Stock Code: 9905

Great China Metal Ind. Co., Ltd.

2020 Annual Report

Notice to readers
This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Spokesperson
Name: Chiang,Chia-Chun
Title: Financial manager
Tel: 886-2-29015153
E-mail: jessie@greatchina.com.tw

Deputy Spokesperson
Name: Lin, Ting-Yi
Title: Vice Plant manager
Tel: 886-2-29015153
E-mail: gcmtai@greatchina.com.tw

Stock Transfer Agent
Capital Securities Corp.
Address: B2, No.97, Sec.2, Dunhua S. Rd., Da'an Dist., Taipei City 10601, Taiwan, R.O.C.
Tel: 886-2-27023999
Website:www.capital.com.tw

Auditors
Accounting Firm : Deloitte & Touche,Taiwan,Republic of China
Auditors: Chang,Ching-Fu , Zheng,Cin-Zong
Address: 20F Taipei Nan Shan Plaza No.100, Songren Rd., Xinyi Dist., Taipei, Taiwan, R.O.C.
Tel.: 886-2-27259988
Website:www.deloitte.com.tw

Overseas Securities Exchange:NA

Corporate Website
www.greatchina.com.tw

Headquarters and Plant

Headquarters
Address:No.293-805, Songjiang Rd., Jhongshan Dist., Taipei City, Taiwan, R.O.C.
Tel: 886-2-25030340

Management Office
Address: NO.533, Sec.3, Min chin Rd., Tai shang Dist., New Taipei City, Taiwan R.O.C.
Tel: 886-2-29015153

Toufen Plant
Address: No.631, Jianfong Rd., Toufen City, Miaoli, Taiwan, R.O.C.
Tel: 886-37-624813 • 627913 • 636832

Fugang Plant
Address:No.155, Fulian Rd., Yangmei Dist., Taoyuan City, Taiwan, R.O.C.
Tel: 886-3-4721517 • 4721518 • 4721520

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1、Letter to our Shareholders

Dear Shareholders,

Amidst the impact of the coronavirus pandemic (COVID-19) in the first half of last year, the economic prosperity and raw materials prices fluctuated more significantly. Thanks to the situation in the second half of the year when the pandemic faded steadily on both sides of the Taiwan Strait and people gradually returned to their normal lifestyle and consumption. Under such environment , in 2020 the net operating revenue of the Company, already wrote-off the merger of intra-group transactions, amounting to NT$ 7.258 billion, decreased by 9.96% compared to the previous year, while the net profit after tax at NT$ 553 million increased compared to 2019. Hereunder, we'd like to summarize the Company's business operations in 2020 and the outlook for 2021:

Aluminum and iron cans, aluminum and iron ends-related business:

In 2020, the net operating revenues of aluminum and iron cans and aluminum and iron ends of the Company came to NT$6.829 billion, a 9.1% decrease compared to NT$7.513 billion in 2019. The net operation revenues from Taiwan area indicates a 4.6% decrease ; and that from China area amounted to NT$4.25 billion, a 11.95% decrease compare to the preceding year, due primarily to pandemic impact for the first half of the year amidst the dumping demand for such products while the factories were suspended from business operations in coordination with the government policy in pandemic control. In terms of profitability, amidst the significant fluctuations in the price of aluminum in 2020 on the one hand, the Company benefited from the purchase of low-priced raw materials in the right timing and, on the other hand, thanks to the proper control over the costs by the entire staff, we were pleased with a rise in profits to a certain extent. Looking ahead to the Year 2021, the demand for aluminum cans and aluminum ends in both Taiwan and China market is expected to still be affected by the coronavirus pandemic (COVID-19). In the future, our Company will launch appropriate adjustments based on the development and impact of the subsequent pandemic to minimize such impact upon the Company. Through all such efforts in combination, we anticipate to see a continued stability in profitability.

Stretch films-related businesses

The Company reinvested in Hua Tong Co., Ltd. and San Shui Co., Ltd. which have been engaged in the production and marketing of stretch films. The year-round net operating income in the stretch films undertakings in 2020 came to NT$429 million, a 21.68% decrease from 2019 due primarily to a decrease in sales volume and a drop in the selling price along with the falling cost of raw materials. In terms of profitability, thanks to our sophisticated purchase of low-priced raw material timing, our net profit after tax increased slightly as compared with the corresponding period of the preceding year. Looking forward to 2021, we shall put forth added efforts toward the stretch films business to expand both domestic and foreign sales. It is hoped that in the future, we shall be able to steadily expand the market and increase the overall production and sales volume, with the goal of maintaining previous profitability.

Finally, for and on behalf of Great China Metal Ind. Co., Ltd., I would like to express my sincerest gratitude to all shareholders for your consistent support. We are looking forward to greater support and concern from all our valued shareholders toward Great China Metal Ind. Co., Ltd. Here we will continuously team up with you all together to accomplish a performance satisfactory to you and share them with all our valued shareholders.

Chairman : Chiang, Ching-Yee

President : Chiang, Cheng-Shing

Finance Director : Chiang, Shao-May

＊Operating Performance in 2020

1. Consolidated financial statements

Unit: NT$ thousands

Item	2020	2019	Percent Change
Operating revenue	7,257,633	8,060,828	-9.96%
Operating costs	6,141,811	6,981,190	-12.02%
Gross profit from operations	1,115,822	1,079,638	3.35%
Operating expenses	485,111	528,536	-8.22%
Net operating income	630,711	551,102	14.45%
Non-operating income and expenses	92,476	56,826	62.74%
Profit from continuing operations before tax	723,187	607,928	18.96%

2. Standalone financial statements

Unit: NT$ thousands

Item	2020	2019	Percent Change
Operating revenue	2,557,779	2,672,584	-4.30%
Operating costs	1,861,047	2,080,739	-10.56%
Gross profit from operations	696,732	591,845	17.72%
Operating expenses	146,860	144,179	1.86%
Net operating income	549,872	447,666	22.83%
Non-operating income and expenses	144,133	147,316	2.16%
Profit from continuing operations before tax	694,005	594,982	16.64%

3. Profitability analysis

Item		2020	2019
Financial structure (%)	Debt Ratio	26.18	26.23
	Ratio of long-term capital to property, plant and equipment	295.09	243.03
Solvency (%)	Current ratio	328.07	302.86
	Quick ratio	249.87	211.13
	Interest earned ratio (times)	1,018.14	177.62
Profitability (%)	Return on total assets	5.60	4.97
	Return on stockholders' equity	7.57	6.65
	Profit ratio	7.71	5.92
	Earnings per share (NT$)	1.83	1.57

4. Overview of annual research and development

4.1. Annual research plan results：

(1) Develop new molds to improve the production process for better quality and yield.
(2) Conveyor replacement.
(3) Cupper electrical control upgrade.
(4) Emission equipment.

4.2. Future R&D plans：

(1) Development of new product.
(2) Development of aluminum can bottom forming.
(3) Development of eco-friendly raw materials and supplies.

＊Summary of business plan this year

1. Business policy

1.1. The management and labor work together, for co-existence and mutual prosperity, to create a win-win situation and fair interactive relationship between the Company and individuals, thus helping employees practice their skills and abilities to keep improving their creativity and expertise.

1.2. We are an organization committed to control trends, innovate and reform, and pursue excellence in management, form an efficient management team, emphasize speed, energy and flexibility, and uphold the customer-oriented production and sales culture.

2. Expected Sales Volume and Reference

The Company's estimated annual sale volume is primarily determined based on the economy, domestic and overseas, related industrial statistic report, and potential supply & demand in the future market, and expected to grow.

3. Important Production and Sales Policy

3.1. Customer first: Control movements in the market to satisfy customers' needs and practice business activities upholding the “customer first” philosophy.

3.2. Product diversification: The Company produces aluminum cans, steel cans, DRD cans and LLDPE stretch films of various specifications, and various aluminum and steel EOE, full open cans, and omnibus products to satisfy needs of all food and beverage customers.

3.3. Globalized strategic planning: The important operating strategy developed by the Company consistently aims to establish the regional business strategies maintaining close relations with local markets in major cities of the mainland China, and Vietnam, based on the Company's sufficient human resources, technology, equipment and assets.

＊Future development strategies

The Company will keep focusing on sprout of its core business lines, R&D for upgrading of technological capabilities, enhancement of the Company's product system integration and sustainable competitiveness, thorough development of the domestic market, and active expansion of overseas markets.

＊Impact posed by external competitive environment, regulatory environment, and overall business environment

1. Impact posed by external competitive environment

The Company will keep upgrading process technology and productivity, cut procurement costs, and mitigate the impact posed by potential external competitive environment.

2. Impact posed by regulatory environment

No material changes have taken place in the regulatory environment in which the Company's industry is in the most recent year. Therefore, no material positive or negative factors have derived.

3. Impact posed by overall business environment

In terms of the current overall business environment, the market demand, particularly in the mainland China, is expected to keep growing. Therefore, there is still room for the industry to develop.

