculating the appropriateness of the recognition of expected credit loss of accounts receivable based on the above expected credit loss ratio; and inspecting specific customers which amount is significant and the reason for not receiving payment. We use above procedures to confirm whether the expected credit loss of accounts receivable have recognized sufficiently.

Inventory evaluation

The company assesses impairment of material based on lower of cost or net realizable value evaluation, and valuation of the inventory is mainly affected by the international copper price, but the international copper market price fluctuations frequently. Since inventory evaluation involves the management's significant judgment, inventory evaluation its assessment is identified as a key audit matter.

The book value of Inventories please refer to Notes 11 to the parent company's financial statements.

Our audit procedures in response to the abovementioned key audit matter were obtaining information pertaining to the lower of cost or net realizable value (LCNRV), sampling projected pricing information and the most recent sales record to assess the reasonableness of the judgment on the LCNRV, and comparing the year-end quantity of inventory items

with the inventory count reports to confirm the existence and completeness of the inventory. Moreover, by attending year-end inventory counting, we assessed the condition of inventory and evaluated the adequacy of inventory provisions for obsolete goods.

Other Matter

Certain investments which were accounted for under the equity method based on the financial statements of the investees were audited by other independent accountants. Our audit, insofar as it related to these companies' total assets were NT 2,686,935 thousands and NT 2,560,813 thousands, which represented 10.66% and 12.31% of the total consolidated assets as of December 31, 2020 and 2019, the related shares of net operating revenue from the associates in the amount of NT 2,811,886 thousands and NT 2,897,033 thousands, which represented 15.36% and 15.96% of the total consolidated net operating revenue for the years ended December 31, 2020 and 2019; The investments accounted for under the equity method balance of NT 831,370 thousands and NT 769,535 thousands, which represented 3.30% and 3.70% of the total consolidated assets as of December 31, 2020 and 2019, the related shares of profit of associates and joint ventures accounted for using equity method in the amount of NT 124,108 thousands and NT 35,725 thousands, which represented 11.93% and 6.51% of the consolidated total comprehensive income (loss) for the years ended December 31, 2020 and 2019.

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2020 and 2019.

Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


March 23, 2021

Notice to Readers

For the convenience of readers, the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 consolidated financial statements shall prevail.

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (notes 4 and 6)	\$ 2,906,624	11.5	\$ 2,452,870	11.8
Financial assets at fair value through profit or loss (notes 4, 7 and 35)	590,344	2.3	421,323	2.0
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	26,065	0.1	5,348	—
Financial assets at amortized cost (notes 9)	333,031	1.3	252,933	1.2
Contract assets	49,772	0.2	172,886	0.8
Notes receivable, net (notes 4, 10 and 36)	156,484	0.7	152,666	0.7
Accounts receivable, net (notes 4, 10 and 36)	3,448,935	13.7	2,888,444	13.9
Other receivables (note 36)	51,430	0.2	84,285	0.4
Income tax receivable (note 26)	438	—	—	—
Inventories, net (notes 4 and 11)	2,935,739	11.6	3,429,976	16.5
Inventories (Construction), net (notes 4 and 11)	225,370	0.9	145,257	0.7
Prepayments	202,583	0.9	92,153	0.4
Other current assets	105,891	0.4	509,968	2.5
Total current assets	11,032,706	43.8	10,608,109	50.9
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss (notes 4, 7 and 35)	2,232,668	8.9	1,497,990	7.3
Financial assets at fair value through other comprehensive income (notes 4, 8 and 35)	920,106	3.7	837,578	4.0
Investments accounted for using equity method (notes 4, 12 and 37)	884,224	3.5	796,332	3.8
Property, plant and equipment (notes 4, 13 and 37)	7,543,746	29.9	4,821,771	23.2
Right-of-use assets (notes 4 and 14)	487,434	1.9	467,550	2.2
Investment Property, net (notes 4 and 15)	1,150,406	4.6	1,104,437	5.3
Intangible assets (notes 16)	325	—	690	—
Deferred income tax assets (notes 2 and 26)	149,720	0.6	203,536	1.0
Prepayments for equipment	49,058	0.2	57,205	0.3
Refundable deposits (note 37)	101,659	0.4	117,611	0.6
Net defined benefit asset	6,227	—	4,263	—
Other non-current assets	645,924	2.5	283,944	1.4
Total noncurrent assets	14,171,497	56.2	10,192,907	49.1
TOTAL	\$ 25,204,203	100.0	\$ 20,801,016	100.0
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (note 17)	\$ 4,522,706	17.9	\$ 3,550,418	17.1
Short-term notes and bills payable (note 18)	454,930	1.8	754,741	3.6
Financial liabilities at fair value through profit or loss (notes 4, 7 and 35)	127,753	0.5	35,380	0.2
Contract liabilities	141,319	0.6	97,224	0.5
Notes payable	85,919	0.3	69,156	0.3
Accounts payable (note 36)	581,544	2.3	536,250	2.6
Other payables	725,608	2.9	549,611	2.6
Income tax payable (note 26)	91,081	0.4	52,068	0.2
Provisions (note 21)	100,000	0.4	102,281	0.5
Lease liabilities (notes 4 and 14)	19,302	0.1	19,293	0.1
Receipts in advance	923	—	8,440	—
Current portion of long-term loans (notes 19 and 20)	1,157,986	4.6	2,085,487	10.0
Other current liabilities	29,444	0.1	31,508	0.2
Total current liabilities	8,038,515	31.9	7,891,857	37.9
NONCURRENT LIABILITIES				
Bonds payable (note 19)	1,500,000	6.0	500,000	2.4
Long-term loans (note 20)	5,891,656	23.4	3,311,805	15.9
Provisions (note 21)	35,841	0.1	39,301	0.2
Deferred income tax liabilities (note 26)	268,665	1.1	265,900	1.3
Lease liabilities (notes 4 and 14)	242,796	1.0	231,034	1.1
Net defined benefit liability (note 22)	27,325	0.1	66,743	0.3
Guarantee deposits	29,785	0.1	42,071	0.2
Other noncurrent liabilities	39,576	0.1	58,123	0.3
Total noncurrent liabilities	8,035,644	31.9	4,514,977	21.7
Total liabilities	16,074,159	63.8	12,406,834	59.6
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 23)				
Share capital	5,950,680	23.6	5,950,680	28.6
Capital surplus	602,220	2.4	531,117	2.6
Retained earnings				
Appropriated as legal capital reserve	137,749	0.5	87,245	0.4
Appropriated as special capital reserve	147,555	0.6	147,555	0.7
Unappropriated earnings (accumulated deficits)	1,088,298	4.3	556,359	2.7
Total retained earnings	1,373,602	5.4	791,159	3.8
Others	(125,666)	(0.5)	(146,288)	(0.7)
Treasury stock (notes 4 and 24)	(34,925)	(0.1)	(30,872)	(0.1)
Total equity attributable to owners of the parent	7,765,911	30.8	7,095,796	34.2
NON-CONTROLLING INTERESTS (notes 23)	1,364,133	5.4	1,298,386	6.2
Total equity	9,130,044	36.2	8,394,182	40.4
TOTAL	\$ 25,204,203	100.0	\$ 20,801,016	100.0

*The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., audit report dated March 23, 2021)*

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
NET REVENUE (notes 28)	\$ 18,300,805	100.0	\$ 18,153,101	100.0
COST OF REVENUE (notes 11, 22, 29, and 36)	16,699,808	91.3	16,847,531	92.8
GROSS PROFIT	1,600,997	8.7	1,305,570	7.2
OPERATING EXPENSES (notes 22, 25, 29, and 36)				
Sales and marketing	257,837	1.4	257,336	1.4
General and administrative	847,875	4.6	677,937	3.7
Research and development	67,013	0.4	64,375	0.4
Total Operating Expenses	1,172,725	6.4	999,648	5.5
INCOME FROM OPERATIONS	428,272	2.3	305,922	1.7
NON-OPERATING INCOME AND EXPENSES				
Interest income (note 30 and 36)	31,553	0.2	44,380	0.2
Other income (note 31 and 36)	125,332	0.7	112,854	0.6
Other gains and losses (note 32 and 36)	721,664	3.9	530,889	2.9
Finance costs (note 33)	(216,303)	(1.2)	(279,278)	(1.5)
Share of profit associates (note 12)	128,511	0.7	39,810	0.2
Impairment loss	(361)	—	(26,818)	(0.1)
Total non-operating Income and expenses	790,396	4.3	421,837	2.3
INCOME BEFORE INCOME TAX	1,218,668	6.6	727,759	4.0
INCOME TAX EXPENSE (notes 26)	(184,948)	(1.0)	(142,915)	(0.8)
NET INCOME	1,033,720	5.6	584,844	3.2
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (note 22)	(5,997)	—	1,108	—
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	85,297	0.6	25,022	0.2
Share of other comprehensive income (loss) of associates	(295)	—	3,848	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 26)	(7,123)	—	(9,882)	(0.1)
	71,882	0.6	20,096	0.1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(74,417)	(0.4)	(37,430)	(0.2)
Share of the other comprehensive income of associates accounted for using the equity method	(901)	—	(26,553)	(0.1)
Income tax benefit related to items that will not be reclassified subsequently (notes 26)	9,711	0.1	8,166	—
	(65,607)	(0.3)	(55,817)	(0.3)
Other comprehensive income (loss) for the year, net of income tax	6,275	0.3	(35,721)	(0.2)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 1,039,995	5.7	\$ 549,123	3.0
NET PROFIT ATTRIBUTABLE TO:				
Owners of the parent	\$ 850,045	4.6	\$ 505,047	2.8
Non-controlling interests	183,675	1.0	79,797	0.4
	\$ 1,033,720	5.6	\$ 584,844	3.2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the parent	\$ 879,256	4.8	\$ 476,746	2.6
Non-controlling interests	160,739	0.9	72,377	0.4
	\$ 1,039,995	5.7	\$ 549,123	3.0
EARNINGS PER SHARE (NT\$, notes 27)				
Basic earnings per share	\$ 1.45		\$ 0.86	

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., audit report dated March 23, 2021)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

Capital Stock — Common Stock			Retained Earnings				Others			
Shares	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Non-controlling Interests	Total Equity
572,180,791	\$ 5,721,808	\$ 524,667	\$ 46,746	\$ 264,909	\$ 378,000	\$ (138,115)	\$ 20,508	\$ (20,770)	\$ 1,303,901	\$ 8,101,654
—	—	—	40,499	—	(40,499)	—	—	—	—	—
—	—	—	—	—	(171,654)	—	—	—	—	(171,654)
22,887,231	228,872	—	—	—	(228,872)	—	—	—	—	—
—	—	—	—	(117,354)	117,354	—	—	—	—	—
—	—	4,160	—	—	(4,325)	—	928	—	7,786	8,549
—	—	—	—	—	—	—	—	(10,102)	(12,237)	(22,339)
—	—	2,290	—	—	—	—	—	—	—	2,290
—	—	—	—	—	505,047	—	—	—	79,797	584,844
—	—	—	—	—	(7,154)	(44,948)	23,801	—	(7,420)	(35,721)
—	—	—	—	—	8,462	—	(8,462)	—	—	—
—	—	—	—	—	—	—	—	—	(73,441)	(73,441)
595,068,022	5,950,680	531,117	87,245	147,555	556,359	(183,063)	36,775	(30,872)	1,298,386	8,394,182
—	—	—	50,504	—	(50,504)	—	—	—	—	—
—	—	—	—	—	(178,521)	—	—	—	—	(178,521)
—	—	90	—	—	(500)	—	—	—	—	(410)
—	—	—	—	—	850,045	—	—	—	183,675	1,033,720
—	—	—	—	—	(10,956)	(30,961)	71,128	—	(22,936)	6,275
—	—	—	—	—	—	—	—	(54,141)	—	(54,141)
—	—	2,625	—	—	—	—	—	1,557	—	4,182
—	—	2,404	—	—	—	—	—	—	—	2,404
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	(97,100)	—	—	—	97,100	—
—	—	10,269	—	—	3,141	—	(3,211)	—	(6,429)	3,770
—	—	55,715	—	—	—	—	—	54,141	—	109,856
—	—	—	—	—	—	—	—	—	(195,394)	(195,394)
—	—	—	—	—	16,334	—	(16,334)	—	—	—
—	—	—	—	—	—	—	—	(5,610)	9,731	4,121
595,068,022	\$ 5,950,680	\$ 602,220	\$ 137,749	\$ 147,555	\$ 1,086,298	\$ (214,024)	\$ 88,358	\$ (34,925)	\$ 1,364,133	\$ 9,130,044

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., audit report dated March 23, 2021)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,218,668	\$ 727,759
Adjustments for :		
Depreciation expense	357,942	375,474
Amortization expense	408	449
Expected credit loss	23,085	4,417
Net gain of financial assets and liabilities at fair value through profit or loss	(547,337)	(400,921)
Finance costs	216,303	279,278
Interest income	(31,553)	(44,380)
Dividend income	(107,594)	(91,546)
Shared-based payment expenses recognized	55,681	—
Share of profits of associates	(128,511)	(39,810)
Gain on disposal of property, plant and equipment	(3,352)	(291)
Property, plant and equipment transferred to expenses	4,733	10,804
Gain on disposal of investment property	(301)	—
Gain on disposal of investments	(202,330)	(4,187)
Gains on disposal of associates	(2,155)	(1,616)
Impairment loss on non-financial assets	361	26,818
Income and expense adjustments	<u>(364,620)</u>	<u>114,489</u>
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(75,941)	(75,094)
Contract assets	123,114	(133,342)
Notes and accounts receivable	(589,385)	168,990
Other receivables	32,739	10,631
Inventories	416,324	(26,582)
Prepayments	(110,430)	240,670
Other current assets	(29,096)	9,210
Contract liabilities	44,095	2,211
Notes and accounts payable	62,057	(119,114)
Other payables	195,938	112,452
Provisions	(6,189)	8,887
Advance receipts	(7,517)	4,865
Other current liabilities	(2,064)	(13,098)
Net defined benefit liability	<u>(47,379)</u>	<u>(74,901)</u>
Total changes in operating assets and liabilities	<u>6,266</u>	<u>115,785</u>
Total adjustments	<u>(358,354)</u>	<u>230,274</u>
Cash generated from operations	860,314	958,033
Interest received	31,551	44,373
Interest paid	(215,396)	(276,628)
Income tax paid	<u>(88,976)</u>	<u>(120,184)</u>
Net cash generated from operating activities	<u>587,493</u>	<u>605,594</u>

(Continued)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(101,149)	(105,012)
Proceeds from disposal of financial asset at fair value through other comprehensive income	69,426	125,308
The capital reduction on financial asset at fair value through other comprehensive income	15,551	22,402
Financial assets at amortized cost	(80,098)	62,120
Purchase of associates under the equity method	—	(80,930)
Proceeds from disposal of associates under the equity method	4,570	9,626
Acquisition of property, plant and equipment (including prepayments for equipment)	(2,955,053)	(534,641)
Proceeds from disposal of property, plant and equipment	7,632	9,366
Decrease in refundable deposits	15,952	24,120
Acquisition of intangible assets	(56)	(130)
Payments for right-of-use assets	(19,374)	(13,544)
Acquisition of investment properties	(52,242)	(3,838)
Proceeds from disposal of investment properties	1,000	—
Increase in other non-current assets	(82,845)	(155,854)
Dividend received	135,798	137,693
Other investing activities	14,498	(154,199)
Net cash used in investing activities	<u>(3,026,390)</u>	<u>(657,513)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	972,288	391,410
Decrease in short-term notes and bills payable	(299,811)	(4,995)
Issuance of bonds payable	1,000,000	—
Repayments of bonds payable	—	(200,000)
Proceeds from long-term bank loans	5,145,305	822,937
Repayment of long-term bank loans	(3,442,141)	(1,040,771)
Decrease in guarantee deposits	(12,286)	(7,244)
Repayment of principal of lease liabilities	(20,941)	(24,863)
Increase (decrease) in other noncurrent liabilities	(3,206)	2,875
Cash dividends	(176,117)	(169,364)
Increase in treasury stock	(54,141)	(22,339)
Proceeds from disposal of treasury shares	1,557	—
Treasury stock sold to employees	54,175	—
Decrease in non-controlling interests	(191,273)	(73,441)
Net cash generated (used) by financing activities	<u>2,973,409</u>	<u>(325,795)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(80,758)</u>	<u>(37,375)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	453,754	(415,089)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,452,870</u>	<u>2,867,959</u>
CASH AND CASH EQUIVALENTS, ENDING OF YEAR	<u>\$ 2,906,624</u>	<u>\$ 2,452,870</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements
(With Solomon & Co., audit report dated March 23, 2021)

TA YA ELECTRIC WIRE & CABLE CO., LTD. AND SUBSIDIARIES

Notes to Financial Statements

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Organization

TA YA ELECTRIC WIRE & CABLE CO., LTD. (the Company) was incorporated in November, 1962, mainly engages in the manufacturing and sale of electric wire & cable, and constructing, selling and renting of office and house buildings. The authorized capital was NTD 7,000,000 thousand, of which NTD 5,950,680 thousand was issued as of December 31, 2020. In December 1988, its shares were listed on Taiwan Stock Exchange (TSE).

2. The Authorization Of Financial Statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 11, 2021.

3. Application Of New And Revised International Financial Reporting Standards

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Group’s accounting policies:

Amendments to IAS 1 and IAS 8 “Definition of Material”

The Group adopted the amendments starting from January 1, 2020. The threshold for materiality influencing users has been changed to “whole would influence the judgment made by a reasonable user on financial statements.” Therefore, the disclosures in the consolidated financial report have been adjusted and immaterial information that may obscure material information has been deleted.

- b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021

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

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

New IFRSs	Effective Date Announced by IASB (Note)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022 (Note 4)

New IFRSs	Effective Date
Announced by IASB (Note)	
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

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

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

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

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

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

4. Summary Of Significant Accounting Policies

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 parent company only financial statements shall prevail.

Statement Of Compliance

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

Basis Of Preparation

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

The basis for the consolidated financial statements

The consolidated financial statements incorporate the financial statements of TA YA and entities controlled by TA YA (its subsidiaries). Significant intragroup transactions have been eliminated on consolidation.

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership		Additional Descriptions
			2021.12.31	2019.12.31	
TA YA	TA YA (CHINA) HOLDING LTD.	Investment holding	100.00%	100.00%	
TA YA	TA YA VENTURE HOLDINGS LTD.	Investment holding	100.00%	100.00%	
TA YA	TA YA (Vietnam) INVESTMENT HOLDING LTD.	Investment holding	100.00%	100.00%	
TA YA	TAYA ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Sales Agent	99.99%	99.99%	
TA YA and TA YI	PLASTIC TECHNOLOGY INVESTMENT HOLDING LTD.	Investment holding	59.13	59.13%	
TA YA	TA YA Innovation Investment Co., Ltd.	General investment	100.00%	100.00%	
TA YA And CUPRIME MATERIAL	TA YA VENTURE CAPITAL CO., LTD.	General investment	99.99%	99.99%	
TA YA	CUPRIME MATERIAL CO., LTD.	Manufacturing and marketing of wire and cable	54.01%	45.22%	Note 1

Investor	Investee	Main Business	% of Ownership		Additional Descriptions
			109.12.31	108.12.31	
TA YA	UNION STORAGE ENERGY SYSTEM LTD.	Other management consulting services	70.66%	50.70%	Note 2
TA YA	TA HO ENGINEERING, CO., LTD.	Cables Construction and consulting services	48.00%	48.00%	Note 3
TA YA and TA YA VENTURE CAPITAL	UNITED ELECTRIC INDUSTRY CO., LTD.	Manufacturing, processing and marketing of cable, wire and electromechanical	42.78%	42.78%	Note 3
TA YA and CUPRIME MATERIAL	TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Manufacturing, processing and marketing of electric wire	64.15%	64.15%	
TA YA and TA HENG	TA YI PLASTIC CO., LTD.	Manufacturing, processing and marketing of plastic	54.56%	51.90%	Note 4
CUPRIME MATERIAL	CUPRIME MATERIAL PTE. LTD.	General investment	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME VENTURE HOLDING CO., LTD.	General investment	100.00%	100.00%	
CUPRIME MATERIAL	CUPRIME INVESTMENT HOLDING COMPANY LIMITED	Investment holding	100.00%	100.00%	
CUPRIME MATERIAL	CUGREEN METAL TECH CO., LTD.	Processing of metal	96.48%	96.48%	
CUPRIME MATERIAL CUPRIME MATERIAL PTE. LTD.	CUPRIME ELECTRIC WIRE & CABLE (H.K.) CO., LTD.	Marketing of cable, wire and copper	100.00%	100.00%	
PLASTIC TECHNOLOGY INVESTMENT HOLDING	TA YI PLASTIC (H.K.) LTD.	Manufacturing and marketing of wire and cable	100.00%	100.00%	
TA YI PLASTIC (H.K.)	DONGGUAN HUI CHANG PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	
TA YI PLASTIC (H.K.)	DONGGUAN HUI JI PLASTIC CO., LTD	Manufacturing and marketing of plastic	100.00%	100.00%	
HUI CHANG	TA YI PLASTIC LTD.	Manufacturing and marketing of plastic	100.00%	100.00%	
TA YA (CHINA)	HENG YA ELECTRIC LTD.	Manufacturing and processing of cable and wire	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (KUNSHAN) LTD.	Manufacturing and processing of magnet wire	100.00%	100.00%	

Investor	Investee	Main Business	% of Ownership		Additional Descriptions
			10912.31	108.12.31	
HENG YA	TAYA ZHANGZHOU WIRES CABLE CO.,LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	
HENG YA	HENG YA ELECTRIC (DONGGUAN) LTD.	Manufacturing and marketing of magnet wire and triple Insulated wire	100.00%	100.00%	
TA YA VENTURE HOLDINGS	LUCKY MAX CAPITAL INVESTMENT LIMITE	Investment holding	100.00%	100.00%	
TA YA and TA YA VENTURE CAPITAL	TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Energy Technical Services	88.06%	75.00%	Note 5
TA YA GREEN ENERGY	BOSI SOLAR ENERGY CO., LTD.	Energy Technical Services	100.00%	100.00%	
TA YA GREEN ENERGY	DAIJU ELECTRIC CO., LTD.	Solar power business	100.00%	100.00%	
TA YA GREEN ENERGY	BRAVO SOLAR POWER CO.,LTD.	Solar power business	100.00%	100.00%	
TA YA GREEN ENERGY	SIN JHONG SOLAR POWER CO., LTD.	Solar power business	100.00%	100.00%	
TA YA (Vietnam) INVESTMENT HOLDING and COPRIME INVESTMENT HOLDING COMPANY LIMITED	TA YA VIETNAM (Cayman) HOLDINGS LTD.	Investment holding	100.00%	100.00%	
TA YA VIETNAM (Cayman) HOLDINGS	TA YA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	Building wire and cable	100.00%	80.00%	

Note 1 : In December 2020, the Group further invested 9,798 thousand shares in CUPRIME MATERIAL CO, LTD, which increased the shareholding ratio for the year ended December 31, 2020 in CUPRIME MATERIAL CO, LTD to 54.01%.