2、Company Profile

2.1. Date of Incorporation：November 26, 1973

2.2. Company history

1.	November	1973	：	Founded, with the capital of NT$ 10,000,000.
2.	April	1974	：	Capital of NT$20,000,000 upon capital increase in cash, and official production of empty cans for the general purposes.
3.	November	1975	：	Capital of NT$35,000,000 upon capital increase in cash, and preparation for establishment of the plant for three-piece steel cans for beverage.
4.	January	1976	：	Capital of NT$50,000,000 upon capital increase in cash, and official production of aluminum EOE.
5.	August	1979	：	Capital of NT$80,000,000 upon capital increase in cash, installation of additional #2, #3 and #4 EOE production lines, and successful independent development of dia. 209 aluminum EOE.
6.	July	1980	：	Capital of NT$130,000,000 upon capital increase in cash, and preparation for establishment of the plant for two-piece aluminum cans.
7.	August	1981	：	Capital of NT$190,000,000 upon capital increase in cash and from capital reserve, and purchase of the equipment for production of two-piece aluminum cans.
8.	September	1981	：	Completion of the test run for two-piece aluminum cans, and activation of mass production.
9.	February	1982	：	Execution of the technical cooperation agreement with the largest can manufacturer in the world, Continental Can.
10.	July	1985	：	Capital of NT$256,500,000 upon capital increase from earnings, and investment in R&D of the equipment for two-piece draw-and-redraw food cans; capital of NT$410,400,000 upon capital increase from earnings again at the end of July of the same year for repayment of the special loan for the equipment for two-piece aluminum cans.
11.	September	1987	：	Capital of NT$923,400,000 upon capital increase from earnings, and installation of one additional fully-automated production line for two-piece aluminum cans and the equipment for production of aluminum EOE.
12.	December	1988	：	Completion of the test run for additional two-piece aluminum cans, and activation of mass production.
13.	October	1989	：	Capital of NT$1,430,000,000 upon capital increase in cash and from earnings, and preparation for expansion of high-capacity two-piece aluminum cans and EOE production equipment.
14.	May	1990	：	Application for listing the issued shares, 143,000,000 common shares, approved by the competent authority.
15.	August	1990	：	Listing of the issued common shares, totaling 143,000,000 shares.
16.	October	1990	：	Completion of the test run for 209 aluminum full open ends developed independently, and activation of production.

17. December 1990 ： Completed installation of 1000C.C. and 500C.C. two-piece aluminum can production line.

18. October 1991 ： Capital of NT$143,000,000 upon capital increase from earnings done in response to environmental protection, completed installation of the additional aluminum ends production line operating officially from 1993.

19. August 1994 ： Capital of NT$1,887,600,000 upon capital increase from earnings, totaling 31,460,000 shares, for improvement of financial structure.

20. 1995 ： In order to expand business, the Company invested in foundation of Shanghai United Can Co., Ltd. in the mainland China via HAI HWA INVESTMENT CO., LTD., a British Bermuda company, in a third territory, in the amount of US$20,000,000.

21. August 1995 ： Capital of NT$2,265,120,000 upon capital increase from earnings, totaling 37,752,000 shares, for improvement of financial structure.

22. May 1997 ： In order to expand business, the Company invested in foundation of Huatong United (Nantong) Plastic Industry Co., Ltd. via HAI HWA INVESTMENT CO., LTD., a British Bermuda company, in a third territory, in the amount of US$8,000,000.

23. August 1997 ： Capital of NT$2,722,000,000 upon capital increase from earnings, totaling 45,688,000 shares, for improvement of financial structure.

24. August 1998 ： Capital of NT$3,080,000,000 upon capital increase from earnings, totaling 35,800,000 shares, for improvement of financial structure.

25. July 1999 ： Completed installation of the new PET bottle production line, and activation of production.

26. July 2000 ： Investment in Hwa May Metal Technology Co., Ltd. in the amount of NT$240,000,000 in response to diversification of business.

27. December 2003 ： Capital increase in cash by private placement, NT$23,000,000; issuance of 2,300,000 new shares; capital of NT$3,050,000,000.

28. August 2004 ： Completed installation of the new plastic top production line, and activation of production.

29. April 2006 ： Completed installation of the third production line for the investee in the mainland China, Huatong United (Nantong) Plastic Industry Co., Ltd., and activation of production.

30. October 2006 ： Completed construction of the plant for the investee in Vietnam, GCM PACKAGING (VIETNAM) CO., LTD. as invested via a third territory.

31. February 1997 ： The investee in the mainland China, Shanghai United Can Co., Ltd., executed the joint venture agreement with Toyo Seikan Kaisha Ltd., in order to found Chongqing United Can Co., Ltd. in the district of Chongqing.

32. June 2007 ： The Company founded Shanghai Huyang Cans Co., Ltd. via its subsidiary, HAI HWA INVESTMENT CO., LTD., a British Bermuda company, and its indirect subsidiary, Shanghai United Can Co., Ltd., jointly, with the registered capital of US$5,000,000.

33. April 2008 : Completed installation and test run for the equipment of Chongqing United Can Co., Ltd., and activation of production of aluminum cans, with the registered capital of US$14,000,000, 65% of which was contributed by the Company's indirect subsidiary, Shanghai United Can Co., Ltd.

34. December 2008 : Dissolution and liquidation of the indirect investee, Shanghai Huyang Cans Co., Ltd.

35. December 2009 : The Company founded Jinan United Can Co., Ltd. via its subsidiary, HAI HWA INVESTMENT CO., LTD., a British Bermuda company, and its indirect subsidiaries, Huatong United (Nantong) Plastic Industry Co., Ltd. and Shanghai United Can Co., Ltd., jointly, with the registered capital of US$23,000,000.

36. December 2010 : Dissolution and liquidation of the investee, Hwa May Metal Technology Co., Ltd.

37. February 2012 : Completed installation of the fourth production line for the investee in the mainland China, Huatong United (Nantong) Plastic Industry Co., Ltd., and activation of production.

38. May 2013 : The Company acquired 35% of the equity of Chongqing United Can Co., Ltd. from Toyo Seikan Kaisha Ltd.via its subsidiary, HAI HWA INVESTMENT CO., LTD., a British Bermuda company, and its indirect subsidiary, Shanghai United Can Co., Ltd., jointly. Upon acquisition of the equity, the Company indirectly holds Chongqing United Can Co., Ltd. wholly.

39. December 2013 : Completed installation of the second two-piece aluminum can production line for the investee in the mainland China, Shanghai United Can Co., Ltd., and activation of production.

40. December 2013 : Completed installation of the second aluminum ends production line for the investee in Vietnam, GCM PACKAGING (VIETNAM) CO., LTD., and activation of production.

41. June 2015 : Completed relocation of the second production line of the investee in the mainland China, Shanghai United Can Co., Ltd., to investee, Chongqing United Can Co., Ltd., in response to the market demand, and activation of production.

42. December 2015 : Completed construction of the laminating aluminum can plant through technical cooperation with Toyo Seikan, and activation of production in 2016.

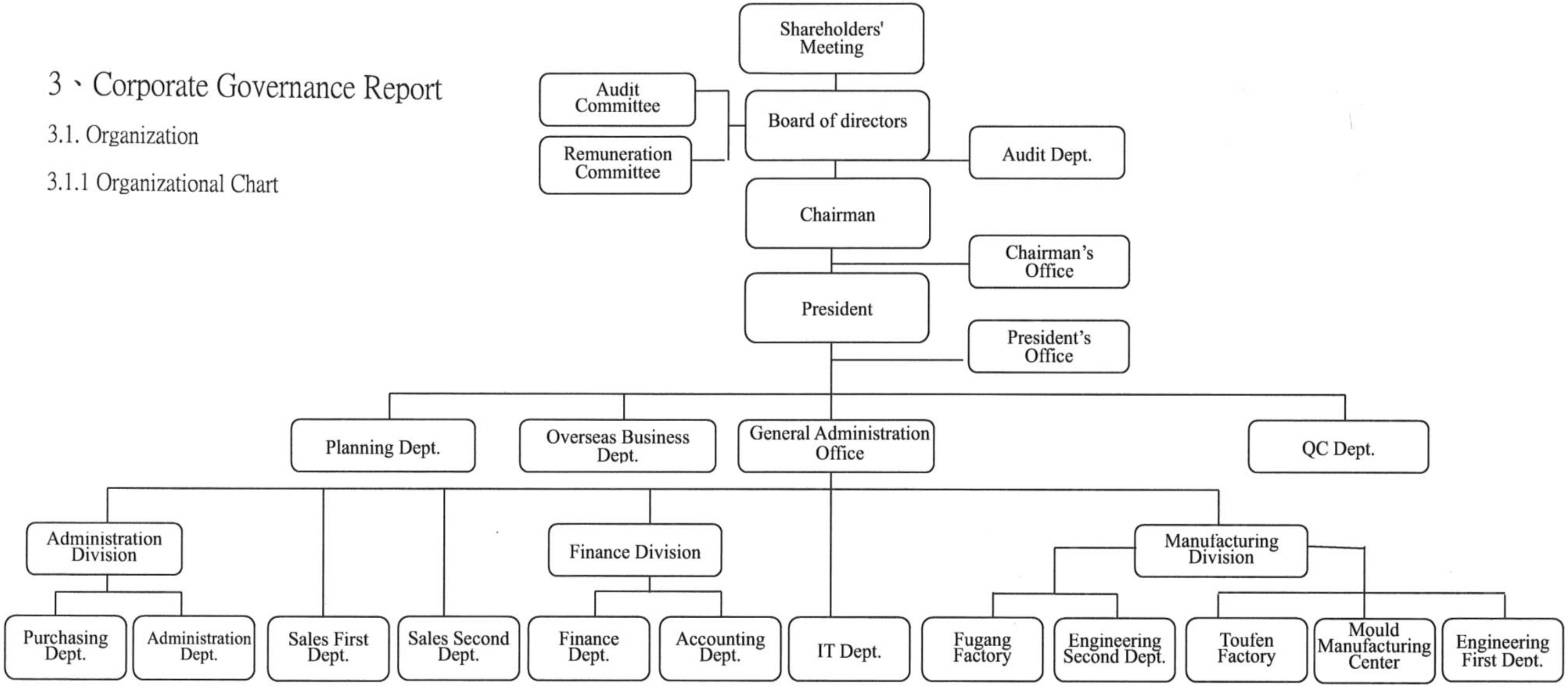
43. December 2016 : Completed installation of the fifth production line for the investee in the mainland China, Huatong United (Nantong) Plastic Industry Co., Ltd., and activation of production.

44. March 2018 : The investee in the mainland China, Huatong United (Nantong) Plastic Industry Co., Ltd., invested (increased the investment) in Sunshui Changlee United Container Co., Ltd. in Foshan City by RMB 31,050,000, and acquired 30% of the equity thereof accordingly.

3、Corporate Governance Report

3.1. Organization

3.1.1 Organizational Chart



3.1.2. Function of Each Division

Division	Functions and Operations
General Administration Office	1. Set the Company's business goals, and follow up the results. 2. Manage operations for accounting, finance and shareholders service. 3. Audit, promotion and implementation of internal control system. 4. Enact and execute management regulations and systems, and plan and execute welfare policies. 5. Perform procurement operations, domestically and overseas, and import & export of goods. 6. Develop business domestically and overseas, and draft, supervise and execute the business plan. 7. Draft domestic and overseas business plans, develop market, and analyze business results. 8. Plan and promote the information systems, improve operating procedures, and maintain software/hardware. 9. Establish, utilize and maintain information system databases.
QC Dept.	1. Set forth, promote, execute and check quality standards. 2. Establish the quality inspection system, and research and develop improvement plans. 3. Establish and supervise self-inspection. 4. Analyze and manage SPC abilities. 5. Practice the quality inspection and ensure customer confidence.
Engineering Dept.	1. Execute and supervise the production equipment and technology management. 2. Plan, execute and supervise production conditions and equipment care and maintenance systems. 3.Analyze the performance of equipment and malfunction, and draft and prepare corrective strategies. 4. Plan, execute and supervise technical HR training. 5. Manage, improve and judge the preparation for molds and spare parts;. 6. Set process technology and process, and execute and research projects. 7. Amend and manage engineering data and blueprints. 8. Draft, plan and execute new process. 9. Provide technical assistance and HR support.
Toufen Plant	1. Set the production target based on the Company's business strategies, and execute the plan. 2. Produce aluminum and steel cans, and control raw materials, supplies and finished goods. 3. Manage the process and improve product quality. 4. Manage and maintain equipment, assets and resources. 5. Improve process, improve automated ability, upgrade production efficiency, and cut HR costs. 6. Comply with local government laws and regulations, and maintain the plant's safety and health.

Division	Functions and Operations
Fugang Plant	1. Set the production target based on the Company's business strategies, and execute the plan. 2. Produce, coat and print various EOE types, and control raw materials, supplies and finished goods 3.Produce various repeated squeeze cans and laminating aluminum cans, and control raw materials, supplies and finished goods. 4. Manage the process and improve product quality. 5. Manage and maintain equipment, assets and resources. 6. Improve process, improve automated ability, upgrade production efficiency, and cut HR costs. 7. Comply with local government laws and regulations, and maintain the plant's safety and health.

3.2. Directors, Supervisors and Management Team

3.2.1. Directors and Supervisors

1. Directors (1)

As April 24, 2021

Title	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
							Shares	%	Shares	%	Shares	%	Shares	%
Chairman	R.O.C.	Chiang,Ching-Yee	M	2020.6.23	3	1972.12.26	3,238,294	1.06%	3,238,294	1.06%	4,138,424	1.36%	0	0%
Director	R.O.C.	Liu,Fei-Hu	M	2020.6.23	3	2008.6.27	4,520	0%	4,520	0%	0	0%	0	0%
Director	R.O.C.	Chang,Jung-Fei	M	2020.6.23	3	2014.6.24	260	0%	260	0%	0	0%	0	0%
Director	R.O.C.	ZHENG DA INVESTMENT CO., LTD.	NA	2020.6.23	3	2020.6.23	11,806,451	3.87%	11,806,451	3.87%	0	0%	0	0%
		Representative Chiang,Ming-Li	M	2020.6.23	3	2008.6.27	11,467,147	3.76%	11,467,147	3.76%	0	0%	0	0%
Director	R.O.C.	YONG ZEN INVESTMENT CO., LTD.	NA	2020.6.23	3	2020.6.23	10,205,000	3.35%	10,205,000	3.35%	0	0%	10,208,877	3.35%
		Representative Chiang,Kang-Ming	M	2020.6.23	3	2008.6.27	485,304	0.16%	485,304	0.16%	0	0%	0	0%
Director	R.O.C.	GLORY TASK ENTERPRISE CO., LTD.	NA	2020.6.23	3	2020.6.23	27,000	0.01%	22,059,503	7.23%	0	0%	0	0%
		Representative Chiang,Shao-May	F	2020.6.23	3	2002.6.18	1,042,507	0.34%	1,042,507	0.34%	617,264	0.20%	0	0%
Director	R.O.C.	Jazwin Ventures Ltd.	NA	2020.6.23	3	2014.6.24	2,715,676	0.89%	2,715,676	0.89%	0	0%	0	0%
		Representative Chiang,Man-Tzyy	F	2020.6.23	3	2014.6.24	0	0%	0	0%	0	0%	6,577,872	2.16%

Director	R.O.C.	Pinnacle Ventures Ltd.	NA	2020.6.23	3	2014.6.24	7,052,752	2.31%	7,052,752	2.31%	0	0%	0	0%
		Representative Chiang,Shou-Cheng	M	2020.6.23	3	2008.6.27	8,000	0%	8,000	0%	12,000	0%	11,426,067	3.75%
Iindependent director	R.O.C.	Tsai,Po-Hsien	M	2020.6.23	3	2017.6.27	0	0%	0	0%	46,000	0.02%	0	0%
Iindependent director	R.O.C.	Huang,Win-Jung	M	2020.6.23	3	2017.6.27	0	0%	0	0%	0	0%	0	0%
Iindependent director	R.O.C.	Hsieh,Ming-Jen	M	2020.6.23	3	2017.6.27	0	0%	0	0%	0	0%	0	0%

1. Directors (2)

Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s) (Note)
		Title	Name	Relation	
Chairman of China Can Printing and Metal MFG. Co., Ltd.	Chairman of： Great China Metal Ind. Co., Ltd. Shanghai United Can Co., Ltd. Chongqing United Can Co., Ltd. Jinan United Can Co., Ltd. Huatong United (Nantong) Plastic Industry Co., Ltd. Sunshui Changlee United Container Co., Ltd. GCM HOLDING CO., LTD. Chairman and President of： HAI HWA INVESTMENT CO., LTD. GCM PACKAGING (VIETNAM) CO., LTD.	Director President Financial manager and Concurrently corporate governance officer	Chiang,Shao-May Chiang,Man-Tzyy Chiang,Shou-Cheng Chiang,Cheng-Shing Chiang,Chia-Chun	Brother and sister Brother and sister Brother Brother Father and daughter	NA
Minghsin University of Science and Technology	Sales manager of Great China Metal Ind. Co., Ltd.	NA	NA	NA	NA
National Miao-Li Agricultural and Industrial Vocational Hight School	Plant manager of Great China Metal Ind. Co., Ltd.	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA

Bachelor of Economics California State University, Long Beach	Special assistant of Great China Metal Ind. Co., Ltd. Director of： China Can Printing and Metal MFG. Co., Ltd. Shanghai United Can Co., Ltd. Chongqing United Can Co., Ltd. Jinan United Can Co., Ltd. Huatong United (Nantong) Plastic Industry Co., Ltd. GCM PACKAGING (VIETNAM) CO., LTD. HAI HWA INVESTMENT CO., LTD.	NA	NA	NA	NA
NA	NA	NA	NA	NA	NA
EASTERN MICHIGAN UNI	Chairman of China Can Printing and Metal MFG. Co., Ltd.	President	Chiang,Cheng-Shing	Father and son	NA
NA	NA	NA	NA	NA	NA
Tamsui Institute of Business Administration	Finance Director of Great China Metal Ind. Co., Ltd. Director of： Jinan United Can Co., Ltd. GCM PACKAGING (VIETNAM) CO., LTD. Supervisor of： China Can Printing and Metal MFG. Co., Ltd. Shanghai United Can Co., Ltd. Chongqing United Can Co., Ltd. Huatong United (Nantong) Plastic Industry Co., Ltd. Sunshui Changlee United Container Co., Ltd.	Director President	Chiang,Ching-Yee Chiang,Man-Tzyy Chiang,Shou-Cheng Chiang,Cheng-Shing	Brother and sister Sister Sister and brother Brother and sister	NA
NA	NA	NA	NA	NA	NA
Commercial High School	Director of： China Can Printing and Metal MFG. Co., Ltd. GCM PACKAGING (VIETNAM) CO., LTD.	Director President	Chiang,Ching-Yee Chiang,Shao-May Chiang,Shou-Cheng Chiang,Cheng-Shing	Brother and sister Sister Sister and brother Brother and sister	NA
NA	NA	NA	NA	NA	NA