Note 2 : In September 2020, the Group further invested 930 thousand shares and in UNION STORAGE ENERGY SYSTEM LTD., which increased the shareholding ratio for the year ended December 31, 2020 in UNION STORAGE ENERGY SYSTEM LTD. to 70.66%.

Note 3 : Although the Group is less than 50 percent of the shares, it has control over the finance and business operation. Therefore, it is included in the consolidated financial report.

Note 4 : In December 2020, the Group purchase 202 thousand shares from other related parties in TA YI PLASTIC CO.LTD, which increased the shareholding ratio for the year ended December 31, 2020 in TA YI PLASTIC CO.LTD to 54.56%.

Note 5 : In September 2020 The Group purchase the shares, TA YA GREEN ENERGY CO, from associates. In January 2020 and October 2020, the Group further invested 15,000 thousand shares and 25,000 thousand shares separately in the subsidiary TA YA GREEN ENERGY CO. which increasing the shareholding ratio for the year ended December 31, 2020 in TA YA GREEN ENERGY CO. to 88.06%.

Subsidiaries not included in the consolidated financial statements: None.

Adjustments for subsidiaries with different balance sheet dates: None.

Significant restrictions: None.

Subsidiaries included in the consolidated financial statements were reviewed by auditors except for TAYA ELECTRIC WIRE & CABLE (H.K.).

Operating Cycle

The operating cycle of manufacturing and sale of electric wire & cable is generally shorter than one year, and the classification of current or non-current is based on one year; the operating cycle of constructing, selling and renting of office and house buildings is generally longer than one year, and the classification of current or non-current is based on the operating cycle.

Classification Of Current And Noncurrent Assets And Liabilities

Current assets are assets expected to be converted to cash within one year from the end of the reporting period. Current liabilities are obligations expected to be settled within one year from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

Cash Equivalent

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The time deposits which with original maturities of less than 3 months and are held for the purpose of meeting short-term cash commitments rather than for investment or other purpose are classified as cash equivalents.

Financial Instruments

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

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

a. The Group's Financial Assets

Measurement category

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, except derivative financial assets which are recognized and derecognized on settlement date basis.

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

1) Financial asset at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 35.

2) Financial assets at amortized cost

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

- (1) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

- (1) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and
- (2) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition or time deposits with original maturities within 3-12 months from the date of acquisition and the interest paid to deposits which are terminated before maturity are higher than demand deposits, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

3) Investments in debt instruments at FVTOCI

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

business combination.

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

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

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime Expected Credit Loss (i.e. ECL) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash inflow from the asset are terminated, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income are recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts.

b. Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized based on the proceeds received, net of direct issue costs.

Interest related to the financial liability is recognized in profit or loss under nonoperating income and expenses.

2) Financial liabilities at FVTPL

At initial recognition, financial liabilities in this category are measured at fair value. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value and changes therein, which take into account any interest expense, are recognized in profit or loss.

3) Other financial liabilities

Except for those held-for-trading or is designated at fair value through profit or loss, financial liabilities which comprise of short-term and long-term loans, and accounts and other payables, are measured at fair value, plus any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is

recognized in profit or loss.

4) Derecognition of financial liabilities

A financial liability is derecognized when the contractual obligation thereon has been discharged or cancelled or expires. The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis when the Group has legally enforceable rights to offset, and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

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

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

Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost at the end of the reporting period.

Investments Accounted For Using Equity Method

Investments accounted for using the equity method are investments in associates.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting other than those that meet the criteria to be classified as assets held for sale. Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. When the Group's share of losses exceeds its interest in associates, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent to that the Group has an obligation or has made payments on behalf of the investee.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Any unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate

Property, Plant And Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or

acquisition of the item of property, plant and equipment.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method over the following estimated useful lives: land improvements 8 years; buildings 10-55 years; machinery and equipment 8-12 years; transportation equipment 5 years; other 5-12 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

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

a. The Group as lessor

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

Under finance leases, the lease payments comprise fixed payments and variable lease payments which depend on an index or a rate. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

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

b. The Group as lessee

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

over the lease terms.

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

2020

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2021, that results in the revised

consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions, and therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payments in profit or loss in the period in which the events or conditions that trigger the concession occurs, and makes a corresponding adjustment to the lease liability.

Investment Properties

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

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

Intangible Assets

Separately acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized using the straight-line method. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

Impairment of Tangible Assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are

also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss.

When impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Retirement Benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculation.

For defined benefit retirement benefit plans, the cost of providing benefit is determined using the Projected Unit Credit Method, with actuarial calculations being carried out at year end. Actuarial gains and losses are reported in retained earnings in the period that they are recognized as other comprehensive income.

Treasury Stock

Treasury stock is stated at cost and shown as a deduction in shareholders' equity. When TA YA retires treasury stock, the treasury stock account is reduced and the common stock as well as the capital surplus - additional paid-in capital are reversed on a pro rata basis. When the book value of the treasury stock exceeds the sum of the par value and additional paid-in capital, the difference is charged

to capital surplus - treasury stock transactions and to retained earnings for any remaining amount. TA YA's stock held by its subsidiaries is treated as treasury stock and reclassified from investments accounted for using equity method to treasury stock. The gains resulted from disposal of the treasury stock held by subsidiaries and cash dividends received by subsidiaries from TA YA are recorded under capital surplus - treasury stock transactions.

Taxation

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

a. Current tax

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in consolidated financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to

allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

c. Current and deferred tax for the year

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

Foreign Currencies

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

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

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

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates in other countries or

currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

Provision

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Revenue Recognition

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

a. Sale of goods

Revenues from the sale of goods are recognized when the significant risks and rewards of ownership of the goods are transferred to the customers as follows: domestic sales - when products are move out of the Group's premises for delivery to customers; exports - when products are loaded onto vessels. Revenues are recognized because the earning process is accomplished and revenue is realized or realizable.

Revenues are measured at the fair value, which is the discounted present value of the price (net of commercial discounts and quantity discounts) agreed to by the Group with customers. But if the related receivable is due within one year, the difference between its present value and undiscounted amount is immaterial, and sales transactions are frequent, the fair value of receivables is equivalent to the nominal amount of cash to be received. Transaction price received is recognized as a contract liability until performance obligations are satisfied.

b. Construction contract revenue

As construction is in progress, the Group recognizes revenue from construction contract over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs or the units produced and installed relative to estimated total units under the contract as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the milestone payments exceed the revenue recognized to date, then the Group recognizes a contract liability for the difference. Certain amount retained by the customer as specified in the contract is intended to ensure that the Group adequately complete all contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies performance obligations.

c. Revenue from the rendering of services

Revenue should be recognized over time by measuring the progress toward complete satisfaction of the performance obligation.

Earnings Per Share

Earnings per share of common stock are calculated based on the weighted-average number of shares outstanding during the period. The increased shares from the capitalization of retained earnings and capital surplus are calculated retroactively.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. Critical Accounting Judgments And Key Sources Of Estimation And Uncertainty

In the application of the Group's accounting policies, which are described in Note 4., the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the parent company only financial statements.

a. Impairment of financial assets

The Group always recognizes lifetime Expected Credit Loss (ECL) on accounts receivable. On all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

b. Valuation of financial instrument

The Group's management uses its judgment in selecting an appropriate valuation technique for financial instruments that do not have quoted market price in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions were based on quoted market rates adjusted for specific features of the instruments. Debt instruments were valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of listed equity instruments traded in emerging market and unlisted equity instruments was based on the analysis in relation to the financial position and the operation results of investees, recent transaction prices, prices of same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, valuation multiples of comparable entities, including assumptions based on unobservable market prices or rates.

c. Bonus to employees and directors' and supervisors' remuneration

After taking into consideration income tax rate and the legal reserve and other factors, the Company accrued the bonus payable to employees and the remuneration payable to directors and supervisors at the end date of reporting period in accordance with the required percentage prescribed in the Articles of Association and based on the estimated full-year pre-tax profit.

d. Realization of deferred income tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Group's subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

e. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Please refer to Note 11.

As the net realizable value of inventories on balance sheet date is assessed to be lower than cost, the Group writes down the cost of inventories to the net realizable value.

Therefore, there might be material changes to the evaluation.

f. Calculation of net defined benefit liabilities

When calculating the present value of defined pension obligations, the Group must apply judgments and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and return on plan assets. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations. Please refer to Note 22.

6. Cash And Cash Equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Petty cash	\$ 7,122	\$ 7,157
Cash in bank		
Checking accounts	604,567	394,568
Demand deposits	1,679,742	1,171,625
Foreign currency-demand deposits	289,205	324,017
Time deposits	325,988	555,503
Sub-total	<u>2,899,502</u>	<u>2,445,713</u>
Total	<u>\$ 2,906,624</u>	<u>\$ 2,452,870</u>

7. Financial Assets And Liabilities At Fair Value Through Profit Or Loss

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financial assets at FVTPL - current		
Listed stocks	\$ 274,817	\$ 248,591
Non-listed stocks	8,000	8,000
Metal options	—	3,310
Metal commodities futures contract	—	193
Foreign exchange forward contract	192	—
	<u>283,009</u>	<u>260,094</u>
Valuation adjustment	307,335	161,229
	<u>\$ 590,344</u>	<u>\$ 421,323</u>
Financial assets at FVTPL - noncurrent		
Listed stock and emerging market stocks	\$ 231,904	\$ 46,579
Non-listed stocks	1,192,117	1,148,994
Metal options	—	460
Metal commodities futures contract	372,034	1,306
	<u>1,796,055</u>	<u>1,197,339</u>
Valuation adjustment	436,613	300,651
	<u>\$ 2,232,668</u>	<u>\$ 1,497,990</u>
	<u>December 31,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>
Financial liabilities at FVTPL - current		
Metal commodities futures contract	\$ 121,473	\$ 31,343
Foreign exchange forward contract	6,280	4,037
	<u>\$ 127,753</u>	<u>\$ 35,380</u>

- a. At the end of the reporting period, outstanding metal commodities futures contract not under hedge accounting were as follows:

	<u>Metric Tons</u>	<u>Maturity Date</u>	<u>Contract Amount</u>	<u>Fair Value</u>	<u>Gain (Loss) on Evaluate</u>
<u>December 31, 2020</u>					
Buy	5,400	2021.02~2023.06	USD 28,779	USD 41,819	USD 13,040
Sell	7,600	2021.01~2021.03	USD 54,750	USD 58,993	(USD 4,243)
<u>December 31, 2019</u>					
Buy	225	2020.01~2021.07	USD 1,345	USD 1,395	USD 50
Sell	8,300	2020.01~2021.04	USD 50,190	USD 51,232	(USD 1,042)

- b. At the end of the reporting period, outstanding metal options not under hedge accounting were as follows:

	<u>Metric Tons</u>	<u>Maturity Date</u>	<u>National Amounts</u>	<u>Fair Value</u>
<u>December 31, 2019</u>				
Sell	1,200	2020.01-2021.01	USD 6,600	(USD 125)

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amounts (Thousand)</u>
<u>December 31, 2020</u>			
Buy	NTD/USD	2021.06	NTD 288,583/USD 10,132
<u>December 31, 2019</u>			
Buy	CNY/USD	2020.02	CNY 35,186/USD 5,000
Buy	NTD/USD	2020.03	NTD 185,799/USD 6,100

- d. The Group's strategy for metal commodities futures 、metal options 、foreign exchange forward contracts was to hedge exposures to fluctuations of metal prices. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8. Financial Assets At Fair Value Through Other Comprehensive Income

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financial assets at fair value through other comprehensive income — current		
Listed stocks	\$ 15,707	\$ 4,783
Valuation adjustment	10,358	565
	<u>\$ 26,065</u>	<u>\$ 5,348</u>
Financial assets at fair value through other comprehensive income — non-current		
Listed stock and emerging market stocks	\$ 141,544	\$ 20,781
Non-listed stock and emerging market stocks	676,745	769,591
	818,289	790,372
Valuation adjustment	101,817	47,206
	<u>\$ 920,106</u>	<u>\$ 837,578</u>

9. Financial Assets at amortized cost

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Time deposits with original maturities of more than 3 months	\$ 333,031	\$ 252,933

10. Notes And Accounts Receivable, Net

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes and accounts receivable	\$ 3,678,723	\$ 3,091,613
Allowance for impairment loss	(73,304)	(50,503)
Notes and accounts receivable, net	<u>\$ 3,605,419</u>	<u>\$ 3,041,110</u>

The average credit period on the sale of goods was approximately 30~90 days, and no interest was charged on trade receivables. The determination of the collectability of account receivables and note receivable requires the Group to make judgments on any change of credit quality from the beginning to the end of the credit term.

Before taking new customers, the Group assesses the customers of credit quality and set their line of credit by Credit Management Method. The management evaluates and confers the line of credit after the Group executes Credit Rating.

The Group applies the simplified approach to estimate expected credit losses prescribed by IFRS9, which permits the use of a lifetime expected losses allowance for all trade receivables. To set the expected credit losses rate, the Group are estimated by reference to past default experience of the

debtor, the current financial position of the debtor, and the forecast direction of the future economic conditions

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

a. The aging of receivables that were past due but not impaired was as follows:

December 31, 2020	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	2%~10%	10%~35%	35%~100%	100%	
Gross carrying amount	\$ 3,362,699	\$ 247,527	\$ 45,510	\$ 6,607	\$ 16,380	\$ 3,678,723
Loss allowance (Lifetime ECL)	(23,726)	(18,597)	(12,165)	(2,436)	(16,380)	(73,304)
Amortized cost	<u>\$ 3,338,973</u>	<u>\$ 228,930</u>	<u>\$ 33,345</u>	<u>\$ 4,171</u>	<u>\$ —</u>	<u>\$ 3,605,419</u>

December 31, 2019	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~1%	0%~2%	10%~12%	25%~100%	100%	
Gross carrying amount	\$ 2,642,145	\$ 367,715	\$ 55,577	\$ 6,733	\$ 19,443	\$ 3,091,613
Loss allowance (Lifetime ECL)	(16,341)	(7,134)	(5,734)	(1,851)	(19,443)	(50,503)
Amortized cost	<u>\$ 2,625,804</u>	<u>\$ 360,581</u>	<u>\$ 49,843</u>	<u>\$ 4,882</u>	<u>\$ —</u>	<u>\$ 3,041,110</u>

b. The movement of the loss allowance of trade receivables was as follows:

	Years Ended December 31	
	2020	2019
Balance at January 1	\$ 50,503	\$ 58,389
Net measurement of loss allowance	23,085	4,417
Amounts written off	(2,275)	(11,338)
Effect of exchange rate changes	1,991	(965)
Balance at December 31	<u>\$ 73,304</u>	<u>\$ 50,503</u>

11. Inventories, Net

a. Manufacturing

	December 31, 2020	December 31, 2019
Raw materials	\$ 471,986	\$ 969,237
Supplies	29,378	37,586
Work-in-process	578,921	569,810
Semi-finished goods	11,477	6,482
Finished goods	1,776,947	1,608,650
Merchandise	79,586	108,553
Inventory in transit	25,878	179,934
Total	2,974,173	3,480,252
Less: Allowance for inventory valuation losses	(38,434)	(50,276)
	<u>\$ 2,935,739</u>	<u>\$ 3,429,976</u>

b. Construction

	December 31, 2020	December 31, 2019
Land held for sale	\$ 71,880	\$ 83,369
Buildings held for sale	—	16,013
	<u>71,880</u>	<u>99,382</u>
Building and land in progress	69,062	7,000
Construction in progress	84,428	38,875
	<u>153,490</u>	<u>45,875</u>
	225,370	145,257
Less: Allowance for loss on decline in market value and obsolescence	—	—
	<u>\$ 225,370</u>	<u>\$ 145,257</u>

c. Expense and losses incurred on inventories recognized for the period :

	Years Ended December 31	
	2020	2019
Cost of goods sold	\$ 16,708,471	\$ 16,856,621
Loss (gain) on physical inventory	3,179	2,898
(Reversal gain of) Write-down of inventories	(11,842)	(11,988)
	<u>\$ 16,699,808</u>	<u>\$ 16,847,531</u>

12. Investments Accounted For Using Equity Method

a. Investments in associates

Associates consisted of the following :

Name of Associates	Carrying Amount		% of ownership and Voting Rights Held by the Group	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Ad Engineering Corporation	\$ 102,718	\$ 86,126	27.00	27.00
Jung Shing Wire Co., Ltd.	440,167	418,355	22.13	22.13
Teco(Vietnam) Eletric & Machinery Co.,Ltd.	69,741	87,225	20.00	21.10
Otto2 Holdings Corporation	22,039	22,193	27.27	27.27
Huizhou Boluo Huxing Flame-Retardant Materials Co.,Ltd	30,815	26,797	33.00	33.00
AMIT system service Ltd.	718	2,444	19.61	19.61
Hengs Technology Co., Ltd.	203,303	137,899	22.58	22.86
Tenart Biotech Limited	14,723	15,293	25.41	25.41
	<u>\$ 884,224</u>	<u>\$ 796,332</u>		

The summarized financial information in respect of the Group's associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with the Accounting Standards Used in Preparation of the Parent Company Only Financial Statements, which is also adjusted by the Group using the equity method of accounting.

	December 31, 2020	December 31, 2019
Total assets	\$ 7,819,657	\$ 6,172,858
Total liabilities	(3,944,514)	(2,776,378)
Net assets	<u>\$ 3,875,143</u>	<u>\$ 3,396,480</u>

	Years Ended December 31	
	2020	2019
Net revenue	<u>\$ 7,545,026</u>	<u>\$ 4,451,718</u>
Net income	<u>\$ 439,135</u>	<u>\$ 369,185</u>
The Group's share of profits of associates	<u>\$ 128,511</u>	<u>\$ 39,810</u>

The investments accounted for by using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2020 and 2019 were based on the associates' audited financial statements for the same years then ended except Huizhou Boluo Huxing Flame-Retardant Materials Co.,Ltd and Otto2 Holdings Corporation.

- (1). The Group participated in the capital increase of Hengs Technology Co., Ltd. by cash in Q2 2019 and the investment amounted to 4,665 thousand shares. Therefore, the Group's ownership interest in Hengs Technology Co., Ltd. increased to 22.58% after having disposed 573 thousand shares、90 thousand shares and 50 thousand shares in Q3 2019、Q1 2020 and Q2 2020.
- (2). The Group investments Jung Shing Wire Co., Ltd. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

	December 31, 2020	December 31, 2019
Fair value	\$ 472,446	\$ 393,210

- (3). The carrying amounts of investments accounted for using equity method pledged as collateral for bank loans were disclosed in Note 37.

13. Property, Plant And Equipment

Cost	Year Ended December 31, 2020					
	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Land and land improvements	\$ 1,768,650	\$ —	\$ —	\$ 5,000	\$ —	\$ 1,773,650
Buildings	2,013,827	14,492	(1,913)	2,061	(13,909)	2,014,558
Machinery and equipment	6,222,423	13,581	(82,827)	104,188	(29,302)	6,228,063
Transportation equipment	138,473	5,632	(5,877)	2,250	(1,306)	139,172
Miscellaneous equipment	1,527,016	33,674	(26,847)	26,145	(3,492)	1,556,496
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	173,780	2,704,880	—	102,004	12	2,980,676
	<u>\$ 11,846,130</u>	<u>\$ 2,772,259</u>	<u>\$ (117,464)</u>	<u>\$ 241,648</u>	<u>\$ (47,997)</u>	<u>\$ 14,694,576</u>

Accumulated depreciation and impairment	Year Ended December 31, 2020					
	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Land and land improvements	\$ 14,328	\$ 2,651	\$ —	\$ —	\$ —	\$ 16,979
Buildings	1,338,255	59,636	(1,899)	(1,276)	(8,108)	1,386,608
Machinery and equipment	4,234,408	205,605	(79,493)	(27,349)	(29,694)	4,303,477
Transportation equipment	107,195	8,487	(5,548)	(570)	(1,023)	108,541
Miscellaneous equipment	1,328,670	51,309	(26,244)	(16,692)	(3,562)	1,333,481
Leasehold improvements	1,503	241	—	—	—	1,744
	<u>\$ 7,024,359</u>	<u>\$ 327,929</u>	<u>\$ (113,184)</u>	<u>\$ (45,887)</u>	<u>\$ (42,287)</u>	<u>\$ 7,150,830</u>

Year Ended December 31, 2019

Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Land and land improvements	\$ 1,768,650	\$ —	\$ —	\$ —	\$ —	\$ 1,768,650
Buildings	2,018,244	3,383	(7,361)	14,925	(15,364)	2,013,827
Machinery and equipment	6,039,638	28,126	(110,928)	291,997	(26,410)	6,222,423
Transportation equipment	137,944	3,185	(5,276)	3,733	(1,113)	138,473
Miscellaneous equipment	1,494,307	29,310	(22,952)	34,033	(7,682)	1,527,016
Leasehold improvements	1,961	—	—	—	—	1,961
Construction in progress and equipment awaiting inspection	120,251	249,748	(70)	(195,801)	(348)	173,780
	<u>\$ 11,580,995</u>	<u>\$ 313,752</u>	<u>\$ (146,587)</u>	<u>\$ 148,887</u>	<u>\$ (50,917)</u>	<u>\$ 11,846,130</u>

Year Ended December 31, 2019

Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Land and land improvements	\$ 11,677	\$ 2,651	\$ —	\$ —	\$ —	\$ 14,328
Buildings	1,290,600	57,497	(1,843)	—	(7,999)	1,338,255
Machinery and equipment	4,116,243	244,197	(107,978)	—	(18,054)	4,234,408
Transportation equipment	104,562	8,114	(5,013)	—	(468)	107,195
Miscellaneous equipment	1,298,353	59,996	(22,678)	—	(7,001)	1,328,670
Leasehold improvements	1,120	383	—	—	—	1,503
	<u>\$ 6,822,555</u>	<u>\$ 372,838</u>	<u>\$ (137,512)</u>	<u>\$ —</u>	<u>\$ (33,522)</u>	<u>\$ 7,024,359</u>

The carrying amounts of property, plant and equipment pledged as collateral for bank loans were disclosed in Note 37.

14. Lease Arrangements

a. Right-of-use Assets

Year Ended December 31, 2020

Cost	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ 258,599	\$ 19,374	\$ —	\$ (9,473)	\$ 268,500
Buildings	2,798	2,951	(2,016)	(135)	3,598
Transportation equipment	31,500	1,770	(1,621)	—	31,649
Miscellaneous equipment	198,424	29,992	—	—	228,416
	<u>\$ 491,321</u>	<u>\$ 54,087</u>	<u>\$ (3,637)</u>	<u>\$ (9,608)</u>	<u>\$ 532,163</u>

Year Ended December 31, 2020					
Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ 3,452	\$ 3,407	\$ —	\$ (163)	\$ 6,696
Buildings	1,439	1,403	(2,015)	(42)	785
Transportation equipment	9,073	9,272	(1,622)	—	16,723
Miscellaneous equipment	9,807	10,718	—	—	20,525
	<u>\$ 23,771</u>	<u>\$ 24,800</u>	<u>\$ (3,637)</u>	<u>\$ (205)</u>	<u>\$ 44,729</u>

Year Ended December 31, 2019					
Cost	Balance, Beginning of Year	Initial Application of IFRS 16	Additions	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ —	\$ 250,063	\$ 13,544	\$ (5,008)	\$ 258,599
Buildings	—	2,749	81	(32)	2,798
Transportation equipment	—	28,081	3,419	—	31,500
Miscellaneous equipment	—	161,864	36,560	—	198,424
	<u>\$ —</u>	<u>\$ 442,757</u>	<u>\$ 53,604</u>	<u>\$ (5,040)</u>	<u>\$ 491,321</u>

Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Effect of Exchange Rate Changes	Balance, End of Year
Land	\$ —	\$ 3,541	\$ —	\$ (89)	\$ 3,452
Buildings	—	1,467	—	(28)	1,439
Transportation equipment	—	9,073	—	—	9,073
Miscellaneous equipment	—	9,807	—	—	9,807
	<u>\$ —</u>	<u>\$ 23,888</u>	<u>\$ —</u>	<u>\$ (117)</u>	<u>\$ 23,771</u>

b. Lease liabilities

	December 31, 2020	December 31, 2019
Carrying amounts		
Current	<u>\$ 19,302</u>	<u>\$ 19,293</u>
Non-current	<u>\$ 242,796</u>	<u>\$ 231,034</u>

Range of discount rate for lease liabilities is as follows:

	December 31, 2020	December 31, 2019
Land	1.32%~9.80%	1.32%~9.80%
Buildings	1.55%~3.70%	1.55%~3.70%
Transportation equipment	1.38%~3.54%	1.38%~3.54%
Miscellaneous equipment	1.97%~3.54%	1.99%~2.19%

c. Other lease information

	December 31, 2020	December 31, 2020
Expenses relating to short-term leases	\$ 7,921	\$ 7,936
Expenses relating to low-value asset leases	\$ 17	\$ 14
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 3,638	\$ 2,891
Total cash outflow for leases	\$ (40,725)	\$ (35,704)

15. Investment Property

Year Ended December 31, 2020				
Cost	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Land	\$ 919,784	\$ 18,872	\$ (699)	\$ 937,957
Buildings and improvements	246,601	33,370	—	279,971
	<u>\$ 1,166,385</u>	<u>\$ 52,242</u>	<u>\$ (699)</u>	<u>\$ 1,217,928</u>

Year Ended December 31, 2020				
Accumulated depreciation	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Land	\$ —	\$ —	\$ —	\$ —
Buildings and improvements	61,948	5,574	—	67,522
	<u>\$ 61,948</u>	<u>\$ 5,574</u>	<u>\$ —</u>	<u>\$ 67,522</u>

Year Ended December 31, 2019				
Cost	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Land	\$ 920,251	\$ —	\$ (467)	\$ 919,784
Buildings and improvements	241,835	3,838	928	246,601
	<u>\$ 1,162,086</u>	<u>\$ 3,838</u>	<u>\$ 461</u>	<u>\$ 1,166,385</u>

Year Ended December 31, 2019				
Accumulated depreciation	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Land	\$ —	\$ —	\$ —	\$ —
Buildings and improvements	55,921	5,566	461	61,948
	<u>\$ 55,921</u>	<u>\$ 5,566</u>	<u>\$ 461</u>	<u>\$ 61,948</u>

The fair value of the Group's investment properties was arrived at on the basis of valuation carried out on March 20 and December 31, 2019 by independent appraisers, who are not related parties. Lands were valued under market approach and income approach, while buildings were valued under cost approach. The important assumptions and fair value were as follows :

	December 31, 2020	December 31, 2019
Fair value	<u>\$ 1,359,052</u>	<u>\$ 1,332,684</u>

The carrying amounts of investment property pledged as collateral for bank loans were disclosed in Note 37.

16. Intangible Assets

	Year Ended December 31, 2020					
	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Cost						
Computer Software	\$ 493	\$ 56	\$ (122)	\$ —	\$ —	\$ 427
Patents and other intangible assets	3,504	—	(2,000)	—	(66)	1,438
	\$ 3,997	\$ 56	\$ (2,122)	\$ —	\$ (66)	\$ 1,865

Year Ended December 31, 2020						
Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 220	\$ 228	\$ (122)	\$ —	\$ —	\$ 326
Patents and other intangible assets	3,087	180	(2,000)	—	(53)	1,214
	<u>\$ 3,307</u>	<u>\$ 408</u>	<u>\$ (2,122)</u>	<u>\$ —</u>	<u>\$ (53)</u>	<u>\$ 1,540</u>

Year Ended December 31, 2019						
Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 588	\$ 54	\$ (149)	\$ —	\$ —	\$ 493
Patents and other intangible assets	3,829	76	(381)	—	(20)	3,504
	<u>\$ 4,417</u>	<u>\$ 130</u>	<u>\$ (530)</u>	<u>\$ —</u>	<u>\$ (20)</u>	<u>\$ 3,997</u>

Year Ended December 31, 2020						
Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Disposals	Reclassification	Effect of Exchange Rate Changes	Balance, End of Year
Computer Software	\$ 178	\$ 191	\$ (149)	\$ —	\$ —	\$ 220
Patents and other intangible assets	3,226	258	(381)	—	(16)	3,087
	<u>\$ 3,404</u>	<u>\$ 449</u>	<u>\$ (530)</u>	<u>\$ —</u>	<u>\$ (16)</u>	<u>\$ 3,307</u>

17. Short-Term Loans

	December 31, 2020	Annual interest rate	Maturity date
Usance L/C loans	\$ 1,033,533	0.84%~1.12%	2021.01~2021.06
Mortgage loans	1,199,485	0.95%~5.90%	2021.01~2021.12
Unsecured loans	2,289,688	0.66%~5.80%	2021.01~2021.12
	<u>\$ 4,522,706</u>		

	December 31, 2019	Annual interest rate	Maturity date
Usance L/C loans	\$ 935,609	1.20%~4.56%	2020.01~2020.12
Mortgage loans	962,869	1.09%~5.80%	2020.01~2020.12
Unsecured loans	1,651,940	0.84%~5.90%	2020.01~2020.11
	<u>\$ 3,550,418</u>		

The carrying amounts of short-term loans pledged as collateral for bank loans were disclosed in Note 37.

18. Commercial Papers

	December 31, 2020	December 31, 2019
Commercial Papers	\$ 455,000	\$ 755,000
Less : Discount on commercial papers	(70)	(259)
	<u>\$ 454,930</u>	<u>\$ 754,741</u>
Interest rate range	1.09%~1.71%	1.35%~1.43%
Maturity date	2021.01~2021.03	2020.01~2020.03

19. Bonds Payable

	December 31, 2020	December 31, 2019
The first domestic secured corporate bonds in 2018	\$ 500,000	\$ 500,000
The first domestic secured corporate bonds in 2020	1,000,000	—
Less : current portion	—	—
	<u>\$ 1,500,000</u>	<u>\$ 500,000</u>

Related issuance conditions were as follows:

Category	Period	Conditions	Rate(%)
The first domestic secured corporate bonds in 2018	2018.09.25~ 2023.09.25	Principal repayable on due date ; interest payable annually	0.97
The first domestic secured corporate bonds in 2020	2020.12.02~ 2025.12.02	Principal repayable in five equal payments in 2023~2026 ; interest payable semiannually	0.61

20. Long-Term Loans

	December 31, 2020	Annual interest rate	Maturity date
Mortgage loans	\$ 5,286,715	2.11%	2022.10
Unsecured loans	1,762,927	1.19%~1.77%	2021.01~2038.06
Less: Current portion	(1,157,986)		
	<u>\$ 5,891,656</u>		
	December 31, 2019	Annual interest rate	Maturity date
Mortgage loans	\$ 3,250,847	1.44%~2.05%	2021.01~2038.06
Unsecured loans	2,146,445	1.44%~2.05%	2021.10~2038.06
Less: Current portion	(2,085,487)		
	<u>\$ 3,311,805</u>		

On April 22 2020, Sub-subsidiary company, SIN JHONG SOLAR POWER CO LTD., entered into a syndicated loan with group of financial institutions, to construct solar power plant in Tainan and repay bank loans.

The major content as follows:

1.The credit line was divided into part A and B, which amounted to \$3 billion and \$3.2 billion, respectively; and the total line of credit amounted to 3.2 billion.

2.Credit period

Part A will be repaid 30 months from the signing date.

Part B will be repaid 5 years from the first implement date, only if conform to the agreement can be extendable.

3.Collateral:

A. Pledge stocks: All the SIN JHONG SOLAR POWER CO LTD., shares have been pledged before the first application.

B. Movables: Consolidated company will sign Mortgage Setting Contract for maximum movables what mortgage the solar power plant that will be constructed and reached maximum mortgage setting condition. As well as setting first priority.

C. Real estate: Consolidated company will sign Mortgage Setting Contract for buildings improvement what mortgage the booster station of solar power plant and set first priority.

4. Under the agreement SIN JHONG CO., LTD. should maintain certain multiples of Interest Protection on every half fiscal year during the tenors of the loans. The computations are done based on the audited financial report and semiannual financial report before audited.

The carrying amounts of long-term loans pledged as collateral for bank loans were disclosed in Note 37.

21. Provisions

Year Ended December 31, 2020	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 120,778	\$ 20,804	\$ 141,582
Recognized	260	556	816
Paid	(6,557)	—	(6,557)
Balance, End of Year	<u>\$ 114,481</u>	<u>\$ 21,360</u>	<u>\$ 135,841</u>

Year Ended December 31, 2019	Warranty	Decommissioning liability	Total
Balance, Beginning of Year	\$ 115,005	\$ 17,254	\$ 132,259
Recognized	12,626	3,550	16,176
Paid	(6,853)	—	(6,853)
Balance, End of Year	<u>\$ 120,778</u>	<u>\$ 20,804</u>	<u>\$ 141,582</u>

	December 31, 2020	December 31, 2019
Current	<u>\$ 100,000</u>	<u>\$ 102,281</u>
Non-current	<u>\$ 35,841</u>	<u>\$ 39,301</u>

- a. Warranty was based on historical experience, management's judgments and other known reasons for possible returns and rebates. The provision was recognized as a reduction of operating income in the periods the related goods were sold.
- b. The decommissioning liability means that the solar power plants of the Group's subsidiaries have a legal decommissioning obligation when it reaches the operational life in the future and is approved for decommissioning by the competent authority. According to the requirements of International Accounting Standards No. 37 "Provisions, Contingent Liabilities and Contingent Assets", the Group estimates the decommissioning costs at that time and discounts the cost amount at the effective interest rate as the carrying amount of the recognized decommissioning

liabilities. Capitalize the cost of decommissioning and increase the carrying amount of property, plant and equipment. The Group recognizes annually the increase in decommissioning liabilities due to discounts over time, and also recognizes interest expenses. The Group reviews changes in decommissioning obligations at the end of each reporting period and adjusts to reflect the best estimates.

22. Retirement Benefit Plans

a. Defined contribution plans

TA YA Company and its subsidiaries in the R.O.C adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The foreign subsidiaries are also required to contribute a specified percentage of payroll costs. Accordingly, the Group recognized expenses of NT\$23,016 thousand and NT\$21,651 thousand for the years ended December 31, 2020 and 2019, respectively.

b. Defined benefit plans

(a) TA YA ELECTRIC WIRE & CABLE CO., LTD., CUPRIME MATERIAL CO., LTD., TA HENG ELECTRIC WIRE & CABLE CO., and LTD., TA HO ENGINEERING, CO., LTD. have defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Group contributes an amount equal to a certain percentage of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Group assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Group does not have any right to intervene in the investments of the Funds. The amounts arising from the defined benefit obligation of the Group in the parent company only balance sheets were as follows :

	December 31, 2020	December 31, 2019
Present value of funded defined benefit obligation	\$ (553,054)	\$ (539,133)
Fair value of plan assets	531,956	476,653
Net defined benefit liability	<u>\$ (21,098)</u>	<u>\$ (62,480)</u>
Net defined benefit liability	\$ (27,325)	\$ (66,743)
Net defined benefit asset	<u>\$ 6,227</u>	<u>\$ 4,263</u>

(b) Movement in the present value of the defined benefit obligation were as follows :

	Years Ended December 31	
	2020	2019
Balance, beginning of year	\$ 539,133	\$ 537,692
Current service cost	8,362	8,380
Interest cost	3,562	3,999
Remeasurement on the net defined benefit liability :		
Actuarial loss arising from experience adjustments	5,281	6,002
Actuarial gain from changes in demographic assumptions	1,766	(5)
Actuarial loss arising from changes in financial assumptions	12,675	4,060
Benefits paid	(17,725)	(20,995)
Balance, end of year	<u>\$ 553,054</u>	<u>\$ 539,133</u>

(c) Movements in the fair value of the plan assets were as follows :

	Years Ended December 31	
	2020	2019
Balance, beginning of year	\$ 476,653	\$ 392,878
Interest income	3,244	3,000
Remeasurement :		
Return on plan assets (excluding amounts included in net interest expense)	13,725	13,226
Contributions from the employer	56,059	88,544
Benefits paid	(17,725)	(20,995)
Balance, end of year	<u>\$ 531,956</u>	<u>\$ 476,653</u>

(d) Amounts of expenses recognized in comprehensive income statements are as follows :

	Years Ended December 31	
	2020	2019
Current service cost	\$ 8,362	\$ 8,380
Net interest cost	318	1,000
Recognized in profit or loss	8,680	9,380
Remeasurement :		
Return on plan assets (excluding amounts included in net interest expense)	(13,725)	(13,226)
Actuarial loss arising from experience adjustments	5,281	6,002
Actuarial gain from changes in demographic assumptions	1,766	(5)
Actuarial loss arising from changes in financial assumptions	12,675	4,060
Recognized in other comprehensive income	5,997	(3,169)
Total	\$ 14,677	\$ 6,211

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

	Years Ended December 31	
	2020	2019
Operating costs	\$ 3,244	\$ 4,842
Research and development expenses	1,498	388
General and administrative expenses	3,561	3,282
Selling and marketing expenses	377	868
Total	\$ 8,680	\$ 9,380

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

	December 31	
	2020	2019
Discount rate	0.25%~0.35%	0.65%~0.95%
Future salary increase rate	0.17%~1.50%	0.80%~1.25%

Through the defined benefit plans under the R.O.C. Labor Standards Law, the Group is exposed to the following risks:

(g) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.

(h) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

Assuming a hypothetical decrease in interest rate at the end of the reporting period contributed to a decrease of 0.25% in the discount rate and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$10,883 thousand and NT\$11,580 thousand as of December 31, 2020 and 2019, respectively.

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

Assuming the expected salary rate increases by 0.25% at the end of the reporting period and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$10,787 thousand and NT\$11,521 thousand as of December 31, 2020 and 2019, respectively.

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability.

The Group expects to make contributions of NT\$31,480 thousand to the defined benefit plans in the next year starting from December 31, 2020.

23. Equity

a. Capital stock

- (1) As of December 31, 2020 and 2019, the Group's authorized capital was NT\$7,000,000 thousand and the paid-in capital was NT\$5,950,680 thousand, consisting of 595,068,022 shares of ordinary stock with a par value of NT\$10 per share.
- (2) The Company's shareholders resolved to distribute share dividends of \$228,872 thousand in June 12, 2019, which were approved by the FSC. The subscription base date were August , 2020 as determined by the board of directors.

b. Capital surplus

In accordance with the Company Act, realized capital reserves can only be reclassified as share or be distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains.

ROC SEC regulations also stipulate that a capital increase by transferring paid-in capital in excess of par value can be done only once a year and only in years other than the year in which such excess arose. The amount of such capitalization depends on the Group's operating results and is limited to a certain ratio of paid-in capital in excess of par value in relation to issued capital.

c. Retained earnings and dividend policy

The Company's articles of incorporation provide that annual earnings are to be appropriated as follows:

- (a) Payment of tax;
- (b) Offset accumulated deficits, if any;
- (c) Of the remaining balance, if any, 10% is to be set aside as legal reserve.
- (d) 20% to 90% as appropriate dividends to stockholders; cash dividend should not lower than 10% of such dividends.

The bonus to employees and remuneration to directors and supervisors, representing at least 1% and at most 3% of net income (net of bonus and remuneration) less accumulated deficit, 10% legal reserve and special reserve, respectively, were recognized for the years ended. The amounts were estimated based on past experience. Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the

differences are recorded in the year of stockholders' resolution as a change in accounting estimate. Information on the earnings appropriation and the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

The appropriation for legal capital reserve shall be made until the reserve equals the Group's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Group incurs no loss.

Pursuant to existing regulations, the Group is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The Company appropriates or reverses their special reserve in accordance with Order No. 1010012865, Order No. 1010047490 and Order No. 1030006415 issued by the FSC and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs".

The appropriations of earnings for 2019 and 2018 had been approved in the stockholders' meetings on June 11, 2020 and June 12, 2019, respectively. The appropriations and dividends per share were as follows :

	Appropriation of Earnings		Dividends Per Share(NT\$)	
	For Fiscal Year 2019	For Fiscal Year 2018	For Fiscal Year 2019	For Fiscal Year 2018
Legal capital reserve	\$ 50,504	\$ 40,499		
Cash dividends	178,521	171,654	0.30	0.30
Share dividends	—	228,872	—	0.40
	<u>\$ 229,025</u>	<u>\$ 441,025</u>		

Refer to Note 29 for the policies on the distribution of employees' compensation and remuneration of directors and supervisors.

d. Others

1) Foreign currency translation reserve

	For the Year Ended December 31	
	2020	2019
Balance, beginning of year	\$ (183,063)	\$ (138,115)
Exchange differences arising on translation foreign operations	(39,771)	(26,561)
Share of other comprehensive income (loss) of associates	(901)	(26,553)
Income tax effect	9,711	8,166
Balance, end of year	<u>\$ (214,024)</u>	<u>\$ (183,063)</u>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	For the Year Ended December 31	
	2020	2019
Beginning balance	\$ 36,775	\$ 20,508
Unrealized loss on financial assets at fair through other comprehensive income	70,563	23,801
Disposal of investments in equity instruments at fair value through other comprehensive income	(19,545)	(8,462)
Share of other comprehensive income of accounted for using the equity method	(125)	771
Income tax effect	690	157
Balance, end of year	<u>\$ 88,358</u>	<u>\$ 36,775</u>

Unrealized gain (loss) on financial assets at FVTOCI represents the cumulative gains or losses arising from the fair value measurement on financial assets at FVTOCI that are recognized in other comprehensive income. The cumulative gain or loss will not be reclassified as profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

e. Non-controlling interests

	For the Year Ended December 31	
	2020	2019
Beginning balance	\$ 1,298,386	\$ 1,303,901
Profit for the year	183,675	79,797
Exchange differences on translation of foreign financial statements	(34,646)	(10,869)
Unrealized losses on investments in equity instruments measured at fair value through other comprehensive income	14,734	2,149
Remeasurement of defined benefit plans	(3,024)	1,300
Treasury stock- sales of parent company stock held by subsidiaries	—	(12,237)
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	97,100	—
Changes in ownership interests in subsidiaries	(10,202)	7,786
Disposal of investments in equity instruments at fair value through other comprehensive income	3,773	—
Cash dividends issued by subsidiaries to non-controlling interests	(47,624)	(69,195)
Decrease in non-controlling interests	(147,770)	(4,246)
Others	9,731	—
Balance, end of year	<u>\$ 1,364,133</u>	<u>\$ 1,298,386</u>

24. Treasury Stock

Purpose of Treasury Shares	For the Year Ended December 31,2020			
	Beginning of year	Addition	Reduction	end of year
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	7,939,067	—	400,000	7,539,067
For transfer to employees	—	5,500,000	5,500,000	—
	<u>7,939,067</u>	<u>5,500,000</u>	<u>5,900,000</u>	<u>7,539,067</u>
For the Year Ended December 31,2019				
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>5,633,667</u>	<u>2,305,400</u>	<u>—</u>	<u>7,939,067</u>

a. Common Stock

- (1) The Board of Directors, during its meeting on March 16, 2020, adopted a resolution to purchase 10,000 thousand common stock shares at a price between \$5.68 and \$15.55 per share, which will be transferred to employees. The estimated total number of shares purchased is capped at 1,010,283 thousand. As of December 31, 2020, the Company has purchased 5,500,000 shares, which accounts for 0.92% of the Company's total issued shares, with the average buyback price of \$9.84 and the buyback cost of \$54,141 thousand.
- (2) In October and November 2020, the Company executed a compensation plan to offer 5,500,000 shares of treasury stock to qualified employees of the Company and Subsidiaries.
- (3) Treasury stock shall not be pledged, nor does it entitle voting rights or receive dividends, in compliance with Securities and Exchange Law of the ROC.

As of December 31, 2020 and 2019, treasury stock held by subsidiaries were 7,539,067 shares and 7,939,067 shares, the market values of the shares held by the subsidiaries were \$20.10 and \$11.40 per share, respectively.

25. Share-based payment

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

Type of arrangement	Grant date	Quantity granted (thousands)	Share price on grant date (in dollars)	Vesting conditions
Treasury shares reissued to employees	October 13, 2020	5,500	9.85	Immediately

1. The fair value of the goods or services obtained is directly measured by the market value of the goods or services on the date given
2. The company's compensation cost due to share-based payment is \$55,681 thousand for the year ended December 31, 2020.

26. Income Tax

- a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following :

	Years Ended December 31	
	2020	2019
Current income tax expense (benefit)		
Current tax expense	\$ 115,479	\$ 86,372
Income tax on unappropriated earnings	14,015	424
Land value increment tax	547	1,030
Adjustments for prior years	(1,286)	(2,839)
	128,755	84,987
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	56,193	57,928
Income tax benefit recognized in profit or loss	<u>\$ 184,948</u>	<u>\$ 142,915</u>

A reconciliation of accounting profit and income tax expenses recognized in profit or loss was as follows :

	Years Ended December 31	
	2020	2019
Income tax expense at the statutory rate	\$ 353,180	\$ 257,778
Nondeductible (deductible) items in determining taxable income	(26,812)	46,760
Tax-exempt income	(214,441)	(214,452)
Income tax on unappropriated earnings	14,015	424
Separate taxation on repatriated offshore funds	4,462	—
Income tax expense of unappropriated earnings	2,447	(3,714)
Unrecognized loss carryforwards and deductible temporary differences	547	1,030
Land value increment tax	52,836	57,928
Adjustments for prior years	(1,286)	(2,839)
Income tax benefit recognized in profit or loss	<u>\$ 184,948</u>	<u>\$ 142,915</u>
b. Income tax expense recognized in other comprehensive income		
	Years Ended December 31	
	2020	2019
Items that will never be reclassified to profit or loss:		
Related to remeasurement of defined benefit obligation	\$ 7,813	\$ 10,039
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(690)	(157)
	<u>\$ 7,123</u>	<u>\$ 9,882</u>
Items that are or may be reclassified subsequently to profit or loss:		
Related to unrealized gain/loss on translation of foreign operations	<u>\$ (9,711)</u>	<u>\$ (8,166)</u>
c. Deferred income tax balance		
The analysis of deferred income tax in the parent company only balance sheets was as follows :		
	December 31, 2020	December 31, 2019
Deferred income tax assets		
Unrealized loss on inventories	\$ 3,913	\$ 6,590
Accrued pension cost	(984)	7,444
Unrealized loss on translation of foreign operations	57,738	48,027
Remeasurement of defined benefit obligation	22,576	31,137
Loss carryforwards	52,892	52,051
Unrealized Warranty preparation	2,896	4,156
Others	10,689	54,131
	<u>\$ 149,720</u>	<u>\$ 203,536</u>

	December 31, 2020	December 31, 2019
Deferred income tax liabilities		
Land value incremental reserve	\$ 264,486	\$ 264,486
Others	4,179	1,414
	<u>\$ 268,665</u>	<u>\$ 265,900</u>

d. Items for which no deferred tax assets have been recognized :

	December 31, 2020	December 31, 2019
Impairment loss	<u>\$ 13,111</u>	<u>\$ 13,111</u>

e. Information about unused loss carry-forward

Unused Amount	Expiry Year
\$ 11,188	2021
1,309	2022
40,992	2023
9,368	2024
111,091	2025
29,452	2027
17,460	2028
37,505	2029
6,095	2030
<u>\$ 264,460</u>	

f. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority. However, the appeal against the approved results of has already been filed.

27. Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
Year ended December 31, 2020			
Basic EPS			
Net income available to common shareholders	<u>\$ 850,045</u>	595,068	
Repurchased treasury stock		(2,786)	
Regard as treasury stock-common stock held by subsidiaries		(7,852)	
		<u>584,430</u>	<u>\$ 1.45</u>

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
Year ended December 31, 2019			
Basic EPS			
Net income available to common shareholders	<u>\$ 505,047</u>	572,180	
Regard as treasury stock-common stock held by subsidiaries		(6,725)	
Issuance of bonus shares		<u>22,887</u>	
		<u>588,342</u>	<u>\$ 0.86</u>

28. Operating Revenues

	Years Ended December 31	
	2020	2019
Sales Revenue	\$ 17,990,480	\$ 17,850,983
Construction Revenue	33,571	67,650
Electricity Revenue	204,484	178,402
Processing Revenue	17,538	8,656
Engineering Revenue	8,883	19,566
Others	45,849	27,844
	<u>\$ 18,300,805</u>	<u>\$ 18,153,101</u>

29. Additional Information Of Expenses By Nature

	Years Ended December 31	
	2020	2019
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 327,568	\$ 346,020
Depreciation of Right-of-use assets	24,800	23,888
Depreciation of investment property	5,574	5,566
Amortization of intangible assets	408	449
	<u>\$ 358,350</u>	<u>\$ 375,923</u>
Employee benefits expenses		
Salaries and bonus	\$ 1,108,511	\$ 931,393
Labor and health insurance	66,576	65,405
Pension	31,696	31,031
Remuneration of directors	33,672	23,746
Others	63,755	83,617
	<u>\$ 1,304,210</u>	<u>\$ 1,135,192</u>

There were 1,750 and 1,759 employees in the Company 4 of the directors do not doubled as employee as of December 31, 2020 and 2019, respectively.

According to the Company's Articles of Incorporation, the Company shall allocate compensation to directors and profit sharing bonus to employees of the Company not more than 3% and 1% of annual profits during the period, respectively.

The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019 were as follows:

	Years Ended December 31	
	2020	2019
Employees' compensation	\$ 9,644	\$ 6,102
Remuneration of directors	\$ 28,931	\$ 18,307

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

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018 which have been approved by the Corporation's board of directors in March 2020 and 2019, respectively, were as follows:

	Years Ended December 31	
	2019	2018
Employees' compensation	\$ 6,102	\$ 5,626
Remuneration of directors	\$ 18,307	\$ 16,878

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

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

30. Interest Income

	Years Ended December 31	
	2020	2019
Bank deposits	\$ 29,485	\$ 43,143
Other interest income	2,068	1,237
	<u>\$ 31,553</u>	<u>\$ 44,380</u>

31. Other Income

	Years Ended December 31	
	2020	2019
Rental revenue	\$ 17,738	\$ 21,309
Dividend income	107,594	91,545
	<u>\$ 125,332</u>	<u>\$ 112,854</u>

32. Other Gains And Losses

	Years Ended December 31	
	2020	2019
Gain on disposal of property, plant and equipment	\$ 3,352	\$ 291
Gain on disposal of investment property	301	—
Gain on disposal of investments	204,485	5,803
Net foreign exchange losses	142,226	42,239
Net gain arising on financial assets/liabilities at FVTPL	301,873	436,833
Others	69,427	45,723
	<u>\$ 721,664</u>	<u>\$ 530,889</u>

33. Finance Costs

	Years Ended December 31	
	2020	2019
Interest expense		
Bank loans	\$ 198,970	\$ 252,416
Interest of lease liabilities	8,208	4,665
Decommissioning liabilities	448	436
Other Interest expense	8,677	21,761
	<u>\$ 216,303</u>	<u>\$ 279,278</u>

34. Capital Management

The Group's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the Group determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves and retained earnings).

The management of the Group periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders and issue new shares to reduce debt.

There were no changes in the Group's approach to capital management for the year ended December 31, 2020.

35. Financial Instruments

a. Financial risk management objective

The Group manages its exposure to risks relating to the operations through market risk, credit risk, and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans the Group must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

b. Market risk

The Group is exposed to the market risks arising from changes in foreign exchange rates, interest rates and utilizes some derivative financial instruments to reduce the related risks.

(a) Foreign currency risk

Some of the Group's operating activities are denominated in foreign currencies. Consequently, the Group is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Group utilizes derivative financial instruments, including currency forward contracts and short-term borrowings in foreign currencies, to hedge its currency exposure.

The Group's significant exposure to foreign currency risk were as follows :

	December 31, 2020			December 31, 2019		
	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Assets</u>						
<u>Monetary items</u>						
USD	\$ 42,336	28.48	\$ 1,205,729	\$ 71,453	30.10	\$ 2,150,735
HKD	1,232	3.67	4,521	915	3.86	3,532
CNY	2,628	4.37	11,484	2,368	4.32	10,230
JPY	322,103	0.28	90,189	253,717	0.28	71,041

	December 31, 2020			December 31, 2019		
	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Liabilities</u>						
<u>Monetary items</u>						
USD	\$ 95,030	28.48	\$ 2,706,454	\$ 87,168	30.10	\$ 2,623,757
CNY	1,422	4.37	6,214	1,513	4.32	6,536
JPY	131,889	0.28	36,929	126,610	0.28	35,451

Foreign currency sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, financial assets at fair value through profit or loss, loans and borrowings, accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the years ended December 31, 2020 and 2019 would have increased (decrease) the net profit after tax by NT\$14,377 thousand and NT\$4,302 thousand , respectively.

(b) Interest rate risk

The Group was exposed to fair value interest rate risk and cash flow interest rate risk because the Group hold assets and liabilities at both fixed and floating interest rates.

Interest rate sensitivity analysis

The following sensitivity analysis is based on the risk exposure to interest rates on the non-derivatives financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date.

If the interest rate increases (decreases) by 0.1%, all other variable factors that remains constant, the Group's net profit after tax would have (decreased) increased by NT\$10,324 thousand and NT\$8,734 thousand for the years ended December 31, 2020 and 2019, respectively. This is mainly due to the Group's net assets in floating rates.

(c) Other price risk

The Group is exposed to equity price risk arising from equity investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the Group's net profit after tax for the years ended December 31, 2020 and 2019 would have been higher/lower by NT\$122,539 thousand and NT\$95,702 thousand, respectively, as a result of the fair value changes of Financial assets at fair value through profit or loss.

If equity prices had been 5% higher/lower, the Company's other comprehensive income for the nine months ended September 30, 2020 and 2019 would have been higher/lower by NT\$47,309 thousand and NT\$42,146 thousand, respectively, as the result of the fair value changes of financial assets at fair value through other comprehensive income.

c. Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

Business related credit risk

To maintain the quality of receivables, the Group has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit rating agency rating, the Group's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Group also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

Financial credit risk

Bank deposits, fixed income investment and other financial instruments are credit risk sources required by Group's Department of Finance Department to be measured and monitored. However, since the Group's counter-parties are all reputable financial institutions and government agencies, there is no significant financial credit risk.

d. Liquidity risk management

The objective of liquidity risk management is to ensure the Group has sufficient liquidity to fund its business requirements associated with existing operations. The Group manages its liquidity risk by maintain adequate cash and banking facilities.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principles and interest.

December 31, 2020					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 4,522,706	\$ 4,522,706	\$ 4,522,706	\$ —	\$ —
Commercial papers	454,930	454,930	454,930	—	—
Notes payable					
(including related parties)	85,919	85,919	85,919	—	—
Accounts payable					
(including related parties)	581,544	581,544	581,544	—	—
Other payables	725,608	725,608	725,608	—	—
Lease liabilities	262,098	486,849	23,785	68,405	394,659
Bonds payable	1,500,000	1,500,000	—	1,500,000	—
Long-term bank loans	7,049,642	7,049,642	1,157,986	5,712,000	179,656
	<u>\$ 15,182,447</u>	<u>\$ 15,407,198</u>	<u>\$ 7,552,478</u>	<u>\$ 7,280,405</u>	<u>\$ 574,315</u>
Derivative financial liabilities					
Metals futures	\$ 121,473	\$ 1,593,532	\$ 1,593,532	\$ —	\$ —
Foreign exchange forward contract	6,280	173,512	173,512	—	—
	<u>\$ 127,753</u>	<u>\$ 1,767,044</u>	<u>\$ 1,767,044</u>	<u>\$ —</u>	<u>\$ —</u>

December 31, 2019					
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
Non-derivative financial liabilities					
Short-term bank loans	\$ 3,550,418	\$ 3,550,418	\$ 3,550,418	\$ —	\$ —
Commercial papers	754,741	754,741	754,741	—	—
Notes payable					
(including related parties)	69,156	69,156	69,156	—	—
Accounts payable					
(including related parties)	536,250	536,250	536,250	—	—
Other payables	549,611	549,611	549,611	—	—
Lease liabilities	250,327	316,841	24,548	71,790	220,503
Bonds payable	500,000	500,000	—	500,000	—
Long-term bank loans	5,397,292	5,397,292	2,085,487	3,223,943	87,862
	<u>\$ 11,607,795</u>	<u>\$ 11,674,309</u>	<u>\$ 7,570,211</u>	<u>\$ 3,795,733</u>	<u>\$ 308,365</u>
Derivative financial liabilities					
Metals futures	\$ 31,343	\$ 193,437	\$ 193,437	\$ —	\$ —
Foreign exchange forward contract	4,037	336,279	336,279	—	—
	<u>\$ 35,380</u>	<u>\$ 529,716</u>	<u>\$ 529,716</u>	<u>\$ —</u>	<u>\$ —</u>

e. Fair value of financial instruments

(a) Fair value of financial instruments carried at amortized cost

The Group considers that the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

(b) Valuation techniques and assumptions used in Fair value measurement

The Fair value of financial assets and financial liabilities are determined as follows :

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks) .
- Forward exchange contracts and cross currency swap contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- The fair values of other financial assets and financial liabilities in accordance with generally accepted pricing models based on discounted cash flow analysis.

(c) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable :

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities ;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) ; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) .

i. Information of fair value hierarchy of financial instruments

December 31, 2020				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 1,419,269	\$ 212,259	\$ —	\$ 1,631,528
Unlisted stocks	—	253,519	565,739	819,258
Derivative not designated as a hedging instrument	—	372,226	—	372,226
	<u>\$ 1,419,269</u>	<u>\$ 838,004</u>	<u>\$ 565,739</u>	<u>\$ 2,823,012</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 255,968	\$ —	\$ —	\$ 255,968
Unlisted stocks	—	30,066	660,137	690,203
	<u>\$ 255,968</u>	<u>\$ 30,066</u>	<u>\$ 660,137</u>	<u>\$ 946,171</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 127,753	\$ —	\$ 127,753

December 31, 2019				
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 762,880	\$ —	\$ —	\$ 762,880
Unlisted stocks	—	629,882	521,283	1,151,165
Derivative not designated as a hedging instrument	—	5,268	—	5,268
	<u>\$ 762,880</u>	<u>\$ 635,150</u>	<u>\$ 521,283</u>	<u>\$ 1,919,313</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 122,352	\$ —	\$ —	\$ 122,352
Unlisted stocks	—	—	720,574	720,574
	<u>\$ 122,352</u>	<u>\$ —</u>	<u>\$ 720,574</u>	<u>\$ 842,926</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 35,380	\$ —	\$ 35,380

ii. There were no transfers between Level 1 and 2 for the years ended December 31, 2020 and 2019, respectively.

iii. Reconciliation of Level 3 fair value measurements of financial assets

2020			
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 720,574	\$ 521,283	\$ 1,241,857
Purchases	—	282,550	282,550
Capital reduction	(14,993)	—	(14,993)
Recognized in profit or loss	—	(44,041)	(44,041)
Recognized in other comprehensive income	(4,287)	—	(4,287)
Level 3 transfers out	(35,000)	(217,842)	(252,842)
Level 2 transfers in	—	34,979	34,979
Effect of exchange rate changes	(6,157)	(11,190)	(17,347)
Balance at December 31, 2020	<u>\$ 660,137</u>	<u>\$ 565,739</u>	<u>\$ 1,225,876</u>

	2019		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 713,062	\$ 494,713	\$ 1,207,775
Purchases	35,000	178,984	213,984
Disposals	—	(6,208)	(6,208)
Capital reduction	(22,402)	—	(22,402)
Recognized in profit or loss	—	(126,129)	(126,129)
Recognized in other comprehensive income	(3,174)	—	(3,174)
Level 3 transfers out	—	(15,435)	(15,435)
Effect of exchange rate changes	(1,912)	(4,642)	(6,554)
Balance at December 31, 2019	<u>\$ 720,574</u>	<u>\$ 521,283</u>	<u>\$ 1,241,857</u>

iv. Quantitative information of fair value measurement of significant unobservable inputs (level 3)

December 31, 2020	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI— current and noncurrent	\$ 660,137	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL— current and noncurrent	\$ 565,739	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A
December 31, 2019					
Financial assets at FVTOCI— current and noncurrent	\$ 720,574	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL— current and noncurrent	\$ 521,283	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A

(d)Categories of financial instruments

	Years Ended December 31	
	2020	2019
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$ 2,906,624	\$ 2,452,870
Notes receivable and trade receivables	3,605,419	3,041,110
Other receivables	51,430	84,285
Refundable deposits	101,659	117,611
Financial assets at amortized cost	333,031	252,933
Financial assets at FVTPL (current and non-current)	2,823,012	1,919,313
Financial assets at fair value through other comprehensive income (non-current)	946,171	842,926
<u>Financial liabilities</u>		
Financial liabilities at FVTPL (current and non-current)	127,753	35,380
Financial liabilities at amortized cost		
Short-term borrowings	4,522,706	3,550,418
Short-term notes and bills payable	454,930	754,741
Notes payable and trade payables	667,463	605,406
Other payables	725,608	549,611
Bonds payable (including current portion)	1,500,000	500,000
Long-term borrowings (including current portion)	7,049,642	5,397,291
Guarantee deposits	29,785	42,071

36. Related Party Transactions

(a) The name of the company and its relationship with the Corporation.

Company	Relationship
AD ENGINEERING CORPORATION	Associates
JUNG SHING WIRE CO., LTD.	Associates
HENGST TECHNOLOGY CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TECO(Vietnam) Electric & Machinery CO., LTD.	Associates
FURUKAWA ELECTRIC CO., LTD.	Other related parties
TA AN PRECISION CO., LTD.	Other related parties
Shen Shang Hung	Other related parties
Shen San Yi	Other related parties
Shen Shang Pang	Other related parties
Shen Shang Tao	Other related parties
Green inside	Other related parties
PACIFIC ELECTRIC WIRE&CABLE CO., LTD.	Joint venture

(b) Significant related party transactions

Sales

Related Parties	2020	2019
Associates	\$ 347,073	\$ 259,401
Joint venture	126,326	24,381
Others	6,650	133
	<u>\$ 480,049</u>	<u>\$ 283,915</u>

Prices and credit terms for such sales were similar to those given to third parties.

Purchases

Related Parties	2020	2019
Associates	\$ 467	\$ 8,143
Joint venture	9,655	33,366
Others	3,434	3,044
	<u>\$ 13,556</u>	<u>\$ 44,553</u>

Prices and credit terms for such purchases were similar to those given to third parties.

Others

	Related Parties	2020	2019
Manufacturing overhead	Other related parties	\$ 3,280	\$ 4,059
	Associates	307	—
		<u>\$ 3,587</u>	<u>\$ 4,059</u>
Operating expenses	Other related parties	\$ 7,612	\$ 5,970
	Associates	24	3,503
		<u>\$ 7,636</u>	<u>\$ 9,473</u>
Other income	Other related parties	\$ 350	\$ 340
	Associates	1,011	1,002
		<u>\$ 1,361</u>	<u>\$ 1,342</u>
Other gains and losses	Other related parties	\$ 322	\$ 355
	Associates	510	989
		<u>\$ 832</u>	<u>\$ 1,344</u>

Property exchange

Related Parties	Item	2020	2019
HENGST TECHNOLOGY CO., LTD.	Machinery and equipment	<u>\$ 2,303,669</u>	<u>\$ 158,543</u>
Related Parties	Item	2020	2019
HENGST TECHNOLOGY CO., LTD.	Development Services	<u>\$ 165,145</u>	<u>\$ —</u>
Related Parties	Item	2020	2019
Associates	Machinery and equipment	<u>\$ 12</u>	<u>\$ —</u>
Related Parties	Item	2020	2019
HENGST TECHNOLOGY CO., LTD.	TA YA GREEN ENERGY TECHNOLOGY CO., LTD. Shares	<u>\$ 200,224</u>	<u>\$ —</u>

(c) Receivables and payables arising from the above transactions were as follows:

Receivables

	Related Parties	December 31, 2020	December 31, 2019
(1) Accounts receivable	Associates	\$ 56,811	\$ 16,355
	Joint venture	10,000	—
	Other related parties	2,067	60
		<u>\$ 68,878</u>	<u>\$ 16,415</u>

Payables

	Related Parties	December 31, 2020	December 31, 2019
(1) Notes payable	Other related parties	\$ —	\$ 105
(2) Accounts payable	Joint venture	\$ 2,665	\$ —
	Other related parties	3,697	1,455
		<u>\$ 6,362</u>	<u>\$ 1,455</u>
(3) Other payables	HENGST TECHNOLOGY CO., LTD.	\$ 57,159	\$ 92,899
	Other related parties	3,266	2,120
		<u>\$ 60,425</u>	<u>\$ 95,019</u>

Other non-current assets

Related Parties	December 31, 2020	December 31, 2019
HENGST TECHNOLOGY CO., LTD.	\$ —	\$ 144,603

Contract liabilities

Related Parties	December 31, 2020	December 31, 2019
Joint venture	\$ 1,870	\$ —

Guarantee deposits

Related Parties	December 31, 2020	December 31, 2019
Associates	\$ 254	\$ 254
Other related parties	57	57
	<u>\$ 311</u>	<u>\$ 311</u>

(d) Key management personnel compensation disclosure

Item	2020	2019
Short-term employee benefits	\$ 161,295	\$ 111,752
Post-employment benefits	4,578	4,235
	<u>\$ 165,873</u>	<u>\$ 115,987</u>

The Group's key management personnel includes directors, supervisors, president, general manager and financial director.

Please refer to Annual Report for related information of key management personnel compensation.

37. Mortgage Assets

As of December 31, 2020 and 2019, certain assets were pledged as collateral to secure debts and engineering performance bond. The net book value of such assets as of December 31, 2020 and 2019 were summarized as follows:

	December 31, 2020		December 31, 2019	
	Number of shares	Original cost	Number of shares	Original cost
Investments accounted for using equity method —				
Jung Shing Wire Co., Ltd	<u>28,200,000</u>	<u>\$ 356,213</u>	<u>28,200,000</u>	<u>\$ 356,213</u>
Financial assets at fair value through other comprehensive income—				
Sun Ba Power Corporation	<u>30,000,000</u>	<u>\$ 464,250</u>	<u>30,000,000</u>	<u>\$ 464,250</u>
	December 31, 2020		December 31, 2019	
Property, plant and equipment—				
Land (include revaluation increments)	\$	1,181,397	\$	1,181,397
Buildings, net		221,916		195,208
Machinery and equipment, net		1,383,702		1,426,953
	<u>\$</u>	<u>2,787,015</u>	<u>\$</u>	<u>2,803,558</u>
Right-of-use assets				
(Long-term prepayments for leases)	<u>\$</u>	<u>13,524</u>	<u>\$</u>	<u>13,792</u>
Investment property-land	<u>\$</u>	<u>700,737</u>	<u>\$</u>	<u>691,923</u>
Refundable deposits	<u>\$</u>	<u>101,659</u>	<u>\$</u>	<u>117,907</u>
Other current assets—				
Mortgage demand deposits	<u>\$</u>	<u>10,588</u>	<u>\$</u>	<u>442,426</u>
Other non-current assets—				
Mortgage demand deposits	<u>\$</u>	<u>521,766</u>	<u>\$</u>	<u>104,426</u>

38. Commitments And Contingent Liabilities

Significant contingent liabilities and unrecognized commitments of the Group as of the end of the reporting period, excluding those disclosed in other notes, were as follows :

- (a) As of December 31, 2020, TA YA had outstanding usance letters of credit amounting to approximately \$5,076 thousand (JPY\$5,406 thousand and USD\$125 thousand).
- (b) TA YA pledged guarantee deposits amounting to \$280,361 thousand due to the wire and cable installation project.
- (c) The balance of deposit guarantee notes due to taking out bank loans, issuing letter of credit guarantee, endorsement guarantee, and commercial paper was \$3,998,594 thousand.
- (d) TA YA and CUPRIME MATERIAL entered into contracts of copper procurement with 35,300 ton.
- (e) TA YA, CUPRIME MATERIAL, HENG YA ELECTRIC (DONGGUAN) and HENG YA ELECTRIC (KUNSHAN) entered into contracts of machinery, equipment and construction in progress procurement with the amount of \$244,983 thousand. As of December 31, 2020, \$59,091 thousand had not been paid.
- (f) TA HO engaged into a contract of wire and cable installation project with the amount of \$6,414 thousand. As of December 31, 2020, \$6,283 thousand had not been paid.
- (g) SIN JHONG, BOSI, BRAVO, TOUCH and TA YA GREEN signed a contract with HENGST TECHNOLOGY CO., LTD. for solar system development services and project construction. As of December 31, 2020, the portion of the contracts not yet recognized was \$430,818 thousand.
- (h) TA HO ENGINEERING, CO., LTD. With FURUKAWA ELECTRIC CO., LTD. signed a long-term technical consultant contract, promising to pay USD 7 thousand per month, and the total amount to be paid in the next year is USD 84 thousand.
- (i) An employee filed a lawsuit against the Company to request pension payment difference, the ultimate outcome of the lawsuit and the damages that the Company may incur cannot be reasonably estimated as the litigation is still in the second instance.