FU-HSIN TRADE & ARTS SCHOOL	Chairman of： OFFICEMART CORPORATION Director of： China Can Printing and Metal MFG. Co., Ltd. HAI HWA INVESTMENT CO., LTD. Jinan United Can Co., Ltd. Huatong United (Nantong) Plastic Industry Co., Ltd. Sunshui Changlee United Container Co., Ltd. GCM PACKAGING (VIETNAM) CO., LTD. Director and President of： Shanghai United Can Co., Ltd. Chongqing United Can Co., Ltd.	Director President	Chiang,Ching-Yee Chiang,Shao-May Chiang,Man-Tzyy Chiang,Cheng-Shing	Brother Sister and brother Sister and brother Brother	NA
Master of Accountancy National Chengchi University	Secretary General of Bachelor's Program in Business Management Supervisor of New Taipei City FuJen Accounting Education Foundation	NA	NA	NA	NA
Department of Business Administration Feng Chia University	Secretary General of Importers and Exporters Association of Taipei	NA	NA	NA	NA
Master of Accountancy National Chengchi University	Adjunct Associate Professor of National Taipei University of Business	NA	NA	NA	NA

Note: 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.

2. Major shareholders of the institutional shareholders

Name of Institutional Shareholders	Major Shareholders	
ZHENG DA INVESTMENT CO., LTD.	Chiang Wu,Hui-Lu	84.81 %
	Chiang,Ming-Li	15.19 %
YONG ZEN INVESTMENT CO., LTD.	Chiang,Kang-Ming	31.27 %
	Chiang,Ai-Chia	31.07 %
	Chiang,Ai-Min	31.07 %
	YONG CHENG INVESTMENT CO., LTD.	4.84 %
	Chiang Cheng,Chuang	0.97 %
	Chiang,Cheng-Shing	0.77 %
GLORY TASK ENTERPRISE CO., LTD.	Chiang,Shao-May	45.74%
	Chao,Yan-Shiuan	24.03%
	Chao,Chun-Man	30.23%
Jazwin Ventures Ltd.	Chiang,Shou-Cheng	24.00%
	Chiang,Man-Lan	14.00%
	Chiang,Man-Tzyy	14.00%
	Chiang,Man-Ping	12.00%
	Chang,Che-Kuo	12.00%
	Chiang,Man-Li	12.00%
	Yeh,Shiaun	12.00%
Pinnacle Ventures Ltd.	Chiang,Shou-Cheng	24.00%
	Chiang,Man-Tzyy	23.00%
	Chiang,Man-Lan	15.00%
	Chiang,Man-Ping	12.00%
	Chiang,Man-Li	12.00%
	Yeh,Shiaun	12.00%
	Chang,I-Ling	2.00%

Note: If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed are the names of people who contributed or donated the capital and the ratio of their contribution or donation.

3. Major shareholders of the Company's major institutional shareholders

Name of Institutional Shareholders	Major Shareholders	
YONG CHENG INVESTMENT CO., LTD.	YONG ZEN INVESTMENT CO., LTD.	100%

Note: If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed are the names of people who contributed or donated the capital and the ratio of their contribution or donation.

4. Professional qualifications and independence analysis of directors

Criteria / Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note)												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	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	1	2	3	4	5	6	7	8	9	10	11	12	
Chiang,Ching-Yee			v						v	v	v	v		v	v	0
Liu,Fei-Hu			v		v	v	v	v	v	v	v	v	v	v	v	0
Chang,Jung-Fei			v		v	v	v	v	v	v	v	v	v	v	v	0
ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li			v				v		v	v	v	v	v	v	v	0
YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming			v					v	v	v	v	v	v	v	v	0
GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May			v						v	v	v	v		v		0

Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy			v	v				v	v	v	v	v		v		0
Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng			v					v	v	v	v	v		v		0
Tsai,Po-Hsien	v	v	v	v	v	v	v	v	v	v	v	v	v	v	v	0
Huang,Win-Jung			v	v	v	v	v	v	v	v	v	v	v	v	v	0
Hsieh,Ming-Jen	v	v	v	v	v	v	v	v	v	v	v	v	v	v	v	0

Note: Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

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.

3.2.2. Management Team

April 24, 2021

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement	
					Shares	%	Shares	%	Shares	%
President	R.O.C	Chiang,Cheng-Shing	M	1996.06.01	4,408,516	1.45%	90,340	0.03%	0	0%
Finance Director	R.O.C	Chiang,Shao-May	F	2008.02.01	1,042,507	0.34%	617,264	0.20%	0	0%
Financial manager and Concurrently corporate governance officer	R.O.C	Chiang,Chia-Chun	F	1999.06.01	1,535,892	0.50%	0	0%	0	0%
Sales manager	R.O.C	Liu,Fei-Hu	M	2003.08.01	4,520	0%	0	0%	0	0%
Oversea manager	R.O.C	Huang,Tien-Chang	M	2010.04.01	0	0%	0	0%	0	0%

Experience (Education) (Note1)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remark(s) (Note2)
		Title	Name	Relation	
Plant manager of China Can Printing and Metal MFG. Co., Ltd.	Director of HAI HWA INVESTMENT CO., LTD. Shanghai United Can Co., Ltd. Chongqing United Can Co., Ltd. Jinan United Can Co., Ltd. Huatong United (Nantong) Plastic Industry Co., Ltd. Sunshui Changlee United Container Co., Ltd. GCM PACKAGING (VIETNAM) CO., LTD.	Finance Director	Chiang, Shao-May	Brother and sister	-
Tamsui Institute of Business Administration	Supervisors of China Can Printing and Metal MFG. Co., Ltd. Shanghai United Can Co., Ltd. Chongqing United Can Co., Ltd. Huatong United (Nantong) Plastic Industry Co., Ltd. Sunshui Changlee United Container Co., Ltd. Director of Jinan United Can Co., Ltd. GCM PACKAGING (VIETNAM) CO., LTD.	President	Chiang, Cheng-Shing	Brother and sister	-
California State University Department of Finance	-	-	-	-	-
Minghsin University of Science and Technology	-	-	-	-	-
Fu Jen Catholic University Master of Business administration	-	-	-	-	-

Note1: Directors who have ever hold positions in the auditor's agency or its affiliated companies：None.
Note2: Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors 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.

3.2.3. Remuneration of Directors, Independent Directors, Supervisors, President, and Vice Presidents

1.Remuneration of Directors and Independent Directors

Unit: NT$ thousands

Title	Name	Total Director Remuneration								Summation of A, B, C, and D as a % of After-Tax Income	
		Remuneration (A)		Pensions (B)		Earnings Distribution (C)		Business Expenses (D)			
		The company	All consolidated companies	The company	All consolidated companies	The company	All consolidated companies s	The company	All consolidated companies	The company	All consolidated companies
Chairman	Chiang,Ching-Yee	0	0	0	0	10,557	10,557	270	270	1.94%	1.94%
Director	Liu,Fei-Hu										
	Chang,Jung-Fei										
	ZHENG DA INVESTMENT CO., LTD. Representative:Chiang,Ming-Li (Note2)										
	YONG ZEN INVESTMENT CO., LTD. Representative:Chiang,Kang-Ming (Note2)										
	GLORY TASK ENTERPRISE CO., LTD. Representative:Chiang,Shao-May (Note2)										
	Jazwin Ventures Ltd. Representative:Chiang,Man-Tzyy										
	Pinnacle Ventures Ltd. Representative: Chiang,Shou-Cheng										
Director	Chiang,Ming-Li (Note3)										
	Chiang,Ai-Min (Note3)										

	Mas Peng Enterprise Co., LTD. Representative:Chiang,Shao-May (Note3)										
Iindependent director	Tsai,Po-Hsien Huang,Win-Jung Hsieh,Ming-Jen	0	0	0	0	3,959	3,959	105	105	0.73%	0.73%

Compensation to Directors Also Serving as Company Employees								Summation of A,B,C, D, E, F and G as a % of After-Tax Income		Remuneration from ventures other than subsidiaries or from the parent company
Salary, Bonuses, and Special Allowance (E)		Pensions (F)		Earnings Distribution（G）						
The company	All consolidated companies	The company	All consolidated companies	The company		All consolidated companies		The company	All consolidated companies	
				Cash	Stock	Cash	Stock			
10,310	10,310	317	317	449	0	449	0	3.92%	3.92%	0
0	0	0	0	0	0	0	0	0.73%	0.73%	0

1. Please state the policies, systems, standards and structure of remuneration to independent directors, and the relations between the remuneration and the job responsibility, risk and engagement hours borne by the independent directors: The procedure for defining remuneration to directors must be assessed based on the Company's "Regulations Governing Payment

of Compensation to Directors" and "Regulations Governing Allocation of Remuneration to Directors". In addition to the Company's overall operating performance and future operating risk, the payment of reasonable compensation must also take the contribution to the Company's operations into account. 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.：NA

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

Note 1 : In the past year, there was no any director don't have enough shareholding ratio for three(3) consecutive months and the average pledge of each director in each month was 0%.