39. Significant Losses From Disasters : N/A

40. Significant Subsequent Events : N/A

41. Others :

The Group has considered the economic implication of COVID-19. It indicated that would not significantly impact on consolidated company as the end of financial report issued date and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic.

42. Segment Information

a. Basic information

1) Classification

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

(1) Electric wire & cable

The segment mainly engages in the manufacturing and sale of electric wire & cable.

(2) Solar power plants

The segment mainly engages in the development of solar power plants for renewable energy.

2) Estimates of operating segment income and expenses, assets and liabilities

The significant accounting principles of each operating segment are the same as those stated in Note 4 to the consolidated financial statements. The Group's operating segment profit or loss represents the profit or loss earned by each segment. The profit or loss is controllable by income before income tax and is the basis for assessment of segment performance. Sales and transfers between segments are treated as transactions with third parties and evaluated at fair value.

The Group does not allocate income tax expense (benefit), investment income (loss) recognized under the equity method, foreign exchange gain (loss), net investment income (loss), gain (loss) on disposal of investments, gain (loss) on valuation of financial assets and liabilities and extraordinary items to reportable segments. The amounts reported are consistent with the report used by operating decision-makers.

3) Identification of operating segments

The reported operating segments are classified according to the different products and services that are managed separately because they use different technology and selling strategies.

b. Financial information

1) Segment revenues and results

	Years Ended December 31,2020		
	Electric wire & cable	Solar power plants	Total
Revenue from			
external customers	\$ 18,096,321	\$ 204,484	\$ 18,300,805
Operating profit	335,154	93,118	428,272
Net non-operating			
income (expenses)			
Net interest income (expenses)			(184,750)
Dividend income			107,594
Share of profits of associates			
accounted for using the			
equity method			128,511
Gain on disposal of property,			
plant and equipment			3,352
Gain on disposal of investment			
property			301
Gain on disposal of investments			202,330
Gain on disposal of associates			
accounted for using the			
equity method			2,155
Net foreign exchange gain			142,226
Net gain of financial assets and			
liabilities at fair value			
through profit or loss			301,873
Other gains			86,804
Consolidated income			
before income tax			1,218,668

	Years Ended December 31,2019		
	Electric wire & cable	Solar power plants	Total
Revenue from			
external customers	\$ 17,974,699	\$ 178,402	\$ 18,153,101
Operating profit	229,871	76,051	305,922
Net non-operating			
income (expenses)			
Net interest income (expenses)			(234,898)
Dividend income			91,545
Share of profits of associates			
accounted for using the			
equity method			39,810
Gain on disposal of property,			
plant and equipment			291
Gain on disposal of investments			4,187
Gain on disposal of associates			
accounted for using the			
equity method			1,616
Net foreign exchange gain			42,239
Net gain of financial assets and			
liabilities at fair value			
through profit or loss			436,833
Other gains			40,214
Consolidated income			
before income tax			727,759

2) Segment assets and liabilities

	Electric wire & cable	Solar power plants	Total
Segment assets			
December 31,2020	\$ 20,241,847	\$ 4,962,356	\$ 25,204,203
December 31,2019	\$ 18,521,498	\$ 2,279,518	\$ 20,801,016

	Electric wire & cable	Solar power plants	Total
Segment liabilities			
December 31,2020	\$ 12,405,485	\$ 3,668,674	\$ 16,074,159
December 31,2019	\$ 10,920,899	\$ 1,485,935	\$ 12,406,834

c. Geographical information

Years Ended December 31,2020				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 14,171,360	\$ 6,312,463	\$ (2,183,018)	\$ 18,300,805
Interest income	8,221	24,471	(1,139)	31,553
	<u>\$ 14,179,581</u>	<u>\$ 6,336,934</u>	<u>\$ (2,184,157)</u>	<u>\$ 18,332,358</u>
Segment Profit and Loss	<u>\$ 1,676,051</u>	<u>\$ 97,705</u>	<u>\$ (555,088)</u>	<u>\$ 1,218,668</u>
Non-current Assets	<u>\$ 8,824,573</u>	<u>\$ 1,115,234</u>	<u>\$ (56,687)</u>	<u>\$ 9,883,120</u>
Segment total assets	<u>\$ 26,488,079</u>	<u>\$ 4,787,608</u>	<u>\$ (6,071,484)</u>	<u>\$ 25,204,203</u>
Years Ended December 31,2019				
	Taiwan	Asia	Consolidated write-off	Total
Segment Revenue				
Revenue from				
External Customers	\$ 14,062,917	\$ 6,422,878	\$ (2,332,694)	\$ 18,153,101
Interest income	20,481	25,706	(1,807)	44,380
	<u>\$ 14,083,398</u>	<u>\$ 6,448,584</u>	<u>\$ (2,334,501)</u>	<u>\$ 18,197,481</u>
Segment Profit and Loss	<u>\$ 1,127,636</u>	<u>\$ 39,241</u>	<u>\$ (439,118)</u>	<u>\$ 727,759</u>
Non-current Assets	<u>\$ 5,921,039</u>	<u>\$ 843,732</u>	<u>\$ (29,174)</u>	<u>\$ 6,735,597</u>
Segment total assets	<u>\$ 21,016,250</u>	<u>\$ 4,812,904</u>	<u>\$ (5,028,138)</u>	<u>\$ 20,801,016</u>

d. Major customer information

For the years ended December 31, 2020 and 2019, there was no other individual customer exceeded 10% of the Group's operating revenue.

INDEPENDENT AUDITORS' REPORT

English Translation of a Report Originally Issued in Chinese

The Board of Directors and Shareholders

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Opinion

We have audited the accompanying parent company only financial statements of Ta Ya Electric Wire & Cable Co., Ltd (the Company), which comprise the parent company only balance sheets as of December 31, 2020 and 2019, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (as set out in the Other Matter section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2020 and 2019, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statement as of and for the year ended December 31, 2020 in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants”, and the auditing standards generally accepted in the Republic of China. Furthermore, we conducted our audit of the financial statements as of and for the year ended December 31, 2019 in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our

other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2020 are stated as follows:

Loss allowance of accounts receivable

The recognition of the loss allowance of accounts receivable is based on the customer's credit quality, situation of collecting payments, and future economic conditions. Since the expected credit loss ratio involves subjective judgments and significant estimates of managements, the loss allowance of accounts receivable is identified as a key audit matter. The book value of accounts receivable please refer to Notes 9 to the parent company's financial statements.

Our audit procedures consisted of obtaining the management's assessment information of expected credit loss ratio and assess that whether such assumptions is reasonable; recalculating the appropriateness of the recognition of expected credit loss of accounts receivable based on the above expected credit loss ratio; and inspecting specific customers which amount is significant and the reason for not receiving payment. We use above procedures to confirm whether the expected credit loss of accounts receivable have recognized sufficiently.

Inventory evaluation

The company assesses impairment of material based on lower of cost or net realizable value evaluation, and valuation of the inventory is mainly affected by the international copper price, but the international copper market price fluctuations frequently. Since inventory evaluation involves the management's significant judgment, inventory evaluation its assessment is identified as a key audit matter.

The book value of Inventories please refer to Notes 10 to the parent company's financial statements.

Our audit procedures in response to the abovementioned key audit matter were obtaining information pertaining to the lower of cost or net realizable value (LCNRV), sampling projected pricing information and the most recent sales record to assess the reasonableness

of the judgment on the LCNRV, and comparing the year-end quantity of inventory items with the inventory count reports to confirm the existence and completeness of the inventory. Moreover, by attending year-end inventory counting, we assessed the condition of inventory and evaluated the adequacy of inventory provisions for obsolete goods.

Other Matter

We did not audit the financial statements of certain investments accounted for under the equity method that are included in the parent company only financial statements. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the parent company only financial statements and the information, is based solely on the audit reports of other independent accountants. Total assets of these subsidiaries and investments amounted to NT\$1,895,740 thousand and NT\$1,706,239 thousand, representing 12.15% and 12.63% of the related totals, as of December 31, 2020 and 2019, respectively, and total operating revenues of NT\$261,128 thousand and NT\$135,004 thousand, constituting 29.70% and 28.32% of the related totals for the years then ended, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including supervisors, are responsible for overseeing the Company's financial reporting process.

Auditors' 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 misstatement, whether due to fraud

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

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

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

and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Handwritten signature in cursive script that reads "Solomon & Co., CPAs".

March 23, 2021

Notice to Readers

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 parent company only financial statements shall prevail.

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
(Expressed in Thousands of New Taiwan Dollars)

ASSETS	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (notes 4 and 6)	\$ 1,257,156	8.1	\$ 767,004	5.7
Financial assets at fair value through profit or loss (notes 4, 7 and 32)	577,080	3.7	407,957	3.0
Contract assets	42,718	0.3	166,304	1.2
Notes receivable, net (notes 4, 9 and 33)	84,351	0.5	98,246	0.7
Accounts receivable, net (notes 4, 9 and 33)	1,131,949	7.3	1,079,301	8.0
Other receivables (note 33)	120,216	0.8	46,819	0.3
Inventories, net (notes 4 and 10)	1,777,040	11.4	1,908,819	14.1
Inventories (Construction), net (notes 4 and 10)	225,370	1.4	145,257	1.1
Other current assets (note 33)	29,204	0.2	32,516	0.3
Total current assets	5,245,084	33.7	4,652,223	34.4
NONCURRENT ASSETS				
Financial assets at fair value through profit or loss (notes 4, 7 and 32)	405,378	2.6	28,744	0.2
Financial assets at fair value through other comprehensive income (notes 4, 8, 32 and 34)	811,528	5.2	707,471	5.2
Investments accounted for using equity method (notes 4, 11 and 34)	5,844,166	37.4	4,787,357	35.4
Property, plant and equipment (notes 4, 12 and 34)	2,285,519	14.6	2,301,157	17.0
Right-of-use assets (notes 4 and 13)	13,454	0.1	19,669	0.1
Investment Property, net (notes 4, 14 and 34)	899,918	5.8	903,248	6.7
Deferred income tax assets (notes 2 and 23)	7,562	—	65,102	0.6
Prepayments for equipment	9,292	0.1	14,844	0.1
Refundable deposits (note 34)	29,175	0.2	28,795	0.3
Net defined benefit asset	4,921	—	—	—
Other non-current assets	50,004	0.3	—	—
Total noncurrent assets	10,360,917	66.3	8,856,387	65.6
TOTAL	\$ 15,606,001	100.0	\$ 13,508,610	100.0
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans (note 15)	\$ 1,579,287	10.1	\$ 964,892	7.1
Short-term notes and bills payable (note 16)	400,000	2.6	600,000	4.4
Financial liabilities at fair value through profit or loss (notes 4 and 7)	112,388	0.7	24,364	0.2
Contract liabilities (note 33)	125,358	0.8	36,911	0.3
Notes payable	1,354	—	9,782	0.1
Accounts payable (note 33)	486,054	3.1	394,200	2.9
Other payables (note 33)	303,349	2.0	233,054	1.7
Income tax payable (note 23)	18,038	0.1	22,371	0.2
Lease liabilities (notes 4 and 12)	6,067	—	6,335	—
Receipts in advance (note 33)	1,110	—	3,905	—
Current portion of long-term loans (notes 17 and 18)	636,667	4.1	946,667	7.0
Other current liabilities	23,967	0.2	29,702	0.2
Total current liabilities	3,693,639	23.7	3,272,183	24.1
NONCURRENT LIABILITIES				
Bonds payable (note 17)	1,500,000	9.6	500,000	3.7
Long-term loans (note 18)	2,346,667	15.0	2,283,333	16.9
Deferred income tax liabilities (note 23)	264,486	1.7	264,486	2.0
Lease liabilities (notes 4 and 12)	7,323	—	13,391	0.1
Net defined benefit liability (note 19)	—	—	37,221	0.3
Guarantee deposits (note 33)	27,310	0.2	41,170	0.4
Other noncurrent liabilities	665	—	1,030	—
Total noncurrent liabilities	4,146,451	26.5	3,140,631	23.4
Total liabilities	7,840,090	50.2	6,412,814	47.5
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (note 20)				
Share capital	5,950,680	38.1	5,950,680	44.1
Capital surplus	602,220	3.9	531,117	3.9
Retained earnings				
Appropriated as legal capital reserve	137,749	0.9	87,245	0.6
Appropriated as special capital reserve	147,555	0.9	147,555	1.1
Unappropriated earnings (accumulated deficits)	1,088,298	7.0	556,359	4.1
Total retained earnings	1,373,602	8.8	791,159	5.8
Others	(125,666)	(0.8)	(146,288)	(1.1)
Treasury stock (notes 4 and 21)	(34,925)	(0.2)	(30,872)	(0.2)
Total equity	7,765,911	49.8	7,095,796	52.5
TOTAL	\$ 15,606,001	100.0	\$ 13,508,610	100.0

*The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 23, 2021)*

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
NET REVENUE (notes 25)	\$ 8,940,088	100.0	\$ 8,746,027	100.0
COST OF REVENUE (notes 10, 19, 26, and 33)	8,359,802	93.5	8,181,776	93.5
GROSS PROFIT	580,286	6.5	564,251	6.5
UNREALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES	30,761	0.4	—	—
REALIZED GROSS PROFIT	549,525	6.1	564,251	6.5
OPERATING EXPENSES (notes 19, 26, and 33)				
Sales and marketing	117,605	1.3	119,516	1.4
General and administrative	417,692	4.7	341,564	3.9
Research and development	67,013	0.7	64,375	0.7
Total Operating Expenses	602,310	6.7	525,455	6.0
INCOME FROM OPERATIONS	(52,785)	(0.6)	38,796	0.5
NON-OPERATING INCOME AND EXPENSES				
Interest income (note 27 and 33)	2,212	—	9,112	0.1
Other income (note 28 and 33)	97,059	1.1	91,142	1.0
Other gains and losses (note 29 and 33)	342,492	3.8	78,834	0.9
Finance costs (note 30)	(73,796)	(0.8)	(85,466)	(1.0)
Share of profit associates (note 11)	610,611	6.8	453,409	5.2
Total non-operating Income and expenses	978,578	10.9	547,031	6.2
INCOME BEFORE INCOME TAX	925,793	10.3	585,827	6.7
INCOME TAX EXPENSE (notes 23)	(75,748)	(0.8)	(80,780)	(0.9)
NET INCOME	\$ 850,045	9.5	\$ 505,047	5.8
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (note 19)	2,469	—	(193)	—
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	68,417	0.7	22,873	0.3
Share of other comprehensive income (loss) of associates	(1,703)	—	3,849	—
Income tax relating to items that will not be reclassified subsequently to profit or loss (notes 23)	(9,011)	(0.1)	(9,882)	(0.1)
	60,172	0.6	16,647	0.2
Items that may be reclassified subsequently to profit or loss:				
Exchange differences arising on translation of foreign operations	(28,490)	(0.3)	(26,561)	(0.3)
Share of the other comprehensive income of associates accounted for using the equity method	(8,169)	(0.1)	(26,553)	(0.3)
Income tax benefit related to items that will not be reclassified subsequently (notes 23)	5,698	0.1	8,166	0.1
	(30,961)	(0.3)	(44,948)	(0.5)
Other comprehensive income (loss) for the year , net of income tax	29,211	0.3	(28,301)	(0.3)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 879,256	9.8	\$ 476,746	5.5
EARNINGS PER SHARE (NT\$,notes 24)				
Basic earnings per share	\$ 1.45		\$ 0.86	

The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 23, 2021)

TAYA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
(Expressed in Thousands of New Taiwan Dollars, Except for Share Data)

	Capital Stock — Common Stock			Retained Earnings				Others		
	Shares	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Assets at Fair Value Through Other Comprehensive Income		Total Equity
Balance at January 1, 2019	572,180,791	\$ 5,721,808	\$ 524,667	\$ 46,746	\$ 264,909	\$ 378,000	\$ (138,115)	\$ 20,508	\$ (20,770)	\$ 6,797,753
Appropriation of 2019 earnings										
Legal and Special reserve used to offset accumulated deficit	—	—	—	40,499	—	(40,499)	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	(171,654)	—	—	—	(171,654)
Share dividends distributed by the Corporation	22,887,231	228,872	—	—	—	(228,872)	—	—	—	—
Reversal of special reserve	—	—	—	—	(117,354)	117,354	—	—	—	—
Adjustments to share of changes in equity of subsidiaries and associates	—	—	4,160	—	—	(4,325)	—	928	—	763
Net income in 2019	—	—	—	—	—	505,047	—	—	—	505,047
Other comprehensive income in 2019, net of income tax	—	—	—	—	—	(7,154)	(44,948)	23,801	—	(28,301)
Treasury stock- sales of parent company stock held by subsidiaries	—	—	—	—	—	—	—	—	(10,102)	(10,102)
Adjustments for dividends subsidiaries received from parent company	—	—	2,290	—	—	—	—	—	—	2,290
Disposal of investments in equityinstruments at fair value through othercomprehensive income	—	—	—	—	—	8,462	—	(8,462)	—	—
Balance at December 31, 2019	595,068,022	5,950,680	531,117	87,245	147,555	556,359	(183,063)	36,775	(30,872)	7,095,796
Appropriation of 2020 earnings										
Legal reserve used to offset accumulated deficit	—	—	—	50,504	—	(50,504)	—	—	—	—
Cash dividends to shareholders	—	—	—	—	—	(178,521)	—	—	—	(178,521)
Share of changes in net assets of associates accounted for using equity method	—	—	90	—	—	(500)	—	—	—	(410)
Net income in 2020	—	—	—	—	—	850,045	—	—	—	850,045
Other comprehensive income in 2020, net of income tax	—	—	—	—	—	(10,956)	(30,961)	71,128	—	29,211
Treasury stock repurchase	—	—	—	—	—	—	—	—	(54,141)	(54,141)
Disposal of the Company's shares held by subsidiaries	—	—	2,625	—	—	—	—	—	1,557	4,182
Adjustments for dividends subsidiaries received from parent company	—	—	2,404	—	—	—	—	—	—	2,404
The difference between the fair value of the consideration paid from acquiring subsidiaries and the carrying amounts of the subsidiaries	—	—	—	—	—	(97,100)	—	—	—	(97,100)
Changes in subsidiaries ownership	—	—	10,269	—	—	3,141	—	(3,211)	—	10,199
Share-based payments	—	—	55,715	—	—	—	—	—	54,141	109,856
Disposal of investments in equityinstruments at fair value through othercomprehensive income	—	—	—	—	—	16,334	—	(16,334)	—	—
Others	—	—	—	—	—	—	—	—	(5,610)	(5,610)
Balance at December 31, 2020	595,068,022	\$ 5,950,680	\$ 602,220	\$ 137,749	\$ 147,555	\$ 1,088,298	\$ (214,024)	\$ 88,358	\$ (34,925)	\$ 7,765,911

The accompanying notes are an integral part of the parent company only financial statements

(With Solomon & Co., audit report dated March 23, 2021)

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 925,793	\$ 585,827
Adjustments for :		
Depreciation expense	119,319	136,086
Expected credit loss	7,732	—
Net gain of financial assets and liabilities at fair value through profit or loss	(416,657)	(4,956)
Finance costs	73,796	85,466
Interest income	(2,212)	(9,112)
Dividend income	(77,550)	(67,445)
Shared-based payment expenses recognized	37,442	—
Share of profits of associates	(610,611)	(453,409)
Gain on disposal of property, plant and equipment	(925)	(1,236)
Property, plant and equipment transferred to expenses	3,749	6,322
Gain on disposal of investment property	(301)	—
Loss (gain) on disposal of investments	(9,385)	4,198
Impairment loss on non-financial assets	—	26,818
Unrealized gain on the transactions with subsidiaries	30,761	—
Income and expense adjustments	<u>(844,842)</u>	<u>(277,268)</u>
Changes in operating assets and liabilities:		
Financial assets and liabilities at fair value through profit or loss	(31,691)	(28,221)
Contract assets	123,586	(160,381)
Notes receivable	13,895	106,719
Accounts receivable	(60,431)	(102,082)
Other receivables	7,108	5,676
Inventories	53,866	(180,467)
Other current assets	1,977	266,852
Contract liabilities	88,447	(33,452)
Notes payable	(8,428)	9,444
Accounts payable	91,854	87,036
Other payables	69,836	11,740
Advance receipts	(2,795)	167
Other current liabilities	(5,684)	(12,053)
Net defined benefit liability	(39,673)	(61,813)
Total changes in operating assets and liabilities	<u>301,867</u>	<u>(90,835)</u>
Total adjustments	<u>(542,975)</u>	<u>(368,103)</u>
Cash generated from operations	382,818	222,724
Interest received	1,944	9,022
Interest paid	(73,337)	(87,918)
Income tax paid	<u>(25,220)</u>	<u>(27,333)</u>
Net cash generated from operating activities	<u>286,205</u>	<u>116,495</u>

(Continued)

TA YA ELECTRIC WIRE & CABLE CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial asset at fair value through other comprehensive income	(83,535)	(87,691)
Proceeds from disposal of financial asset at fair value through other comprehensive income	47,895	71,704
Purchase of associates under the equity method	—	(25,508)
Proceeds from disposal of associates under the equity method	—	6,648
Acquisition of property, plant and equipment (including prepayments for equipment)	(95,022)	(138,830)
Proceeds from disposal of property, plant and equipment	1,416	1,478
Decrease (increase) in refundable deposits	(380)	29,742
Increase in other receivables	(80,000)	5,000
Proceeds from disposal of investment property	1,000	—
Dividend received	203,632	203,839
Other investing activities	(50,004)	—
Net cash used in investing activities	<u>(54,998)</u>	<u>66,382</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term loans	614,395	30,647
Increase in short-term notes and bills payable	(200,000)	—
Issuance of bonds payable	1,000,000	—
Proceeds from long-term bank loans	1,100,000	600,000
Repayment of long-term bank loans	(1,346,666)	(1,007,200)
Increase (decrease) in guarantee deposits	(13,860)	(7,222)
Repayment of principal of lease liabilities	(6,336)	(6,559)
Decrease in other noncurrent liabilities	(331)	—
Cash dividends	(178,521)	(171,654)
Payments for buy-back of ordinary shares	(54,141)	—
Treasury stock sold to employees	54,175	—
Acquisition of subsidiaries	<u>(709,770)</u>	<u>(112,000)</u>
Net cash generated by financing activities	<u>258,945</u>	<u>(673,988)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	490,152	(496,111)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>767,004</u>	<u>1,263,115</u>
CASH AND CASH EQUIVALENTS, ENDING OF YEAR	<u><u>\$ 1,257,156</u></u>	<u><u>\$ 767,004</u></u>

(Concluded)

The accompanying notes are an integral part of the parent company only financial statements
(With Solomon & Co., audit report dated March 23, 2021)

TA YA ELECTRIC WIRE & CABLE CO., LTD.

Notes to Financial Statements

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Organization

TA YA ELECTRIC WIRE & CABLE CO., LTD. (the Company) was incorporated in November, 1962, mainly engages in the manufacturing and sale of electric wire & cable, and constructing, selling and renting of office and house buildings. The authorized capital was NTD 7,000,000 thousand, of which NTD 5,950,680 thousand was issued as of December 31, 2020. In December 1988, its shares were listed on Taiwan Stock Exchange (TSE).

2. The Authorization Of Financial Statements

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 11, 2021.

3. Application Of New And Revised International Financial Reporting Standards

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC would not have any material impact on the Company’s accounting policies:

Amendments to IAS 1 and IAS 8 “Definition of Material”

The Company adopted the amendments starting from January 1, 2020. The threshold for materiality influencing users has been changed to “whole would influence the judgment made by a reasonable user on financial statements.” Therefore, the disclosures in the consolidated financial report have been adjusted and immaterial information that may obscure material information has been deleted.

- b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	Effective immediately upon promulgation by the IASB
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	January 1, 2021

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

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

New IFRSs	Effective Date Announced by IASB (Note)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022 (Note 4)

New IFRSs	Effective Date
Announced by IASB (Note)	
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)

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

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

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

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

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

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

4. Summary Of Significant Accounting Policies

For the convenience of readers, the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the R.O.C. 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 parent company only financial statements shall prevail.

Statement Of Compliance

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

Basis Of Preparation

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

When preparing the parent company only financial statements, the Company account for subsidiaries and associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

Operating Cycle

The operating cycle of manufacturing and sale of electric wire & cable is generally shorter than one year, and the classification of current or non-current is based on one year; the operating cycle of constructing, selling and renting of office and house buildings is generally longer than one year, and the classification of current or non-current is based on the operating cycle.

Classification Of Current And Noncurrent Assets And Liabilities

Current assets are assets expected to be converted to cash within one year from the end of the reporting period. Current liabilities are obligations expected to be settled within one year from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

Cash Equivalent

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The time deposits which with original maturities of less than 3 months and are held for the purpose of meeting short-term cash commitments rather than for investment or other purpose are classified as cash equivalents.

Financial Instruments

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

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

a. Financial Assets

Measurement category

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis, except derivative financial assets which are recognized and derecognized on settlement date basis.

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

1) Financial asset at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 32.

2) Financial assets at amortized cost

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

- (1) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

- (1) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and
- (2) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition or time deposits with original maturities within 3-12 months from the date of acquisition and the interest paid to deposits which are terminated before maturity are higher than demand deposits, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

3) Investments in debt instruments at FVTOCI

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

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

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

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime Expected Credit Loss (i.e. ECL) for accounts receivable. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash inflow from the asset are terminated, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income are recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts.

b. Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized based on the proceeds received, net of direct issue costs.

Interest related to the financial liability is recognized in profit or loss under nonoperating income and expenses.

2) Financial liabilities at FVTPL

At initial recognition, financial liabilities in this category are measured at fair value. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value and changes therein, which take into account any interest expense, are recognized in profit or loss.

3) Other financial liabilities

Except for those held-for-trading or is designated at fair value through profit or loss, financial liabilities which comprise of short-term and long-term loans, and accounts and other payables, are measured at fair value, plus any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capital cost is recognized in profit or loss.

4) Derecognition of financial liabilities

A financial liability is derecognized when the contractual obligation thereon has been discharged or cancelled or expires. The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis when the Company has legally enforceable rights to offset, and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

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

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

Inventories

Inventories are stated at the lower of cost or net realizable value. Net realizable value represents the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost at the end of the reporting period.

Investments Accounted For Using Equity Method

Investments accounted for using the equity method include investments in subsidiaries and associates.

a. Investment in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

The Company's share of its subsidiaries' 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. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the subsidiary.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transaction. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the Company had directly disposed of the related assets and liabilities. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

b. Investment in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The operating results and assets and liabilities of associates are incorporated in these parent company only financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognized its share in the changes in the equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair

value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying of the investment differs from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription to the shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate shall be reclassified to profit or loss on the same basis as would be required if the associate or jointly controlled entity had directly disposed of the related assets or liabilities.

When the Company transacts with an associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not owned by the Company.

Property, Plant And Equipment

Property, Plant and Equipment are measured at cost less accumulated depreciation and accumulated impairment. Costs include any incremental costs that are directly attributable to the construction or acquisition of the item of property, plant and equipment.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method over the following estimated useful lives: land improvements 8 years; buildings 10-55 years; machinery and equipment 8-12 years; transportation equipment 5 years; other 5-12 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Land is not depreciated.

Any gain or loss arising on the disposal or retirement of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Leases

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

a. The Company as lessor

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

Under finance leases, the lease payments comprise fixed payments and variable lease payments which depend on an index or a rate. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

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

b. The Company as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of purchase option if the Company is

reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

2020

The Company negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2021, that results in the revised consideration for the lease less than the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Company elects to apply the practical expedient to all of these rent concessions, and therefore, does not assess whether the rent concessions are lease modifications. Instead, the Company recognizes the reduction in lease payments in profit or loss in the period in which the events or conditions that trigger the concession occurs, and makes a corresponding adjustment to the lease liability.

Investment Properties

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

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

Impairment Of Tangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

An impairment loss is recognized immediately in profit or loss.

When impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Retirement Benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculation.

For defined benefit retirement benefit plans, the cost of providing benefit is determined using the Projected Unit Credit Method, with actuarial calculations being carried out at year end. Actuarial gains

and losses are reported in retained earnings in the period that they are recognized as other comprehensive income.

Treasury Stock

Treasury stock is stated at cost and shown as a deduction in shareholders' equity. When the Company retires treasury stock, the treasury stock account is reduced and the common stock as well as the capital surplus - additional paid-in capital are reversed on a pro rata basis. When the book value of the treasury stock exceeds the sum of the par value and additional paid-in capital, the difference is charged to capital surplus - treasury stock transactions and to retained earnings for any remaining amount. The Company's stock held by its subsidiaries is treated as treasury stock and reclassified from investments accounted for using equity method to treasury stock. The gains resulted from disposal of the treasury stock held by subsidiaries and cash dividends received by subsidiaries from the Company are recorded under capital surplus - treasury stock transactions.

Taxation

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

a. Current tax

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the

reversal of the temporary difference as it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

c. Current and deferred tax for the year

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

Foreign Currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated

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

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates in other countries or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Revenue Recognition

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

a. Sale of goods

Revenues from the sale of goods are recognized when the significant risks and rewards of ownership of the goods are transferred to the customers as follows: domestic sales - when products are move out of the Company's premises for delivery to customers; exports - when products are loaded onto vessels. Revenues are recognized because the earning process is accomplished and revenue is realized or realizable.

Revenues are measured at the fair value, which is the discounted present value of the price (net of commercial discounts and quantity discounts) agreed to by the Company with customers. But if the related receivable is due within one year, the difference between its present value and undiscounted amount is immaterial, and sales transactions are frequent, the fair value of receivables is equivalent to the nominal amount of cash to be received. Transaction price received is recognized as a contract liability until performance obligations are satisfied.

b. Construction contract revenue

As construction is in progress, the Company recognizes revenue from construction contract over time. The Company measures the progress on the basis of costs incurred relative to the total expected costs or the units produced and installed relative to estimated total units under the contract as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligation. A contract asset is recognized during the construction and is reclassified to accounts receivable at the point at which it is invoiced to the customer. If the milestone payments exceed the revenue recognized to date, then the Company recognizes a contract liability for the difference. Certain amount retained by the customer as specified in the contract is intended to ensure that the subsidiaries adequately complete all their contractual obligations. Such retention receivables are recognized as contract assets until the Company satisfy their performance obligations.

c. Revenue from the rendering of services

Revenue should be recognized over time by measuring the progress toward complete satisfaction of the performance obligation.

Earnings Per Share

Earnings per share of common stock are calculated based on the weighted-average number of shares outstanding during the period. The increased shares from the capitalization of retained earnings and capital surplus are calculated retroactively.

5. Critical Accounting Judgments And Key Sources Of Estimation And Uncertainty

In the application of the Company's accounting policies, which are described in Note 4., the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions

are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the parent company only financial statements.

a. Impairment of financial assets

The Company always recognizes lifetime Expected Credit Loss (ECL) on accounts receivable. On all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

b. Valuation of financial instrument

The Company's management uses its judgment in selecting an appropriate valuation technique for financial instruments that do not have quoted market price in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions were based on quoted market rates adjusted for specific features of the instruments. Debt instruments were valued using a discounted cash flow analysis based on assumptions supported, where possible, by observable market prices or rates. The estimation of fair value of listed equity instruments traded in emerging market and unlisted equity instruments was based on the analysis in relation to the financial position and the operation results of investees, recent transaction prices, prices of same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, valuation multiples of comparable entities, including assumptions based on unobservable market prices or rates.

c. Bonus to employees and directors' and supervisors' remuneration

After taking into consideration income tax rate and the legal reserve and other factors, the Company accrued the bonus payable to employees and the remuneration payable to directors and supervisors at the end date of reporting period in accordance with the required percentage

prescribed in the Articles of Association and based on the estimated full-year pre-tax profit.

d. Realization of deferred income tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Company's subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

e. 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. Please refer to Note 10.

As the net realizable value of inventories on balance sheet date is assessed to be lower than cost, the Company writes down the cost of inventories to the net realizable value.

Therefore, there might be material changes to the evaluation.

f. Calculation of net defined benefit liabilities

When calculating the present value of defined pension obligations, the Company must apply judgments and estimates to determine the actuarial assumptions on balance sheet date, including discount rates and return on plan assets. Any changes in these assumptions could significantly impact the carrying amount of defined pension obligations. Please refer to Note 19.

6.Cash And Cash Equivalents

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Petty cash	<u>\$ 3,750</u>	<u>\$ 3,728</u>
Cash in bank		
Checking accounts	404,971	234,182
Demand deposits	772,166	396,821
Foreign currency-demand deposits	76,269	102,176
Time deposits	—	30,097
Sub-total	<u>1,253,406</u>	<u>763,276</u>
Total	<u><u>\$ 1,257,156</u></u>	<u><u>\$ 767,004</u></u>

7. Financial Assets And Liabilities At Fair Value Through Profit Or Loss

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financial assets at FVTPL - current		
Listed stocks	\$ 274,817	\$ 246,689
Metal commodities futures contract	—	193
Metal options	—	3,309
	<u>274,817</u>	<u>250,191</u>
Valuation adjustment	<u>302,263</u>	<u>157,766</u>
	<u>\$ 577,080</u>	<u>\$ 407,957</u>
Financial assets at FVTPL - noncurrent		
Non-listed stock	\$ 50,941	\$ 44,575
Metal commodities futures contract	372,034	1,306
Metal options	—	460
Valuation adjustment	<u>(17,597)</u>	<u>(17,597)</u>
	<u>\$ 405,378</u>	<u>\$ 28,744</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financial liabilities at FVTPL - current		
Metal commodities futures contract	\$ 106,108	\$ 24,364
Foreign exchange forward contracts	<u>6,280</u>	<u>—</u>
	<u>\$ 112,388</u>	<u>\$ 24,364</u>

- a. At the end of the reporting period, outstanding metal commodities futures contract not under hedge accounting were as follows:

	<u>Metric Tons</u>	<u>Maturity Date</u>	<u>Contract Amount</u>	<u>Fair Value</u>	<u>Gain (Loss) on Evaluate</u>
<u>December 31, 2020</u>					
Buy	5,400	2021.02~2023.06	USD 28,779	USD 41,819	USD 13,040
Sell	6,700	2021.01~2021.03	USD 48,301	USD 52,005	(USD 3,704)
<u>December 31, 2019</u>					
Buy	225	2020.01~2021.07	USD 1,345	USD 1,395	USD 50
Sell	7,350	2020.01~2020.04	USD 44,562	USD 43,752	USD 810

- b. At the end of the reporting period, outstanding metal options not under hedge accounting were as follows:

	<u>Metric Tons</u>	<u>Maturity Date</u>	<u>National Amounts</u>	<u>Fair Value</u>
<u>December 31, 2019</u>				
Sell	1,200	2020.01-2021.01	USD 6,600	USD 125

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

<u>December 31, 2020</u>	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amounts (Thousand)</u>
Buy	NTD/USD	2021.03~2021.06	NTD 173,512/USD 6,092

- d. The Company's strategy for metal commodities futures and metal options was to hedge exposures to fluctuations of metal prices. However, those contracts did not meet the criteria of hedge effectiveness and therefore were not accounted for using hedge accounting.

8. Financial Assets At Fair Value Through Other Comprehensive Income

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Financial assets at fair value through other comprehensive income — non-current		
Listed shares and emerging market shares	\$ 125,995	\$ 74,021
Non-listed stock	618,757	618,757
Valuation adjustment	66,776	14,693
	<u>\$ 811,528</u>	<u>\$ 707,471</u>

9. Notes And Accounts Receivable, Net

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes and accounts receivable	\$ 1,240,841	\$ 1,194,356
Allowance for impairment loss	(24,541)	(16,809)
Notes and accounts receivable, net	<u>\$ 1,216,300</u>	<u>\$ 1,177,547</u>

The average credit period on the sale of goods was approximately 30~90 days, and no interest was charged on trade receivables. The determination of the collectability of account receivables and note receivable requires the Company to make judgments on any change of credit quality from the beginning to the end of the credit term.

Before taking new customers, the company assesses the customers of credit quality and set their line of credit by Credit Management Method. The management evaluates and confers the line of credit after the Company executes Credit Rating.

The Company applies the simplified approach to estimate expected credit losses prescribed by IFRS9, which permits the use of a lifetime expected losses allowance for all trade receivables. To set the expected credit losses rate, the Company are estimated by reference to past default experience of the

debtor, the current financial position of the debtor, and the forecast direction of the future economic conditions

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

a. The aging of receivables that were past due but not impaired was as follows:

December 31, 2020	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~2%	2%~10%	10%~35%	30%~100%	100%	
Gross carrying amount	\$ 1,114,401	\$ 98,284	\$ 22,582	\$ 1,559	\$ 4,015	\$ 1,240,841
Loss allowance (Lifetime ECL)	(4,794)	(7,510)	(7,680)	(542)	(4,015)	(24,541)
Amortized cost	<u>\$ 1,109,607</u>	<u>\$ 90,774</u>	<u>\$ 14,902</u>	<u>\$ 1,017</u>	<u>\$ —</u>	<u>\$ 1,216,300</u>

December 31, 2019	Non Past Due	1-30 Days	31-60 Days	61~365 Days	Over 365 Days	Total
Expected credit rate	0%~1%	0%~2%	10%~12%	25%~100%	100%	
Gross carrying amount	\$ 1,085,898	\$ 87,343	\$ 15,420	\$ 1,701	\$ 3,994	\$ 1,194,356
Loss allowance (Lifetime ECL)	(9,784)	(789)	(1,542)	(700)	(3,994)	(16,809)
Amortized cost	<u>\$ 1,076,114</u>	<u>\$ 86,554</u>	<u>\$ 13,878</u>	<u>\$ 1,001</u>	<u>\$ —</u>	<u>\$ 1,177,547</u>

b. The movement of the loss allowance of trade receivables was as follows:

	Years Ended December 31	
	2020	2019
Balance at January 1, 2020	\$ 16,809	\$ 16,809
Net measurement of loss allowance	7,732	—
Balance at December 31, 2020	<u>\$ 24,541</u>	<u>\$ 16,809</u>

10. Inventories, Net

a. Manufacturing

	December 31, 2020	December 31, 2019
Raw materials	\$ 296,497	\$ 775,006
Supplies	10,404	16,838
Work-in-process	400,671	401,800
Semi-finished goods	11,477	6,482
Finished goods	1,068,170	728,014
Total	1,787,219	1,928,140
Less: Allowance for inventory valuation losses	(10,179)	(19,321)
	<u>\$ 1,777,040</u>	<u>\$ 1,908,819</u>

b. Construction

	December 31, 2020	December 31, 2019
Land held for sale	\$ 71,880	\$ 83,369
Buildings held for sale	—	16,013
	<u>71,880</u>	<u>99,382</u>
Building and land in progress	69,062	7,000
Construction in progress	84,428	38,875
	<u>153,490</u>	<u>45,875</u>
	225,370	145,257
Less: Allowance for loss on decline in market value and obsolescence	—	—
	<u>\$ 225,370</u>	<u>\$ 145,257</u>

c. Expense and losses incurred on inventories recognized for the period :

	Years Ended December 31	
	2020	2019
Cost of goods sold	\$ 8,365,765	\$ 8,175,504
Loss on physical inventory	3,179	2,898
(Reversal gain of) Write-down of inventories	(9,142)	3,374
	<u>\$ 8,359,802</u>	<u>\$ 8,181,776</u>

11. Investments Accounted For Using Equity Method

Investments accounted for using the equity method consisted of the following :

	December 31, 2020	December 31, 2019
Subsidiaries	\$ 5,286,064	\$ 4,251,315
Associates	558,102	536,042
	<u>\$ 5,844,166</u>	<u>\$ 4,787,357</u>

a. Investments in subsidiaries

Subsidiaries consisted of the following :

Name of Subsidiaries	Carrying Amount		% of ownership and voting rights held by the Company	
	December 31,	December 31,	December31,	December31,
	2020	2019	2020	2019
Ta Ya (China) Holding Ltd.	\$ 619,407	\$ 606,275	100.00	100.00
Ta Ya Venture Holdings Ltd.	342,621	357,661	100.00	100.00
Ta Ya (Vietnam) Investment Holding Ltd.	426,591	467,138	100.00	100.00
Ta Ya Innovation Investment Co., Ltd.	522,476	459,829	100.00	100.00
Ta Ya Electric Wire& Cable (H.K.) Co., Ltd.	—	—	99.99	99.99
Ta Ya Venture Capital Co., Ltd.	1,212,188	903,410	96.87	96.87
Ta Heng Electric Wire & Cable Co., Ltd.	197,746	179,249	61.36	61.36
Ta Ho Engineering Co., Ltd.	28,957	35,632	48.00	48.00
Ta Yi Plastic Co., Ltd.	38,879	37,533	48.24	45.58
Cuprime Electric Wire & Cable Co., Ltd.	295,075	205,440	54.01	45.22
United Electric Industry Co., Ltd.	415,353	331,662	42.78	42.78
Plastic Technology Investment Holding Ltd.	62,527	62,335	25.60	25.60
TA YA Green Energy Technology Co., Ltd	1,110,603	595,419	88.06	75.00
Union Storage Energy System Ltd.	13,641	9,732	70.66	50.70
	<u>\$ 5,286,064</u>	<u>\$ 4,251,315</u>		

- (1). Except for TA YA Electric Wire & Cable (H.K.) Co., Ltd., investments accounted for by the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have been audited.
- (2). In December 2020, the Company purchase 202 thousand shares from other related parties in the subsidiary TA YI PLASTIC CO.LTD, which increased the shareholding ratio for the year ended December 31, 2020 in TA YI PLASTIC CO.LTD to 48.24%.
- (3). In December 2020, the Company further invested 9,798 thousand shares in the subsidiary CUPRIME MATERIAL CO, LTD, which increased the shareholding ratio for the year ended December 31, 2020 in CUPRIME MATERIAL CO, LTD to 54.01%.
- (4). In September 2020 The Company purchase the shares, TA YA GREEN ENERGY CO, from associates. In January 2020 and October 2020, the Company further invested 15,000 thousand shares and 25,000 thousand shares separately in the subsidiary TA YA GREEN ENERGY CO. which increasing the shareholding ratio for the year ended December 31, 2020 in TA YA GREEN ENERGY CO. to 88.06%.
- (5). In September 2020, the Company further invested 930 thousand shares and in the subsidiary UNION STORAGE ENERGY SYSTEM LTD., which increased the shareholding ratio for the year ended December 31, 2020 in UNION STORAGE ENERGY SYSTEM LTD. to 70.66%.

b. Investments in associates

Associates consisted of the following :

Name of Associates	Carrying Amount		% of ownership and Voting Rights Held by the Company	
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	, 2019
Ad Engineering Corporation	\$ 102,698	\$ 86,110	27.00	27.00
Jung Shing Wire Co., Ltd.	440,167	418,355	22.13	22.13
AMIT system service Ltd.	718	2,444	19.61	19.61
Hengs Technology Co., Ltd.	14,519	29,133	3.99	3.99
	<u>\$ 558,102</u>	<u>\$ 536,042</u>		

The summarized financial information in respect of the Company's associates is set out below. The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with the Accounting Standards Used in Preparation of the Parent Company Only Financial Statements, which is also adjusted by the Company using the equity method of accounting.

	December 31, 2020	December 31, 2019
Total assets	\$ 3,789,765	\$ 5,173,452
Total liabilities	(1,618,252)	(2,336,181)
Net assets	<u>\$ 2,171,513</u>	<u>\$ 2,837,271</u>

	Years Ended December 31	
	2020	2019
Net revenue	<u>\$ 5,049,449</u>	<u>\$ 3,564,945</u>
Net income	<u>\$ 537,954</u>	<u>\$ 349,072</u>
The Company's share of profits of associates	<u>\$ 40,174</u>	<u>\$ 32,045</u>

The company investments Jung Shing Wire Co., Ltd. The closing price represents the quoted price in active markets, the level 1 fair value measurement.

	December 31, 2020	December 31, 2019
Fair value	<u>\$ 472,446</u>	<u>\$ 393,210</u>

12. Property, Plant And Equipment

Year Ended December 31, 2020

Cost	Balance, Beginning of	Additions	Disposals	Reclassification	Balance, End of Year
	Year				
Land and land improvements	\$ 1,506,312	\$ —	\$ —	\$ —	\$ 1,506,312
Buildings	1,055,914	4,686	(300)	3,337	1,063,637
Machinery and equipment	2,750,475	4,729	(45,265)	20,347	2,730,286
Transportation equipment	50,714	1,047	(897)	154	51,018
Miscellaneous equipment	1,032,966	12,321	(11,220)	34,450	1,068,517
Construction in progress and equipment awaiting inspection	111,521	—	—	14,255	125,776
	<u>\$ 6,507,902</u>	<u>\$ 22,783</u>	<u>\$ (57,682)</u>	<u>\$ 72,543</u>	<u>\$ 6,545,546</u>

Year Ended December 31, 2020

Accumulated depreciation and impairment	Balance, Beginning of	Additions	Impairment	Disposals	Balance, End of Year
	Year		losses		
Land and land improvements	\$ 8,170	\$ 2,566	\$ —	\$ —	\$ 10,736
Buildings	727,943	28,562	—	(300)	756,205
Machinery and equipment	2,524,946	47,217	—	(45,265)	2,526,898
Transportation equipment	40,374	2,507	—	(795)	42,086
Miscellaneous equipment	905,312	29,621	—	(10,831)	924,102
	<u>\$ 4,206,745</u>	<u>\$ 110,473</u>	<u>\$ —</u>	<u>\$ (57,191)</u>	<u>\$ 4,260,027</u>

Year Ended December 31, 2019					
Cost	Balance, Beginning of Year	Additions	Disposals	Reclassification	Balance, End of Year
Land and land improvements	\$ 1,506,312	\$ —	\$ —	\$ —	\$ 1,506,312
Buildings	1,044,957	10,489	—	468	1,055,914
Machinery and equipment	2,735,475	4,690	(41,351)	51,661	2,750,475
Transportation equipment	51,586	737	(3,402)	1,793	50,714
Miscellaneous equipment	1,005,710	17,411	(8,671)	18,516	1,032,966
Construction in progress and equipment awaiting inspection	90,952	37,755	—	(17,186)	111,521
	<u>\$ 6,434,992</u>	<u>\$ 71,082</u>	<u>\$ (53,424)</u>	<u>\$ 55,252</u>	<u>\$ 6,507,902</u>

Year Ended December 31, 2019					
Accumulated depreciation and impairment	Balance, Beginning of Year	Additions	Impairment losses	Disposals	Balance, End of Year
Land and land improvements	\$ 5,603	\$ 2,567	\$ —	\$ —	\$ 8,170
Buildings	703,563	24,380	—	—	727,943
Machinery and equipment	2,475,782	63,697	26,818	(41,351)	2,524,946
Transportation equipment	41,155	2,380	—	(3,161)	40,374
Miscellaneous equipment	879,785	34,198	—	(8,671)	905,312
	<u>\$ 4,105,888</u>	<u>\$ 127,222</u>	<u>\$ 26,818</u>	<u>\$ (53,183)</u>	<u>\$ 4,206,745</u>

The carrying amounts of property, plant and equipment pledged as collateral for bank loans were disclosed in Note 34.