Note 2：new appointment 2020.

Note 3：resignation 2020.

Range of remuneration for directors

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	All consolidated companies (I)	The company	All consolidated companies (J)
Less than NT$1,000,000	Chiang,Ming-Li、Chiang,Ai-Min ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming Mas Peng Enterprise Co.,LTD. Representative Chiang,Shao-May GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May	Chiang,Ming-Li、Chiang,Ai-Min ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming Mas Peng Enterprise Co.,LTD. Representative Chiang,Shao-May GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May	Chiang,Ai-Min ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li	Chiang,Ai-Min ZHENG DA INVESTMENT CO., LTD. Representative Chiang,Ming-Li
NT$ 1,000,000 (incl.) – NT$ 2,000,000	Chiang,Ching-Yee、Liu,Fei-Hu、Chang,Jung-Fei Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng Tsai,Po-Hsien、Huang,Win-Jung、Hsieh,Ming-Jen	Chiang,Ching-Yee、Liu,Fei-Hu、Chang,Jung-Fei Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng Tsai,Po-Hsien、Huang,Win-Jung、Hsieh,Ming-Jen	Chiang,Ming-Li YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming Mas Peng Enterprise Co.,LTD. Representative Chiang,Shao-May GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng Tsai,Po-Hsien、Huang,Win-Jung、Hsieh,Ming-Jen	Chiang,Ming-Li YONG ZEN INVESTMENT CO., LTD. Representative Chiang,Kang-Ming Mas Peng Enterprise Co.,LTD. Representative Chiang,Shao-May GLORY TASK ENTERPRISE CO., LTD. Representative Chiang,Shao-May Jazwin Ventures Ltd. Representative Chiang,Man-Tzyy Pinnacle Ventures Ltd. Representative Chiang,Shou-Cheng Tsai,Po-Hsien、Huang,Win-Jung、Hsieh,Ming-Jen

NT$ 2,000,000 (incl.) – NT$ 3,500,000	NA	NA	Liu,Fei-Hu、Chang,Jung-Fei	Liu,Fei-Hu、Chang,Jung-Fei
NT$ 3,500,000 (incl.) – NT$ 5,000,000	NA	NA	NA	NA
NT$ 5,000,000 (incl.) – NT$10,000,000	NA	NA	Chiang,Ching-Yee	Chiang,Ching-Yee
NT$10,000,000 (incl.) – NT$15,000,000	NA	NA	NA	NA
NT$15,000,000 (incl.) – NT$30,000,000	NA	NA	NA	NA
NT$30,000,000 (incl.) – NT$50,000,000	NA	NA	NA	NA
NT$50,000,000 (incl.) – NT$100,000,000	NA	NA	NA	NA
NT$100,000,000 and above	NA	NA	NA	NA
Total (person)	14	14	14	14

＊The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

2. Remuneration of Supervisors：NA

3. Remuneration of the President and Vice Presidents

Unit: NT$ thousands

Title	Name	Salary (A)		Pensions (B)		Bonuses and Special Allowance (C)		Employee Compensation (D)				Summation of A, B, C,and D as a % of After-Tax Income		Remuneration from ventures other than subsidiaries or from the parent company(Note)
		The company	All consolidated companies	The company	All consolidated companies	The company	All consolidated companies	The company		All consolidated companies		The company	All consolidated companies	
								Cash	Stock	Cash	Stock			
President	Chiang, Cheng-Shing	1,537	1,537	65	65	370	370	64	0	64	0	0.36%	0.36%	0

＊Regardless of job title, all positions equivalent to general manager or deputy general manager (for example: president, chief executive, director... etc.) should be disclosed.

Range of Remuneration	Name of President	
	The company	All consolidated companies (E)
Less than NT$1,000,000	NA	NA
NT$ 1,000,000 (incl.) – NT$ 2,000,000	NA	NA
NT$ 2,000,000 (incl.) – NT$ 3,500,000	Chiang,Cheng-Shing	Chiang,Cheng-Shing
NT$ 3,500,000 (incl.) – NT$ 5,000,000	NA	NA
NT$ 5,000,000 (incl.) – NT$10,000,000	NA	NA
NT$10,000,000 (incl.) – NT$15,000,000	NA	NA
NT$15,000,000 (incl.) – NT$30,000,000	NA	NA
NT$30,000,000 (incl.) – NT$50,000,000	NA	NA
NT$50,000,000 (incl.) – NT$100,000,000	NA	NA
NT$100,000,000 and above	NA	NA
Total (person)	1	1

＊The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

4. Managerial officers with the top five highest remuneration amounts in a TWSE/TPEx-listed company (disclose their names and remuneration method)：The company did not have the following circumstances, no need to disclose.

(1)There has been an after-tax deficit shown in the parent company only or standalone financial reports for the most recent three years, please disclose the "directors and supervisors" individually by name and remuneration. Notwithstanding, the preceding provision does not apply if the parent company only or standalone financial reports for the most recent year report after-tax net profit, which is sufficient to make up the accumulated deficit.

(2)A TWSE/TPEx-listed company is ranked in the lowest tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the annual report for that year, or the company's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEx, or the Corporate Governance Evaluation Committee has resolved that the company must be excluded from evaluation.

5. Distribution of bonuses to Company management during 2020

Unit: NT$ thousands

	Title	Name	Stock Bonus	Cash Bonus	Total	Total as a % of After-Tax Income
Executive Officers	President	Chiang, Cheng-Shing	0	321	321	0.06%
	Finance Director	Chiang, Shao-May				
	Sales manager	Liu,Fei-Hu				
	Financial manager and Concurrently corporate governance officer	Chiang, Chia-Chun				
	Oversea manager	Huang, Tien-Chang				

3.2.4. Separately compare and describe

Amount of remuneration paid in the most recent two years by the Company and all companies included in the consolidated financial statements to the Company's directors, General Manager, and Vice Manager, and their respective proportions to net income, as well as the policies, standards, and packages by which they were paid, the procedures through which remunerations were determined, and their association with business performance and future risks:

The remuneration to directors include transportation allowance and rewards allocated from earnings.The transportation allowance to directors is NT$5,000 per attendance at a meeting of the Board of Directors, according to the peer level. According to Article 31 of the Company's Articles of Incorporation, if the Company retains earnings at end of any fiscal year, the Company must allocate no less than 1% of the earnings as the remuneration to employees, which must be distributed in the form of stock or in cash upon a resolution adopted at a meeting of the Board of Directors. The recipients entitled to receive the remuneration include the employees of subsidiaries of the Company meeting certain specific requirements. The Company may also allocate no more than 5% of said earnings as the remuneration to directors upon a resolution adopted at a meeting of the Board of Directors. The motion for allocation of remuneration to employees and directors must be reported to a shareholders' meeting. Notwithstanding, where the Company retains accumulated losses, the losses must have been covered first, and the remainder, if any, must be allocated as the remuneration to employees and directors on a pro rata basis as referred to in the preceding paragraph.

The procedure for defining remuneration to directors must be assessed based on the Company's “Regulations Governing Payment of Compensation to Directors” and “Regulations Governing Allocation of Remuneration to Directors”. In addition to the Company's overall operating performance and future operating risk, the payment of reasonable compensation must also take the personal contribution to the Company's operations into account.

Article 31-1: If the Company retains earnings upon final account of any fiscal year, it must first pay the taxes, make up any losses from past years, and then make contribution of 10% as the legal reserve unless the legal reserve has reached the amount of the Company paid-in capital. After appropriating or reversing a special reserve in accordance with the laws and regulations, the motion for distribution of the balance, if any, plus the accumulative undistributed profit is formulated by the Board of Directors and submitted to a shareholder's meeting for resolution. The Company adopts the dividend policy in response to the current and future development plans and by taking into account the investment environment, funding needs and domestic/foreign competition overview, as well as shareholders' interest. As the Company is still growing, in response to the potential business expansion plan, the Company may allocate at least 30% of the earnings after tax for the current year as bonus to shareholders, unless no earnings are retained for the current year. The bonus to shareholders may be allocated in the form of cash dividends and stock dividends (50%~100% for cash dividends and 50%~0% for stock dividends). Notwithstanding, the Company may adjust the percentage for allocation of cash dividends and stock dividends, subject to the economic overview, industrial development and funding needs, if necessary.

The company's directors' remuneration amount and percentage of net profit before tax：

Year	Director's remuneration amount	Percentage of net profit before tax
2019	NT$ 12,402 thousands	2.08 %
2020	NT$ 14,516 thousands	2.09 %

The remuneration to General Manager and Vice Manager, including salary, bonus, cash dividend, stock dividend, and stock option warrant, is determined subject to the duty and responsibility borne by the, and also based on the peer level. Among the other things, the employee dividend and stock option system enables the remuneration to managerial officers to associate with the Company's business performance and future risk adequately.

The proportion of remuneration to General Manager and Vice Manager to the net income in 2020 is 0.36%.

3.3. Implementation of Corporate Governance

3.3.1.