13 Lease Arrangements

Year Ended December 31, 2020				
Cost	Balance, Beginning of Year	Additions	less	Balance, End of Year
Transportation equipment	\$ 25,032	\$ —	\$ —	\$ 25,032
Miscellaneous equipment	502	—	—	502
	<u>\$ 25,534</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 25,534</u>
Accumulated depreciation	Balance, Beginning of Year	Additions	less	Balance, End of Year
Transportation equipment	\$ 5,657	\$ 6,008	\$ —	\$ 11,665
Miscellaneous equipment	208	207	—	415
	<u>\$ 5,865</u>	<u>\$ 6,215</u>	<u>\$ —</u>	<u>\$ 12,080</u>
Year Ended December 31, 2019				
Cost	Balance, Beginning of Year	Initial Application of IFRS 16	Additions	Balance, End of Year
Transportation equipment	\$ —	\$ 21,613	\$ 3,419	\$ 25,032
Miscellaneous equipment	—	502	—	502
	<u>\$ —</u>	<u>\$ 22,115</u>	<u>\$ 3,419</u>	<u>\$ 25,534</u>
Accumulated depreciation	Balance, Beginning of Year	Additions	Disposals	Balance, End of Year
Transportation equipment	\$ —	\$ 5,657	\$ —	\$ 5,657
Miscellaneous equipment	—	208	—	208
	<u>\$ —</u>	<u>\$ 5,865</u>	<u>\$ —</u>	<u>\$ 5,865</u>

a. Lease liabilities

	December 31, 2020	December 31, 2019
Carrying amounts		
Current	<u>\$ 6,067</u>	<u>\$ 6,335</u>
Non-current	<u>\$ 7,323</u>	<u>\$ 13,391</u>

Range of discount rate for lease liabilities is as follows:

	December 31, 2020	December 31, 2019
Transportation equipment	3.54%	3.54%
Miscellaneous equipment	3.54%	3.54%

b. Other lease information

	December 31, 2020	December 31, 2019
Expenses relating to short-term leases	\$ 336	\$ 502
Expenses relating to low-value asset leases	\$ —	\$ —
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ —	\$ —
Total cash outflow for leases	\$ (7,268)	\$ (7,061)

14. Investment Property

Year Ended December 31, 2020				
Cost	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Land	\$ 812,504	\$ —	\$ (699)	\$ 811,805
Buildings and improvements	144,013	—	—	144,013
	<u>\$ 956,517</u>	<u>\$ —</u>	<u>\$ (699)</u>	<u>\$ 955,818</u>
Year Ended December 31, 2020				
Accumulated depreciation	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Buildings and improvements	\$ 53,269	\$ 2,631	\$ —	\$ 55,900
	<u>\$ 53,269</u>	<u>\$ 2,631</u>	<u>\$ —</u>	<u>\$ 55,900</u>
Year Ended December 31, 2019				
Cost	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Land	\$ 812,549	\$ —	\$ (45)	\$ 812,504
Buildings and improvements	139,716	3,838	459	144,013
	<u>\$ 952,265</u>	<u>\$ 3,838</u>	<u>\$ 414</u>	<u>\$ 956,517</u>
Year Ended December 31, 2019				
Accumulated depreciation	Balance, Beginning of Year	Additions	Reclassification	Balance, End of Year
Buildings and improvements	\$ 49,856	\$ 2,999	\$ 414	\$ 53,269
	<u>\$ 49,856</u>	<u>\$ 2,999</u>	<u>\$ 414</u>	<u>\$ 53,269</u>

The fair value of the Company's investment properties was arrived at on the basis of valuation carried out on March 20, 2019 by independent appraisers, who are not related parties. Lands were valued under market approach and income approach, while buildings were valued under cost approach. The

important assumptions and fair value were as follows :

	December 31, 2020	December 31, 2019
Fair value	\$ 1,087,486	\$ 1,332,684

The carrying amounts of investment property pledged as collateral for bank loans were disclosed in Note 34.

15. Short-Term Loans

	December 31, 2020	Annual interest rate	Maturity date
Usance L/C loans	\$ 631,287	0.84%~1.12%	2021.01~2021.06
Mortgage loans	250,000	0.95%~1.10%	2021.02~2021.11
Unsecured loans	698,000	0.66%~1.27%	2021.01~2021.11
Total	<u>\$ 1,579,287</u>		

	December 31, 2019	Annual interest rate	Maturity date
Usance L/C loans	\$ 344,892	1.20%~1.30%	2020.03~2020.06
Mortgage loans	397,000	1.09%~1.30%	2020.01~2020.11
Unsecured loans	223,000	1.09%~1.30%	2020.01~2020.11
Total	<u>\$ 964,892</u>		

The carrying amounts of short-term loans pledged as collateral for bank loans were disclosed in Note 34.

16. Commercial Papers

	December 31, 2020	December 31, 2019
Commercial Papers	\$ 400,000	\$ 600,000
Less : Discount on commercial papers	—	—
	<u>\$ 400,000</u>	<u>\$ 600,000</u>
Interest rate range	1.09%~1.20%	1.35%~1.44%
Maturity date	2021.01~2021.03	2020.01~2020.02

17. Bonds Payable

	December 31, 2020	December 31, 2019
The first domestic secured corporate bonds in 2018	\$ 500,000	\$ 500,000
The first domestic secured corporate bonds in 2020	1,000,000	—
Less : current portion	—	—
	<u>\$ 1,500,000</u>	<u>\$ 500,000</u>

Related issuance conditions were as follows:

Category	Period	Conditions	Rate(%)
The first domestic secured corporate bonds in 2018	2018.09.25~ 2023.09.25	Principal repayable on due date ; interest payable annually	0.97
The first domestic secured corporate bonds in 2020	2020.12.02~ 2025.12.02	Principal repayable in five equal payments in 2023~2026 ; interest payable semiannually	0.61

18. Long-Term Loans

	December 31, 2020	Annual interest rate	Maturity date
Mortgage loans	\$ 1,692,669	1.19%~1.48%	2021.02~2024.08
Unsecured loans	1,290,665	1.10%~1.50%	2022.06~2024.10
Less: Current portion	(636,667)		
	<u>\$ 2,346,667</u>		
	December 31, 2019	Annual interest rate	Maturity date
Mortgage loans	\$ 2,221,644	1.45%~1.74%	2021.02~2022.09
Unsecured loans	1,008,356	1.45%~1.77%	2020.12~2022.06
Less: Current portion	(946,667)		
	<u>\$ 2,283,333</u>		

The carrying amounts of long-term loans pledged as collateral for bank loans were disclosed in Note 34.

19. Retirement Benefit Plans

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Accordingly, the Company recognized expenses of NT\$15,021 thousand and NT\$13,187 thousand for the years ended December 31, 2020 and 2019, respectively.

b. Defined benefit plans

(a) The Company has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee's length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 15% of salaries paid each

month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee's name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government's designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds. The amounts arising from the defined benefit obligation of the Company in the parent company only balance sheets were as follows :

	December 31, 2020	December 31, 2019
Present value of funded defined benefit obligation	\$ (426,592)	\$ (419,127)
Fair value of plan assets	431,513	381,906
Net defined benefit liability	<u>\$ 4,921</u>	<u>\$ (37,221)</u>

(b) Movement in the present value of the defined benefit obligation were as follows :

	Years Ended December 31	
	2020	2019
Balance, beginning of year	\$ 419,127	\$ 419,278
Current service cost	5,777	5,781
Interest cost	2,860	3,040
Remeasurement on the net defined benefit liability :		
Actuarial loss arising from experience adjustments	(1,047)	8,736
Actuarial gain from changes in demographic assumptions	2	(5)
Actuarial loss arising from changes in financial assumptions	9,465	1,752
Benefits paid	(9,592)	(19,455)
Balance, end of year	<u>\$ 426,592</u>	<u>\$ 419,127</u>

(c) Movements in the fair value of the plan assets were as follows :

	Years Ended December 31	
	2020	2019
Balance, beginning of year	\$ 381,906	\$ 320,437
Interest income	2,693	2,398
Remeasurement :		
Return on plan assets (excluding amounts included in net interest expense)	10,889	10,290
Contributions from the employer	45,617	68,236
Benefits paid	(9,592)	(19,455)
Balance, end of year	<u>\$ 431,513</u>	<u>\$ 381,906</u>

(d) Amounts of expenses recognized in comprehensive income statements are as follows :

	Years Ended December 31	
	2020	2019
Current service cost	\$ 5,777	\$ 5,781
Net interest cost	167	642
Recognized in profit or loss	<u>5,944</u>	<u>6,423</u>
Remeasurement :		
Return on plan assets (excluding amounts included in net interest expense)	(10,889)	(10,290)
Actuarial loss arising from experience adjustments	(1,047)	8,736
Actuarial gain from changes in demographic assumptions	2	(5)
Actuarial loss arising from changes in financial assumptions	9,465	1,752
Recognized in other comprehensive income	<u>(2,469)</u>	<u>193</u>
Total	<u>\$ 3,475</u>	<u>\$ 6,616</u>

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

	Years Ended December 31	
	2020	2019
Operating costs	\$ 1,404	\$ 3,358
Research and development expenses	1,498	388
Selling and marketing expenses	198	661
General and administrative expenses	2,844	2,016
Total	<u>\$ 5,944</u>	<u>\$ 6,423</u>

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

	December 31	
	2020	2019
Discount rate	0.30%	0.70%
Future salary increase rate	0.70%	0.80%

Through the defined benefit plans under the R.O.C. Labor Standards Law, the Company is exposed to the following risks:

- (g) Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the R.O.C. Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.

- (h) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

Assuming a hypothetical decrease in interest rate at the end of the reporting period contributed to a decrease of 0.25% in the discount rate and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$8,161 thousand and NT\$8,944 thousand as of December 31, 2020 and 2019, respectively.

- (i) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

Assuming the expected salary rate increases by 0.25% at the end of the reporting period and all other assumptions were held constant, the present value of the defined benefit obligation would increase by NT\$8,107 thousand and NT\$8,913 thousand as of December 31, 2020 and 2019, respectively.

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability.

The Company expects to make contributions of NT\$26,988 thousand to the defined benefit plans in the next year starting from December 31, 2020.

20. Equity

a. Capital stock

- (1) As of December 31, 2020 and 2019, the Company's authorized capital was NT\$7,000,000 thousand and the paid-in capital was NT\$5,950,680 thousand, consisting of 595,068,022 shares of ordinary stock with a par value of NT\$10 per share.
- (2) The Company's shareholders resolved to distribute share dividends of \$228,872 thousand in June 12, 2019, which were approved by the FSC. The subscription base date were August 6, 2019 as determined by the board of directors.

b. Capital surplus

In accordance with the Company Act, realized capital reserves can only be reclassified as share or be distributed as cash dividends after offsetting against losses. The aforementioned capital reserves include share premiums and donation gains.

ROC SEC regulations also stipulate that a capital increase by transferring paid-in capital in excess of par value can be done only once a year and only in years other than the year in which such excess arose. The amount of such capitalization depends on the Company's operating results and is limited to a certain ratio of paid-in capital in excess of par value in relation to issued capital.

c. Retained earnings and dividend policy

The Company's articles of incorporation provide that annual earnings are to be appropriated as follows:

- (a) Payment of tax;
- (b) Offset accumulated deficits, if any;

- (c) Of the remaining balance, if any, 10% is to be set aside as legal reserve.
- (d) 20% to 90% as appropriate dividends to stockholders; cash dividend should not lower than 10% of such dividends.

The bonus to employees and remuneration to directors and supervisors, representing at least 1% and at most 3% of net income (net of bonus and remuneration) less accumulated deficit, 10% legal reserve and special reserve, respectively, were recognized for the years ended. The amounts were estimated based on past experience. Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the stockholders differ from the proposed amounts, the differences are recorded in the year of stockholders' resolution as a change in accounting estimate. Information on the earnings appropriation and the bonus to employees, directors and supervisors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

The appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

Pursuant to existing regulations, the Company is required to set aside additional special capital reserve equivalent to the net debit balance of the other components of stockholders' equity. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses.

The Company appropriates or reverses their special reserve in accordance with Order No. 1010012865, Order No. 1010047490 and Order No. 1030006415 issued by the FSC and the directive entitled "Questions and Answers on Special Reserves Appropriated Following the Adoption of IFRSs".

The appropriations of earnings for 2019 and 2018 had been approved in the stockholders' meetings on June 11, 2020 and June 12, 2019, respectively. The appropriations and dividends per share were as follows :

	Appropriation of Earnings		Dividends Per Share(NT\$)	
	For Fiscal Year 2019	For Fiscal Year 2018	For Fiscal Year 2019	For Fiscal Year 2018
Legal capital reserve	\$ 50,504	\$ 40,499		
Cash dividends	178,521	171,654	0.30	0.30
Share dividends	—	228,872	—	0.40
	<u>\$ 229,025</u>	<u>\$ 441,025</u>		

Refer to Note 26 for the policies on the distribution of employees' compensation and remuneration of directors and supervisors.

d. Others

1) Foreign currency translation reserve

	For the Year Ended December 31	
	2020	2019
Balance, beginning of year	\$ (183,063)	\$ (138,115)
Exchange differences arising on translation of foreign operations	(28,490)	(26,561)
Share of other comprehensive income (loss) of associates	(8,169)	(26,553)
Income tax effect	5,698	8,166
Balance, end of year	<u>\$ (214,024)</u>	<u>\$ (183,063)</u>

Exchange differences relating to the translation of the results and net assets of the Company's foreign operations from their functional currencies to the Company's presentation currency (i.e. New Taiwan dollars) were recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve were reclassified to profit or loss on the disposal of the foreign operation.

2) Unrealized gain (loss) on financial assets at fair value through other comprehensive income

	For the Year Ended December 31	
	2020	2019
Beginning balance	\$ 36,775	\$ 20,508
Unrealized loss on financial assets at fair through other comprehensive income	68,417	23,801
Disposal of investments in equity instruments at fair value through other comprehensive income	(16,334)	(8,462)
Subsidiary disposed the investment in equity instruments designated as at fair value other comprehensive income	(3,211)	—
Share of other comprehensive income of accounted for using the equity method	2,216	771
Income tax effect	495	157
Balance, end of year	<u>\$ 88,358</u>	<u>\$ 36,775</u>

Unrealized gain (loss) on financial assets at FVTOCI represents the cumulative gains or losses arising from the fair value measurement on financial assets at FVTOCI that are recognized in other comprehensive income. The cumulative gain or loss will not be reclassified as profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

21. Treasury Stock

Purpose of Treasury Shares	For the Year Ended December 31, 2020			
	Beginning of year	Addition	Reduction	end of year
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	7,939,067	—	400,000	7,539,067
For transfer to employees	—	5,500,000	5,500,000	—
	<u>7,939,067</u>	<u>5,500,000</u>	<u>5,900,000</u>	<u>7,539,067</u>

	For the Year Ended December 31,2019			
Shares held by subsidiaries reclassified from investments accounted for using equity method to treasury shares	<u>5,633,667</u>	<u>2,305,400</u>	<u>—</u>	<u>7,939,067</u>

a. Common Stock

- (1) The Board of Directors, during its meeting on March 16, 2020, adopted a resolution to purchase 10,000 thousand common stock shares at a price between \$5.68 and \$15.55 per share, which will be transferred to employees. The estimated total number of shares purchased is capped at \$1,010,283 thousand. As of December 31, 2020, the Company has purchased 5,500,000 shares, which accounts for 0.92% of the Company's total issued shares, with the average buyback price of \$9.84 and the buyback cost of \$54,141 thousand.
- (2) In October and November 2020, the Company executed a compensation plan to offer 5,500,000 shares of treasury stock to qualified employees of the Company and Subsidiaries.
- (3) Treasury stock shall not be pledged, nor does it entitle voting rights or receive dividends, in compliance with Securities and Exchange Law of the ROC.

- b. As of December 31, 2020 and 2019, treasury stock held by subsidiaries were 7,539,067 shares and 7,939,067 shares, the market values of the shares held by the subsidiaries were \$20.10 and \$11.40 per share, respectively.

22.Share-based payment

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

Type of arrangement	Grant date	Quantity granted (thousands)	Share price on grant date (in dollars)	Vesting conditions
Treasury shares reissued to employees	October 13, 2020	5,500	9.85	Immediately

- b. 1. The fair value of the goods or services obtained is directly measured by the market value of the goods or services on the date given
- c. 2.The company's compensation cost due to share-based payment is \$55,681 thousand for the year ended December 31,2020.

23. Income Tax

a. Income tax expense recognized in profit or loss

Income tax expense consisted of the following :

	Years Ended December 31	
	2020	2019
Current income tax expense		
Current tax expense	\$ 4,462	\$ 12,151
Land value increment tax	547	1,030
Adjustments for prior years	2,645	(4,149)
Income tax on unappropriated earnings	13,866	—
	<u>21,520</u>	<u>9,032</u>
Deferred income tax		
The origination and reversal of temporary differences	54,228	71,748
Income tax benefit recognized in profit or loss	<u>\$ 75,748</u>	<u>\$ 80,780</u>

A reconciliation of accounting profit and income tax expenses recognized in profit or loss was as follows :

	Years Ended December 31	
	2020	2019
Income tax expense at the statutory rate	\$ 185,158	\$ 117,177
Nondeductible (deductible) items in determining taxable income	(67,047)	16,750
Tax-exempt income	(163,615)	(121,776)
The origination and reversal of temporary differences	54,228	71,748
Land value increment tax	547	1,030
Separate taxation on repatriated offshore funds	4,462	—
Unrecognized loss carryforwards and deductible temporary differences	45,504	—
Income tax on unappropriated earnings	13,866	—
Adjustments for prior years	2,645	(4,149)
Income tax benefit recognized in profit or loss	<u>\$ 75,748</u>	<u>\$ 80,780</u>

b. Income tax expense recognized in other comprehensive income

	Years Ended December 31	
	2020	2019
Items that will never be reclassified to profit or loss:		
Related to remeasurement of defined benefit obligation	\$ 9,506	\$ 10,039
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(495)	(157)
	<u>\$ 9,011</u>	<u>\$ 9,882</u>

		Years Ended December 31	
		2020	2019
Items that are or may be reclassified subsequently to profit or loss:			
Related to unrealized gain/loss on translation of foreign operations		\$ (5,698)	\$ (8,166)
c. Deferred income tax balance			
The analysis of deferred income tax in the parent company only balance sheets was as follows :			
		December 31, 2020	December 31, 2019
Deferred income tax assets			
Unrealized loss on inventories	\$ 2,036	\$ 4,171	
Expected credit loss	4,908	3,362	
Unrealized gross profit	6,152	—	
Accrued pension cost	(984)	7,444	
Unrealized loss on translation of foreign operations	49,045	43,347	
Remeasurement of defined benefit obligation	5,688	15,194	
Unrealized loss (gain) on financial assets at fair value through other comprehensive income	(1,289)	(1,784)	
Unrealized loss (gain) on financial assets at fair value through profit or loss	(51,929)	2,503	
Others	(6,065)	(9,135)	
	<u>\$ 7,562</u>	<u>\$ 65,102</u>	
		December 31, 2020	December 31, 2019
Deferred income tax liabilities			
Land value incremental reserve	\$ 264,486	\$ 264,486	
d. Items for which no deferred tax assets have been recognized :			
		December 31, 2020	December 31, 2019
Impairment loss	<u>\$ 13,111</u>	<u>\$ 13,111</u>	
e. The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority. However, the appeal against the approved results of has already been filed.			

24. Earnings Per Share

	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Year ended December 31, 2020</u>			
Basic EPS			
Net income available to common shareholders	<u>\$ 850,045</u>	595,068	
Repurchased treasury stock		(2,786)	
Regard as treasury stock-common stock held by subsidiaries		(7,852)	
		<u>584,430</u>	<u>\$ 1.45</u>
	Amount (Numerator)	Number of Shares (Denominator) (in Thousands)	EPS(NT\$)
<u>Year ended December 31, 2019</u>			
Basic EPS			
Net income available to common shareholders	<u>\$ 505,047</u>	572,180	
Regard as treasury stock-common stock held by subsidiaries		(6,725)	
Issuance of bonus shares		22,887	
		<u>588,342</u>	<u>\$ 0.86</u>

25. Operating Revenues

	Years Ended December 31	
	2020	2019
Sales Revenue	\$ 8,896,922	\$ 8,668,827
Construction Revenue	33,571	67,650
Others	9,595	9,550
	<u>\$ 8,940,088</u>	<u>\$ 8,746,027</u>

26. Additional Information Of Expenses By Nature

	Years Ended December 31	
	2020	2019
Depreciation and amortization		
Depreciation of property, plant and equipment	\$ 110,473	\$ 127,222
Depreciation of Right-of-use assets	6,215	5,865
Depreciation of investment property	2,631	2,999
	<u>\$ 119,319</u>	<u>\$ 136,086</u>

	Years Ended December 31	
	2020	2019
Employee benefits expenses		
Salaries and bonus	\$ 552,230	\$ 454,702
Labor and health insurance	40,686	39,238
Pension	20,965	19,610
Remuneration of directors	30,611	19,987
Others	17,081	21,669
	<u>\$ 661,573</u>	<u>\$ 555,206</u>

According to the Company's Articles of Incorporation, the Company shall allocate compensation to directors and profit sharing bonus to employees of the Company not more than 3% and 1% of annual profits during the period, respectively.