1. Operations of the Board of Directors

The Company's Board of Directors held a total of 7 meetings in 2020.

The actual attendance rate of all directors is 98.70%.

were twice and five times for 15th and 16th terms of the Board of Directors. The attendance is described as following:

Title	Name	Should attend frequency (A)	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Chiang,Ching-Yee	7	7	0	100%	re elected
Director	Chiang,Ming-Li	2	2	0	100%	resignation
Director	Chiang,Ai-Min	2	2	0	100%	resignation
Director	Liu,Fei-Hu	7	7	0	100%	re elected
Director	Chang,Jung-Fei	7	7	0	100%	re elected
Director	Mas Peng Enterprise Co., LTD. Representative:Chiang,Shao-May	2	2	0	100%	resignation
Director	ZHENG DA INVESTMENT CO., LTD. Representative:Chiang,Ming-Li	5	5	0	100%	new appointment
Director	YONG ZEN INVESTMENT CO., LTD. Representative:Chiang,Kang-Ming	5	4	1	80%	new appointment
Director	GLORY TASK ENTERPRISE CO., LTD. Representative:Chiang,Shao-May	5	5	0	100%	new appointment
Director	Jazwin Ventures Ltd. Representative:Chiang,Man-Tzyy	7	7	0	100%	re elected
Director	Pinnacle Ventures Ltd. Representative: Chiang,Shou-Cheng	7	7	0	100%	re elected
Independent director	Tsai,Po-Hsien	7	7	0	100%	re elected
Independent director	Huang,Win-Jung	7	7	0	100%	re elected
Independent director	Hsieh,Ming-Jen	7	7	0	100%	re elected
Total		77	76	1		

Other mentionable items:

1.If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:

(1)Matters referred to in Article 14-3 of the Securities and Exchange Act.
Please refer to Functionality of the Auditing Committee.

(2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None

2. Directors' avoidance of motions which involves conflict of interest, and the names of directors, details of the motions, reasons to avoid conflict of interest, and the participation in voting shall be disclosed: 2nd meeting of 16th term: The meeting was intended for appointment of the members of "Remuneration Committee" of 4th term. The three independent directors, including Tsai, Po-Hsien, Huang, Wen-Jung, and Hsieh, Ming-Jen, recused themselves for conflict of interest. The motion was approved by the other present directors unanimously.

3. The TWSE/TPEx-listed company must disclose the appraisal cycle and period, scope of appraisal, method and contents of appraisal about the Board of Directors' self (or peer) performance appraisal, and specify the status of appraisal in the Schedule attached hereto. :

Evaluation cycle	During evaluation	Evaluation scope	Evaluation method	Evaluation content
Once a year	2020.1.1~ 2020.12.31	a. Board of directors b. Board member c. Audit Committee d. Remuneration Committee	Self-evaluation	a. "Performance appraisal on Board of Directors" consists of the five major indicators, namely, degree of engagement in the Company's operation, quality of the Board of Directors' decision making, formation and structure of the Board of Directors, election and continuing education of directors, and internal control, et al.. b. "Performance appraisal on Board Members" consists of the six major indicators, namely, alignment with the Company's goals and mission, awareness toward directors' responsibilities and duties, degree of engagement in the Company's operation, management of internal relations and communication, expertise and continuing education of directors, and internal control, et al.. c. "Performance appraisal on functional committees" consists of the five major indicators, namely, degree of engagement in the Company's operation, awareness toward functional committees' responsibilities and duties, quality of the functional committees' decision making, formation of the functional committees and election of members, and internal control, et al..

4. Enhancements to the functionality of the Board of Directors in the current and the most recent year (e.g. establishment of Audit Committee, improvement of information transparency, etc.), and the progress of such enhancements:

(1) The Company's Board of Directors already established the two functional committees, namely, Remuneration Committee (in 2011) and Auditing Committee (in 2017), to help the Board of Directors perform its supervisory duty. The Auditing Committee consists of the whole (3) independent directors. The Remuneration Committee consists of the whole (3) independent directors under appointment by the Board of Directors. Each committee's articles of association must be subject to approval of the Board of Directors. Each committee must report its resolutions and execution thereof to the Board of Directors periodically.

(2) Establishment of the Auditing Committee, and enactment of the "Parliamentary Rules for Meetings of the Board of Directors", "Corporate Governance Best-Practice Principles", and "Standard Operating Procedure for Handling Directors' Requirements"

3.3.2. Functionality of the Auditing Committee：

The Company's "Auditing Committee" was established on July 5, 2017, which replaced the supervisors. The Committee members consist of the whole independent directors. One independent director is elected by the whole members to serve as the convener. It must operate in accordance with the Company's "Articles of Association of the Auditing Committee", and perform the functions including:

1.Official powers of the audit committee

(1) Adoption or amendment of an internal control system pursuant to Article 14-1 of Securities and Exchange Act.

(2) Assessment of the effectiveness of the internal control system.

(3) Adoption or amendment, pursuant to Article 36-1 of 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.

(4) A matter bearing on the personal interest of a director.
(5) A material asset or derivatives transaction.
(6) A material monetary loan, endorsement, or provision of guarantee.
(7) The offering, issuance, or private placement of any equity-type securities.
(8) The hiring or dismissal of a certified public accountant, or the compensation given thereto.
(9) The appointment or discharge of a financial, accounting, or internal auditing officer.
(10) Annual and quarterly financial reports, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
(11) Any other material matter so required by the company or the Competent Authority.

2. Highlights in 2020：

(1) Appraisal on effectiveness of the internal control system

The Company evaluates the design and execution of its internal control system based on the criteria specified in "Regulations Governing Establishment of Internal Control Systems by Public Companies" to determine whether the design and execution of the 2019 internal control system are effective. It was passed at 15th meeting of Auditing Committee of 1st term on March 10, 2020. The “Declaration of Statement for Internal Control System” 2019 was issued upon approval as resolved at 19th meeting of the Board of Directors of 15th term on March 10, 2020.

(2) Audit on Financial Reports

The 2019 financial statements produced by the Board of Directors were already audited by Deloitte & Touche, Taiwan, and an audit report was issued by Deloitte Taiwan accordingly. It, together with the business report and motion for allocation of earnings, was passed at 15th meeting of Auditing Committee of 1st term on March 10, 2020. The same was also passed at 19th meeting of the Board of Directors of 15th term on March 10, 2020, and already submitted to a shareholders' meeting in 2020 for recognition.

(3) Appointment of External Auditor

The Auditing Committee is appointed to supervise the CPA's independence to ensure the impartiality of financial statements. In order to ensure the CPA office's independence, the Auditing Committee must prepare the independence assessment form in accordance with Article 47 of the Certified Public Accountant Act and the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 “Integrity, Objectivity and Independence” to appraise the independence, expertise and competence of the CPA and determine whether the external auditor is a related party with the Company or has business or financial interest with the Company. It was passed at 16th meeting of Auditing Committee of 1st term on May 5, 2020. Then, Chang, Ching-Fu, CPA and Zheng, Cin-Zong, CPA of Deloitte & Touche, Taiwan were held satisfying the independence appraisal indicators as resolved at 20th meeting of the Board of Directors of 15th term on May 5, 2020 and, therefore, qualified as the CPAs certifying the Company's finance and taxation.

A total of 5(A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person(B)	Proxy Attendance	Attendance Rate (B/A)	Remarks
Iindependent director	Tsai,Po-Hsien	5	0	100%	
Iindependent director	Huang,Win-Jung	5	0	100%	
Iindependent director	Hsieh,Ming-Jen	5	0	100%	
Other mentionable items: 1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified: (1) Matters referred to in Article 14-5 of the Securities and Exchange Act.：Note 1 (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.：None. 2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:：None. 3.Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)：Note 2、Note 3、Note 4					

Note 1: Matters referred to in Article 14-5 of the Securities and Exchange Act.

Term	Contents	The opinions of all members	The Company's response to the Audit Committee's opinion
15th Meeting in 1nd Session 2020.03.10	1. Te statement of internal control system of 2019. 2. The financial statements of 2019. 3. The distribution of retained earnings of 2019. 4. Proposal of releasing the Non-Competition Restrictions of newly-elected directors. 5. In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Huatong United (Nantong) Plastic Industry Co., Ltd.. 6. In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Jinan United Can Co., Ltd..	The proposal was approved as proposed	According to the resolution
16th Meeting in 1nd Session 2020.05.05	1. The consolidated financial statements for first quarter of 2020. 2. The evaluation of external auditor's independence.	The proposal was approved as proposed	According to the resolution
1th Meeting in 2nd Session 2020.08.04	1. The financial statements for first half year of 2020.	The proposal was approved as proposed	According to the resolution
2th Meeting in 2nd Session 2020.11.03	1. The consolidated financial statements for third quarter of 2020. 2. The appointment of corporate governance officer. 3. In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Jinan United Can Co., Ltd.. 4. In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Shanghai United Can Co., Ltd..	The proposal was approved as proposed	According to the resolution

3th Meeting in 2nd Session 2020.12.15	1. Internal auditing proposal of 2021. 2. Formulated the company's "Management of Prevention of Insider Trading". 3. The Company's loan transactions with financial institutions and execution of various trading contracts. 4. Authorization of the financial hedge against foreign exchange positions underwritten by the Company in 2021.	The proposal was approved as proposed	According to the resolution

Note 2. Communication between independent directors and the chief internal auditor & CPAs

(1) The monthly audit report and quarterly follow-up report will be sent to independent directors. Meanwhile, the chief internal auditor will report to the independent directors on business at the Auditing Committee meeting periodically, and communicate with the Committee members about the execution result about the audit report, and follow-up on the deficiencies and suggestions fed back upon internal audit.