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018 were as follows:

	Years Ended December 31	
	2020	2019
Employees' compensation	<u>\$ 9,644</u>	<u>\$ 6,102</u>
Remuneration of directors	<u>\$ 28,931</u>	<u>\$ 18,307</u>

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

The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018 which have been approved by the Corporation's board of directors in March 2020 and 2019, respectively, were as follows:

	Years Ended December 31	
	2019	2018
Employees' compensation	<u>\$ 6,102</u>	<u>\$ 5,626</u>
Remuneration of directors	<u>\$ 18,307</u>	<u>\$ 16,878</u>

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

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

27. Interest Income

	Years Ended December 31	
	2020	2019
Bank deposits	\$ 1,308	\$ 7,653
Other interest income	904	1,459
	<u>\$ 2,212</u>	<u>\$ 9,112</u>

28. Other Income

	Years Ended December 31	
	2020	2019
Rental revenue	\$ 19,509	\$ 23,697
Dividend income	77,550	67,445
	<u>\$ 97,059</u>	<u>\$ 91,142</u>

29. Other Gains And Losses

	Years Ended December 31	
	2020	2019
Gain on disposal of property, plant and equipment	\$ 925	\$ 1,236
Gain on disposal of investment property	301	—
Gain (loss) on disposal of investments	9,385	(4,198)
Net foreign exchange losses	7,163	1,796
Net gain arising on financial assets/liabilities at FVTPL	234,648	12,836
Commission income	—	2,268
Technical Services revenue	46,158	47,968
Impairment loss	—	(26,818)
Subsidy income	20,903	15,571
Others	23,009	28,175
	<u>\$ 342,492</u>	<u>\$ 78,834</u>

30. Finance Costs

	Years Ended December 31	
	2020	2019
Interest expense		
Bank loans	\$ 67,598	\$ 78,712
Interest of lease liabilities	596	751
Other Interest expense	5,602	6,003
	<u>\$ 73,796</u>	<u>\$ 85,466</u>

31. Capital Management

The Company's strategy for managing the capital structure is to lay out the plan of product development and expand the market share considering the growth and the magnitude of industry and further developing an integral plan founded on the required capacity, capital outlay, and magnitude of assets in long-term development. Ultimately, considering the risk factors such as the fluctuation of the industry cycle and the life cycle of products, the company determines the optimal capital structure by estimating the profitability of products, operating profit ratio, and cash flow based on the competitiveness of products.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves and retained earnings).

The management of the company periodically examines the capital structure and contemplates on the potential costs and risks involved while exerting different financial tools. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and issue new shares to reduce debt.

There were no changes in the Company's approach to capital management for the year ended December 31, 2020.

32. Financial Instruments

a. Financial risk management objective

The Company manages its exposure to risks relating to the operations through market risk, credit risk, and liquidity risk with the objective to reduce the potentially adverse effects the market uncertainties may have on its financial performance.

The plans for material treasury activities are reviewed by Board of Directors in accordance with procedures required by relevant regulations or internal controls. During the implementation of such plans the company must comply with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

b. Market risk

The Company is exposed to the market risks arising from changes in foreign exchange rates, interest rates and utilizes some derivative financial instruments to reduce the related risks.

(a) Foreign currency risk

Some of the Company's operating activities are denominated in foreign currencies. Consequently, the Company is exposed to foreign currency risk. To protect against reductions in

value and the volatility of future cash flows caused by changes in foreign exchange rates, the Company utilizes derivative financial instruments, including currency forward contracts and short-term borrowings in foreign currencies, to hedge its currency exposure.

The Company's significant exposure to foreign currency risk were as follows :

	December 31, 2020			December 31, 2019		
	Foreign currency	Exchange rate	NT\$	Foreign currency	Exchange rate	NT\$
<u>Assets</u>						
<u>Monetary items</u>						
USD	\$ 6,901	28.48	\$ 196,540	\$ 5,601	30.10	\$ 168,590
HKD	1,223	3.67	4,488	831	3.86	3,208
CNY	2,474	4.37	10,811	1,589	4.32	6,864
JPY	6,097	0.28	1,707	23,982	0.28	6,715
<u>Liabilities</u>						
<u>Monetary items</u>						
USD	\$ 22,945	28.48	\$ 653,474	\$ 245	30.10	\$ 7,375

Foreign currency sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, financial assets at fair value through profit or loss, loans and borrowings, accounts payable that are denominated in foreign currency. A strengthening (weakening) 1% of appreciation (depreciation) of the NTD against the foreign currency for the years ended December 31, 2020 and 2019 would have increased (decrease) the net profit after tax by NT\$4,399 thousand and NT\$1,780 thousand , respectively.

(b) Interest rate risk

The Company was exposed to fair value interest rate risk and cash flow interest rate risk because the Company hold assets and liabilities at both fixed and floating interest rates.

Interest rate sensitivity analysis

The following sensitivity analysis is based on the risk exposure to interest rates on the non-derivatives financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date.

If the interest rate increases (decreases) by 0.1%, all other variable factors that remain constant, the Company's net profit after tax would have (decreased) increased by NT\$4,331 thousand and NT\$4,795 thousand for the years ended December 31, 2020 and 2019, respectively. This is mainly due to the Company's net assets in floating rates.

(c) Other price risk

The Company is exposed to equity price risk arising from equity investments.

Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, the Company's net profit after tax for the years ended December 31, 2020 and 2019 would have been higher/lower by NT\$30,521 thousand and NT\$21,572 thousand, respectively, as a result of the fair value changes of Financial assets at fair value through profit or loss.

If equity prices had been 5% higher/lower, the Company's other comprehensive income for the nine months ended September 30, 2020 and 2019 would have been higher/lower by NT\$40,576 thousand and NT\$35,374 thousand, respectively, as the result of the fair value changes of financial assets at fair value through other comprehensive income.

c. Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

Business related credit risk

To maintain the quality of receivables, the Company has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit rating agency rating, the Company's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Company also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

As of December 31, 2020 and 2019, exceed 5% of accounts receivables from the Company's customer were as follows:

Customer	December 31	
	2020	2019
9998013	\$ 121,584	\$ —
682000	57,969	58,104
5140600	54,876	50,536
5110105	—	155,788
5110100	—	107,602

The Company does not expect significant credit risk because the counterparties are creditworthy companies.

Financial credit risk

Bank deposits, fixed income investment and other financial instruments are credit risk sources required by the Parent Company's Department of Finance Department to be measured and monitored. However, since the Company's counter-parties are all reputable financial institutions and government agencies, there is no significant financial credit risk.

d. Liquidity risk management

The objective of liquidity risk management is to ensure the Company has sufficient liquidity to fund its business requirements associated with existing operations. The Company manages its liquidity risk by maintain adequate cash and banking facilities.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principles and interest.

December 31, 2020						
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years	
Non-derivative financial liabilities						
Short-term bank loans	\$ 1,579,287	\$ 1,579,287	\$ 1,579,287	\$ —	\$ —	
Notes payable (including related parties)	1,354	1,354	1,354	—	—	
Accounts payable (including related parties)	486,054	486,054	486,054	—	—	
Commercial papers	400,000	400,000	400,000	—	—	
Other payables	303,349	303,349	303,349	—	—	
Lease liabilities	13,390	13,434	4,763	8,671	—	
Bonds payable	1,500,000	1,500,000	—	1,500,000	—	
Long-term bank loans	2,983,334	2,983,334	636,667	2,346,667	—	
	<u>\$ 7,266,768</u>	<u>\$ 7,266,812</u>	<u>\$ 3,411,474</u>	<u>\$ 3,855,338</u>	<u>\$ —</u>	
Derivative financial liabilities						
Metals futures	\$ 106,108	\$ 1,409,551	\$ 1,409,551	\$ —	\$ —	
Foreign exchange forward contract	6,280	173,512	173,512	—	—	
	<u>\$ 112,388</u>	<u>\$ 1,583,063</u>	<u>\$ 1,583,063</u>	<u>\$ —</u>	<u>\$ —</u>	
December 31, 2019						
	Carrying amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years	
Non-derivative financial liabilities						
Short-term bank loans	\$ 964,892	\$ 964,892	\$ 964,892	\$ —	\$ —	
Notes payable (including related parties)	9,782	9,782	9,782	—	—	
Accounts payable (including related parties)	394,200	394,200	394,200	—	—	
Commercial papers	600,000	600,000	600,000	—	—	
Other payables	233,054	233,054	233,054	—	—	
Lease liabilities	19,726	20,907	6,930	13,977	—	
Bonds payable	500,000	500,000	—	500,000	—	
Long-term bank loans	3,230,000	3,230,000	946,667	2,283,333	—	
	<u>\$ 5,951,654</u>	<u>\$ 5,952,835</u>	<u>\$ 3,155,525</u>	<u>\$ 2,797,310</u>	<u>\$ —</u>	
Derivative financial liabilities						
Metals futures	<u>\$ 24,364</u>	<u>\$ 138,780</u>	<u>\$ 138,780</u>	<u>\$ —</u>	<u>\$ —</u>	

e. Fair value of financial instruments

(a) Fair value of financial instruments carried at amortized cost

The Company considers that the carrying amounts of financial assets and financial liabilities recognized in the parent company only financial statements approximate their fair values.

(b) Valuation techniques and assumptions used in Fair value measurement

The Fair value of financial assets and financial liabilities are determined as follows :

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes publicly traded stocks) .
- Forward exchange contracts and cross currency swap contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.
- The fair values of other financial assets and financial liabilities in accordance with generally accepted pricing models based on discounted cash flow analysis.

(c) Fair value measurements recognized in the parent company only balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable :

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities ;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) ; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) .

i. Information of fair value hierarchy of financial instruments

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 577,080	\$ —	\$ —	\$ 577,080
Unlisted stocks	—	—	33,334	33,334
Derivative not designated as a hedging instrument	—	372,034	—	372,034
	<u>\$ 577,080</u>	<u>\$ 372,034</u>	<u>\$ 33,334</u>	<u>\$ 982,448</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 200,367	\$ —	\$ —	\$ 200,367
Unlisted stocks	—	30,066	581,095	611,161
	<u>\$ 200,367</u>	<u>\$ 30,066</u>	<u>\$ 581,095</u>	<u>\$ 811,528</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 106,108	\$ —	\$ 106,108
	<u>\$ —</u>	<u>\$ 106,108</u>	<u>\$ —</u>	<u>\$ 106,108</u>
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current and noncurrent				
Domestic listed and emerging stocks	\$ 404,455	\$ —	\$ —	\$ 404,455
Unlisted stocks	—	26,978	—	26,978
Derivative not designated as a hedging instrument	—	5,268	—	5,268
	<u>\$ 404,455</u>	<u>\$ 32,246</u>	<u>\$ —</u>	<u>\$ 436,701</u>
Financial assets at FVTOCI – current and noncurrent				
Domestic listed and emerging stocks	\$ 89,756	\$ —	\$ —	\$ 89,756
Unlisted stocks	—	—	617,715	617,715
	<u>\$ 89,756</u>	<u>\$ —</u>	<u>\$ 617,715</u>	<u>\$ 707,471</u>
Financial liabilities at FVTPL – current and noncurrent				
Derivative not designated as a hedging instrument	\$ —	\$ 24,364	\$ —	\$ 24,364
	<u>\$ —</u>	<u>\$ 24,364</u>	<u>\$ —</u>	<u>\$ 24,364</u>

ii. There were no transfers between Level 1 and 2 for the years ended December 31, 2020 and 2019, respectively.

iii. Reconciliation of Level 3 fair value measurements of financial assets

Reconciliations for the year ended December 31, 2020 and 2019 were as follows:

	2020		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 617,715	\$ —	\$ 617,715
Purchases	—	6,366	6,366
Recognized in other comprehensive income	(1,620)	—	(1,620)
Level 3 transfers out	(35,000)	—	(35,000)
Level 2 transfers in	—	26,978	26,978
Balance at December 31, 2020	<u>\$ 581,095</u>	<u>\$ 33,344</u>	<u>\$ 614,439</u>

	2019		
	Financial assets at FVTOCI	Financial assets at FVTPL	Total
Balance, beginning of year	\$ 583,758	\$ —	\$ 583,758
Purchases	35,000	—	35,000
Recognized in other comprehensive income	(1,043)	—	(1,043)
Balance at December 31, 2019	<u>\$ 617,715</u>	<u>\$ —</u>	<u>\$ 617,715</u>

iv. Quantitative information of fair value measurement of significant unobservable inputs (level 3)

December 31, 2020	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI—noncurrent	\$ 581,095	Net asset approach	N/A	N/A	N/A
Financial assets at FVTPL—noncurrent	\$ 33,344	The latest issue final price and Issuance of common stock for cash	N/A	N/A	N/A

December 31, 2019	Fair value	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Financial assets at FVTOCI — noncurrent	\$ 617,715	Net asset approach	N/A	N/A	N/A

Categories of financial instruments

	Years Ended December 31	
	2020	2019
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash and cash equivalents	\$1,257,156	\$ 767,004
Notes receivable and trade receivables	1,216,300	1,177,547
Other receivables	120,216	46,819
Refundable deposits	29,175	28,795
Financial assets at FVTPL (current and non-current)	982,458	436,701
Financial assets at fair value through other comprehensive income (non-current)	811,528	707,471
<u>Financial liabilities</u>		
Financial liabilities at FVTPL (current)	112,388	24,364
Financial liabilities at amortized cost		
Short-term borrowings	1,579,287	964,892
Short-term notes and bills payable	400,000	600,000
Notes payable and trade payables	487,408	403,982
Other payables	303,349	233,054
Bonds payable (including current portion)	1,500,000	500,000
Long-term borrowings (including current portion)	2,983,334	3,230,000
Guarantee deposits	27,310	41,170

33.Related Party Transactions

(a) The name of the company and its relationship with the Corporation.

Company	Relationship
CUPRIME MATERIAL CO., LTD.	Subsidiaries
TA HO ENGINEERING, CO., LTD.	Subsidiaries
TA HENG ELECTRIC WIRE & CABLE CO., LTD.	Subsidiaries
TA YI PLASTIC CO., LTD.	Subsidiaries
UNITED ELECTRIC INDUSTRY CO., LTD.	Subsidiaries
TA YA UNION ENGINEERING, CO., LTD.	Subsidiaries
TA YA ENTREPRENEURSHIP INVESTMENT CO., LTD.	Subsidiaries
TA YA GREEN ENERGY TECHNOLOGY CO., LTD.	Subsidiaries
UNION STORAGE ENERGY SYSTEM LTD.	Subsidiaries
BOSI SOLAR ENERGY CO., LTD.	Sub-subsubsidiary
TOUCH SOLAR POWER CO.,LTD.	Sub-subsubsidiary
SIN JHONG SOLAR POWER CO., LTD.	Sub-subsubsidiary
CUGREEN METAL TECH CO., LTD.	Sub-subsubsidiary
HENG YA ELECTRIC LIMITED.	Sub-subsubsidiary
HENG YA ELECTRIC (KUNSHAN) LTD.	third-tier subsidiary
TAYA ZHANGZHOU WIRES CABLE CO.,LTD.	third-tier subsidiary
HENG YA ELECTRIC (DONGGUAN) LTD.	third-tier subsidiary
TAYA (Vietnam) ELECTRIC WIRE & CABLE JOINT STOCK COMPANY	third-tier subsidiary
AD ENGINEERING CORPORATION	Associates
HENGs TECHNOLOGY CO., LTD.	Associates
AMIT SYSTEM SERVICE LTD.	Associates
TA AN PRECISION CO., LTD.	Other related parties
Green inside	Other related parties
Shen Shang Hung	Other related parties
Shen San Yi	Other related parties

(b) Significant related party transactions**Sales**

Related Parties	2020	2019
Subsidiaries	\$ 982,202	\$ 716,444
Associates	162,532	57,621
Others	4,528	8
	<u>\$ 1,149,262</u>	<u>\$ 774,073</u>

Prices and credit terms for such sales were similar to those given to third parties.

Purchases

Related Parties	2020	2019
TA HENG CO.	\$ 794,130	\$ 747,703
Subsidiaries	286,673	240,611
Others	416	351
	<u>\$ 1,081,219</u>	<u>\$ 988,665</u>

Prices and credit terms for such purchases were generally comparable to those given by other suppliers, except that construction expense paid to Ta Ho Engineering Co., Ltd. was computed by cost plus 5% to 10% mark-up.

Endorsements and guarantees

As of December 31, 2020 and 2019, the information of the Company provided endorsements and guarantee for related parties was as follows:

Related Parties	December 31, 2020	December 31, 2019
Subsidiaries	<u>\$ 3,396,020</u>	<u>\$ 3,444,487</u>

Miscellaneous income

Related Parties	Description	2020	2019
TA YA (Vietnam) Co.	Interest 、 Commission 、 royalty and other income	\$ 37,534	\$ 42,521
HENG YA LTD.	Interest 、 technical service and other income	10,102	11,197
Subsidiaries	Rental 、 Interest 、 technical service and other income	11,042	12,414
Sub-subsidiary	Rental income and other income	923	3,198
third-tier subsidiary	Rental 、 technical service and other income	2,390	2,274
Associates	Rental income and other income	1,268	1,260
Others	Rental and other income	672	695
		<u>\$ 63,931</u>	<u>\$ 73,559</u>

Other expenses

Related Parties	Description	2020	2019
Subsidiaries	Rental 、 outsourcing and other expenses	\$ 308	\$ 583
Associates	Other expenses	307	—
Others	Outsourcing 、 loan guarantee and donation expense	10,769	4,059
		<u>\$ 11,384</u>	<u>\$ 4,642</u>

(c) Receivables and payables arising from the above transactions were as follows:

Receivables

	Related Parties	December 31, 2020	December 31, 2019
(1) Notes receivable	Subsidiaries	<u>\$ 645</u>	<u>\$ 584</u>
(2) Accounts receivable	Subsidiaries	\$ 58,449	\$ 60,380
	Sub-subsidiary	1,660	2,122
	third-tier subsidiary	2,896	5,469
	Associates	35,802	13,694
	Others	1,179	60
		<u>\$ 99,986</u>	<u>\$ 81,725</u>

	Related Parties	December 31, 2020	December 31, 2019
	TA YA		
(3) Other receivable	ENTREPRENEURSHIP CO.	\$ 50,236	\$ 20,207
	TA YA INNOVATION INVESTMENTS CO.	50,236	—
	Subsidiaries	332	824
	Sub-subsidiary	518	544
	third-tier subsidiary	271	282
		<u>\$ 101,593</u>	<u>\$ 21,857</u>

Payables

	Related Parties	December 31, 2020	December 31, 2019
Accounts payable	TA HENG CO.	\$ 80,726	\$ 68,648
	TA HO CO.	47,003	48,390
	UNITED CO.	29,247	28,685
	Subsidiaries	7,620	6,323
	Others	1,190	1,453
		<u>\$ 165,786</u>	<u>\$ 153,499</u>
Other payables	third-tier subsidiary	76	76
	Others	3,266	2,120
		<u>\$ 3,342</u>	<u>\$ 2,196</u>

Prepaid account

	Related Parties	December 31, 2020	December 31, 2019
Subsidiaries		\$ 1,157	\$ 1,693
Associates		2,780	—
		<u>\$ 3,937</u>	<u>\$ 1,693</u>

Temporary payment

	Related Parties	December 31, 2020	December 31, 2019
Subsidiaries		\$ 46	\$ 9
third-tier subsidiary		45	156
Associates		—	378
		<u>\$ 91</u>	<u>\$ 543</u>

Contract liabilities

Related Parties	December 31, 2020	December 31, 2019
Sub-subsidiary	\$ 8,196	\$ —

Receipts in advance

Related Parties	December 31, 2020	December 31, 2019
Subsidiaries	\$ 111	\$ 108
Sub-subsidiary	83	83
	\$ 194	\$ 191

Guarantee deposits

Related Parties	December 31, 2020	December 31, 2019
Subsidiaries	\$ 295	\$ 295
Associates	254	254
Others	57	57
	\$ 606	\$ 606

(d) Key management personnel compensation disclosure

Item	2020	2019
Short-term employee benefits	\$ 132,977	\$ 82,323
Post-employment benefits	4,100	3,759
	\$ 137,077	\$ 86,082

The Company's key management personnel includes directors, supervisors, president, general manager and financial director.

Please refer to Annual Report for related information of key management personnel compensation.

34. Mortgage Assets

As of December 31, 2020 and 2019, certain assets were pledged as collateral to secure debts and engineering performance bond. The net book value of such assets as of December 31, 2020 and 2019 were summarized as follows:

	December 31, 2020		December 31, 2019	
	Number of shares	Original cost	Number of shares	Original cost
Investments accounted for using equity method —				
Jung Shing Wire Co., Ltd	<u>28,200,000</u>	<u>\$ 356,213</u>	<u>28,200,000</u>	<u>\$ 356,213</u>
Financial assets at fair value through other comprehensive income —				
Sun Ba Power Corporation	<u>30,000,000</u>	<u>\$ 464,250</u>	<u>30,000,000</u>	<u>\$ 464,250</u>

	December 31, 2020		December 31, 2019	
Property, plant and equipment —				
Land (include revaluation increments)	\$	934,855	\$	934,854
Buildings, net		<u>115,678</u>		<u>78,660</u>
	\$	<u>1,050,533</u>	\$	<u>1,013,514</u>
Investment property-land	\$	<u>696,309</u>	\$	<u>691,923</u>
Refundable deposits	\$	<u>29,175</u>	\$	<u>28,795</u>
Other non-current assets —				
Mortgage demand deposits	\$	<u>50,004</u>	\$	<u>—</u>

35. Commitments And Contingent Liabilities

Significant contingent liabilities and unrecognized commitments of the Company as of the end of the reporting period, excluding those disclosed in other notes, were as follows :

- (a) As of December 31, 2020, the Company had outstanding usance letters of credit amounting to approximately \$5,076 thousand (JPY\$5,406 thousand and USD\$125 thousand).
- (b) The Company pledged guarantee deposits amounting to \$280,361 thousand due to the wire and

cable installation project.

- (c) The Company entered into contracts of copper procurement with 24,300 ton.
- (d) The Company entered into contracts of machinery, equipment and construction in progress procurement with the amount of \$167,073 thousand. As of December 31, 2020, \$28,212 thousand had not been paid.
- (e) The Company engaged into a contract of wire and cable installation project with the amount of \$543,653 thousand. As of December 31, 2020, \$102,459 thousand had not been paid.
- (f) Checks of \$2,887,594 thousand issued for issuing bank loans, draw letter of credit and procurement guarantees.
- (g) An employee filed a lawsuit against the Company to request pension payment difference, the ultimate outcome of the lawsuit and the damages that the Company may incur cannot be reasonably estimated as the litigation is still in the second instance.
- (h) Refer to Note33 for information relating to endorsements/guarantees provided.

36. Significant Losses From Disasters : N/A

37. Significant Subsequent Events : N/A

38. Others

The Company has considered the economic implication of COVID-19. It indicated that would not significantly impact on the company as the end of financial report issued date and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic.

39. Segment Information

Disclosure of the segment information in standalone financial statements is waived.

Ta Ya Electric Wire & Cable Co., Ltd.



Chairman Shang-Hung Shen