(2) The CPAs will report to the independent directors about their audit (review) on financial statements and internal control system at the Auditing Committee meeting on a quarterly basis. Meanwhile, they will also communicate with the independent directors about adjustment of entries and whether new/amended laws and regulations would affect the financial statements.

Note 3. Summary of communications between independent directors and chief internal auditor

The communications with the Company's independent directors about audit operations and results thereof are considered fair.

Communication issues in 2020 are showed as follows

Date	Communication focus
2020.03.10	1. Internal audit report in Dec. 2019 2. Internal audit report in Jan. 2020 - Feb. 2020 3. Judgment on effectiveness of the internal control system in 2019
2020.05.05	1. Internal audit report in Mar. 2020 - Apr. 2020
2020.08.04	1. Internal audit report in May 2020 - Jun. 2020
2020.11.03	1. Internal audit report in Jul. 2020 - Sep. 2020
2020.12.15	1. Internal audit report in Oct. 2020 - Nov. 2020 2. Audit Project for 2021

No additional suggestions have been raised by independent directors at last communication meeting.

Note 4. Summary of communications between independent directors and CPAs

The communications between independent directors and CPAs are considered fair.

The communicated matters in 2020 are summarized as following:

Date	Communication focus
2020.03.10	Results of parent company only and consolidated financial statements 2019, and discussion and communication about impact posed by new/amended laws and regulations.
2020.05.05	Result of the Company's consolidated financial statements for 2020 Q1, and discussion and communication about impact posed by new/amended laws and regulations.
2020.08.04	Result of the Company's consolidated financial statements for 2020 Q2, and discussion and communication about impact posed by new/amended laws and regulations.
2020.11.03	1.Result of the Company's consolidated financial statements for 2020 Q3, and discussion and communication about impact posed by new/amended laws and regulations. 2. The CPAs briefed the key audit matters communicated (before the audit) between the CPAs and governance unit.

No additional suggestions have been raised by independent directors at last communication meeting.

Attendance of Supervisors at Board Meetings：NA

3.3.3. Corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Assessment criteria	Actual governance			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
1.Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company establishes its own "Corporate Governance Best-Practice Principles" based on the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies". The Principles were already posted on the MOPS.	None
2.Equity structure and shareholders' interests (1)Has the Company set forth and implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes and litigations?	V		(1)The Company appoints dedicated personnel and gathers advisors from various departments/offices to verify the suggestions, queries and disputes raised by shareholders, and then the Company's spokesperson or deputy spokesperson is appointed to provide explanation or response to the shareholders.	None
(2)Does the Company possess the lists of the Company's major shareholders and ultimate controllers of the major shareholders?	V		(2)The Company's shareholders service unit will ask its shareholders service agency for the roster of shareholders periodically, in order to control any changes in the major shareholders and ultimate controllers of the major shareholders from time-to-time.	None
(3)Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?	V		(3)The Company has established the "Regulations Governing Management of Subsidiaries" and urged its subsidiaries to establish internal control systems, in order to expressly define its management authority, have all transactions carried out pursuant to related systems and regulations, and stop any non-arm's length transactions. Meanwhile, the Company identifies the supervision and management of subsidiaries as one of the audit indicators in its annual audit plan.	None
(4)Has the Company established internal policies that prevent insiders from trading securities against non-public information?	V		(4) The Company's "Work Rules" expressly provide that where any employee takes advantage of his/her authority or duty to benefit himself/herself or any others, or engages in any abuse or corruption causing impairment to the Company, the employee must be dismissed without prior notice. The Company also established the "Code of Ethical Conduct", which	None

			expressly provides that employees must recuse themselves from all opportunities to seek personal gains, and be strictly prohibited from seeking unjustified benefits by exercising their job duty.	
3. Formation and structure of the Board of Directors (1) Has the Board devised and implemented policies to ensure diversity of its members?	V		(1)The Company has established a diversification policy for the composition of its Board of Directors and specific management goals: According to Article 20 of the Company's "Corporate Governance Best-Practice Principles" (abilities to be possessed by the entire Board of Directors), the composition of Board of Directors must be determined by taking diversity into consideration; the directors who serve as the Company's managerial officers concurrently must account for no more than one-thirds of the whole directors, and it is necessary to formulate an appropriate policy on diversity based on the Company's business operation, business type, and development needs; it is advisable that the policy must include, without being limited to, the following two general standards: A.Basic requirements and values: Gender, age, nationality, and culture, etc. B.Professional knowledge and skills: A professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills, and industrial experience. Common knowledge, skills, and characters generally needed by the Board members to exercise their duties. For ideal corporate governance, the Board as a whole shall possess the following capabilities: Ability to make judgments about operations; Ability to perform accounting and financial analysis; Ability to conduct management administration; Ability to manage crises; Industrial knowledge; A global market view; Leadership; Ability to make decisions. Status of achievement in the diversification policy for the composition of its Board of Directors A.Basic Requirements and Values: Gender, age, nationality, and culture The Company values the gender equality in the composition of the Board of Directors, and aims to appoint more than 25% female directors. Given this, its Board members include two female directors, i.e. 25%, one more than 70 years old and one at 61~70 years old, and male members attaining at 75%, one more than 70 years old, two at 61~70 years old, one at 51~60 years old, and two at 41~50 years old. Three independent directors must serve the term of office	None

			for 4 years, respectively, and attain 61~70 years old. B.Professional knowledge and skills: A professional background, professional skills, and industrial experience a. General directors: Including those with professional background, professional skills and industrial experience, graduated from Department of Economy, California State University, Long Beach, Eastern Michigan University, and departments of accounting, statistics, and mechanical engineering of other schools. b. Independent directors: Including those with professional skills, and educational backgrounds or qualifications, such as the graduated institute, Department of Accounting of National Chengchi University, Department of Business Administration of Feng Chia University, CPA, full-time associate professor of Department of Accounting Information of National Taipei University of Business, adjunct associate professor of the Bachelor's Program in Business Management of Fu Jen Catholic University, and Secretary General of Importers and Exporters Association of Taipei. c.For the professional background and skills to be possessed by the Board as a whole, please refer to Note 1.	
(2) Does the Company, in addition to setting the Remuneration Committee and Auditing Committee lawfully, have other functional committee set up voluntarily?		V	(2) The Company has established the Remuneration Committee and Auditing Committee pursuant to laws.	Follow Article 28、28-1of the “Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies”.
(3) Has the Company established a set of policies and assessment tools to evaluate the Board's performance, conducted the performance evaluation regularly at least on an annual basis, and applied the same as reference for remuneration to individual directors and nomination?	V		(3) The Company has established the “Regulations Governing Performance Appraisal on Board of Directors”, expressly defining that the Board members' performance should be appraised based on quantified indicators annually. The Board of Director's self (peer) performance appraisal was implemented as of 2020. The appraisal report must be submitted to the Board of Directors on March 16, 2021, and posted on the MOPS by the end of March in the same year.	None
(4)Does the Company have the independence of the public accountant evaluated regularly?	V		(4) Confirm that the CPAs certifying the Company's annual report do not hold any stocks of the Company or hold any position in the Company concurrently, in order to evaluate the CPAs' independence. The CPA office has also issued a declaration of statement for independence therefor, and Prevent the same CPA from certifying the Company's financial statements for seven consecutive	None

			years.	
4. Whether the TWSE/TPEx-listed company assigns the adequate number of competent corporate governance officers, and appoints the corporate governance officer responsible for the corporate governance affairs (including but not limited to, providing directors/supervisors with the information needed to perform their duties, helping directors/supervisors with compliance, organization of the Board of Directors meetings and shareholders' meetings under laws, and preparation of Board meeting and shareholders' meeting minutes, et al.)?	V		As approved upon resolution adopted by the meeting of Board of Directors on November 4, 2020, the existing Financial Manager, Chiang, Chia-Chun, was appointed to hold the position as the corporate governance officer dedicated to protecting shareholders' equity and strengthening the Board's functions. Manager Chiang, Chia-Chun has held the position as a financial manager in the public company for more than three years. Meanwhile, Ms. Chen, Shu-Ling from the Chairman Office (with the experience in shareholder services and qualified upon passing the proficiency test for shareholders service professionals under 108-Zheng-Ji-Gu-Ce-Zheng-Zi No. 4610256012) is assigned to assist in the corporate governance operations. The main responsibilities include the following: 1.Organize the Board of Directors meetings and shareholders' meetings under laws 2.Prepare Board meeting and shareholders' meeting minutes 3.Help directors perform duties and continue education 4.Provide directors with the information needed to perform their duties 5.Help directors with compliance 6.Any other matters set forth in the Articles of Incorporation or contracts 2020: 1.Business practicing is stated as following: (1) Organize the Board of Directors meetings under laws: To notify all directors to attend the meeting and provide the relevant information within 7 days prior to the Board meeting; remind a director or a juristic person represented by the director who is an interested party in relation to an agenda item of recusal for conflict of interest in advance; distribute the meeting minute to each director within 20 days after the meeting. (2) Organize the shareholders' meetings under laws: To record the date of shareholders' meeting by the statutory due date annually; produce and report the meeting advice, parliamentary handbook and minute by the prescribed due date; and, complete the registration of changes in company registration entries upon amendments to the Articles of Incorporation or upon reelection of directors. (3) Evaluate the Board's performance periodically in accordance with the “Regulations Governing Performance Appraisal on Board of Directors”: To collect the information related to the Board's activities at	None

			the end of each year, distribute and complete the self-assessment questionnaire, and submit the assessment result to the Board for review and improvement. (4) Help directors with compliance with laws and best-practice principles: To organize the continuing education programs for directors each year, and provide directors with the information needed by them to perform their duties to help directors understand the latest development of laws & regulations. Meanwhile, Director Chiang, Shao-May and principal financial officers and accounting officer would meet with the CPAs to discuss about the financial statements after each quarterly financial statement is audited. The Auditing Committee will invite the CPAs to attend the Committee's meeting on a quarterly basis, in order to communicate and exchange opinion with independent directors about any update on the financial statements, IFRSs, securities management laws & regulations, and taxation laws & regulations. (5) Deal with investor relation-related affairs: To provide the information about shareholders' meeting, important news, financial statements and investors' meetings. 2. Continued education: Appointed on November 3, 2020, and scheduled to complete the continued education in 2021.	
5. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to, shareholders, employees, customers and suppliers)?	V		The Company's website provides the shareholders' information and stakeholders sections, and discloses the contact information about shareholders and stakeholders. The Company communicates with stakeholders via the business transaction departments as the communication channels, and also establishes documented and electronic communication channels to keep communication of information successful.	None
6. Does the Company engage a professional shareholders service agency o handle shareholders' meeting affairs?	V		The Company appoints Capital Securities Corporation to act as its professional shareholders service agency.	None
7.Disclosure of information (1) Does the Company have a website setup and the financial business and corporate governance information disclosed?	V		(1) The Company's website (at www.greatchina.com.tw) discloses the Company's overview and related business, and links with the “MOPS” to disclose the financial information, as well as the corporate governance information.	None

(2) Has the Company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the Company website)?	V		(2) The Company's website in English version is accessible. Dedicated personnel are also appointed to collect and disclose the Company's information, in order to help the Company perform the obligation to disclose information as a TWSE-listed company loyally. The Company also implements a spokesperson system. Meanwhile, the Company discloses the information about investors' meetings on its website.	None
(3) Whether the Company announces and reports the annual financial report within two months at the end of each fiscal year, and the financial report for Q1, Q2, and Q3 and monthly operation overview before the prescribed time limit?		V	(3) The Company discloses its financial reports for Q1, Q2, and Q3, annual reports, and monthly operation overview by the due date prescribed by the competent authority.	Follow Article 7 of the "Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies".
8. Does the Company have other information that enables a better understanding of the company's corporate governance practices (including but not limited to, employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and insuring against liabilities of company directors and supervisors)?	V		(1) Employees' rights: The Company has established the Worker Welfare Committee. The Committee convenes meetings periodically to improve employee benefit policies. The Company has established the "Work Rules" to expressly define the right and obligation of both management and labors to help employees understand and maintain their interests and rights. (2) Employee care: Establish fair relations with employees through various welfare policies and the employee grievance system. (3) Investor relations: Dedicated personnel are appointed to deal with affairs related to shareholders. (4)Supplier relations, and stakeholders' interests： The Company treats all suppliers and stakeholders fairly, and maintains fair relations with them. (5)Continuing education of directors/supervisors： Provide related laws & regulations and information to directors and arrange continuing education programs for them from time to time. (Note 2) (6) Implementation of risk management policies and risk measurements: The Company has established the internal control system and various policies to conduct the risk assessment and management. (7)Corporate governance continuing education programs attended by the Company's managerial officers(Note 3) (8)Current progress in the customer policy: The Company delegates dedicated personnel to help solve any	None

			customer's problems to protect the customer's rights. (9)Insuring against liabilities of the Company's directors and supervisor: The Company has maintained the liability insurance for directors, and reported the insurance to the Board of Directors.	

9.Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified.

According to the 7th Corporate Governance Evaluation result, the issues that are yet to be rectified are listed as following:

(1)Whether the Company has disclosed the ethical management policy passed by the Board of Directors on its website or in its annual reports, and also expressly defined the specific practices and unethical corporate management prevention programs therein?

(2)Whether the identified stakeholders' identity, concerned issues, communication channels and response are disclosed on the Company's website or in its annual report?

Note 1：The board of directors possess the following abilities:

Item / Name	Gender	Nationality/ Place of Incorporation	Education& Experience Professional background	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective.	Ability to lead.	Ability to make policy decisions.
Chiang,Ching-Yee	M	R.O.C.	Business Administration	V		V	V	V	V	V	V
Liu,Fei-Hu	M	R.O.C.	Marketing	V		V		V	V	V	
Chang,Jung-Fei	M	R.O.C.	mechanical			V	V	V		V	V
ZHENG DA INVESTMENT CO., LTD. Representative：Chiang,Ming-Li	M	R.O.C.	Economics	V	V			V	V		
YONG ZEN INVESTMENT CO., LTD. Representative：Chiang,Kang-Ming	M	R.O.C..	Economics & Art history	V		V	V	V		V	V
GLORY TASK ENTERPRISE CO., LTD. Representative：Chiang,Shao-May	F	R.O.C.	Finance	V	V	V	V			V	V
Jazwin Ventures Ltd. Representative：Chiang,Man-Tzyy	F	R.O.C..	HR	V	V		V	V	V		
Pinnacle Ventures Ltd. Representative：Chiang,Shou-Cheng	M	R.O.C.	Business Administration	V	V	V	V	V	V	V	V
Iindependent director											
Tsai,Po-Hsien	M	R.O.C.	business Administration	V	V	V	V			V	V
Huang,Win-Jung	M	R.O.C.	International marketing			V		V	V	V	V

Hsieh,Ming-Jen	M	R.O.C.	Accounting	V	V			V	V		V

Note 2：Continuing education attended by directors

Name	Date	Organizer	Course	Education hours
Chiang,Ching-Yee	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Liu,Fei-Hu	2020.07.24	C.S. Aluminium Corporation	Theory and Practical Experience Sharing of Management Science	2
Liu,Fei-Hu	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Chang,Jung-Fei	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
ZHENG DA INVESTMENT CO., LTD. Representative：Chiang,Ming-Li	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
YONG ZEN INVESTMENT CO., LTD. Representative：Chiang,Kang-Ming	2020.07.24	C.S. Aluminium Corporation	Theory and Practical Experience Sharing of Management Science	2
YONG ZEN INVESTMENT CO., LTD. Representative：Chiang,Kang-Ming	2020.09.17	Taiwan Metal Ind. Association	Current Status and Future Development of Copper and Aluminum Markets Under COVID-19	0.5
YONG ZEN INVESTMENT CO., LTD. Representative：Chiang,Kang-Ming	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
YONG ZEN INVESTMENT CO., LTD. Representative：Chiang,Kang-Ming	2020.12.17	Taiwan Metal Ind. Association	Introduction to Industry Trend in Response to Energy Conservation, Environment and Industrial Safety Development	0.5
GLORY TASK ENTERPRISE CO., LTD. Representative：Chiang,Shao-May	2020.11.05~ 2020.11.06	Accounting Research and Development Foundation	Continuing Education for Securities Issuers, Securities Firms, and Finance Director	12

GLORY TASK ENTERPRISE CO., LTD. Representative：Chiang,Shao-May	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Jazwin Ventures Ltd. Representative：Chiang,Man-Tzyy	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Pinnacle Ventures Ltd. Representative：Chiang,Shou-Cheng	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Tsai,Po-Hsien	2020.09.21	TWSE	Summit Forum for “Corporate Governance 3.0 - Sustainable Development Roadmap” of TWSE-Listed Companies	3
Tsai,Po-Hsien	2020.10.14	SECURITIES & FUTURES INST.	2020 Insider Trading Prevention and Share Transfers by Insiders Presentation Conference	3
Tsai,Po-Hsien	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Huang,Win-Jung	2020.09.24	Governance Professionals Institute of Taiwan	2020 Seminar on Legal System for Substantive Beneficiaries	3
Huang,Win-Jung	2020.10.16	TWSE	2020 Corporate Governance and Corporate Integrity Directors and Supervisors Promotion Conference	3
Huang,Win-Jung	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Hsieh,Ming-Jen	2020.09.21	TWSE	Summit Forum for “Corporate Governance 3.0 - Sustainable Development Roadmap” of TWSE-Listed Companies	3
Hsieh,Ming-Jen	2020.10.14	SECURITIES & FUTURES INST.	2020 Insider Trading Prevention and Share Transfers by Insiders Presentation Conference	3
Hsieh,Ming-Jen	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5

Note 3：Corporate governance continuing education programs attended by the Company's managerial officers

Title	Name	Date	Organizer	Course	Education hours
President	Chiang,Cheng-Shing	2020.07.24	C.S. Aluminium Corporation	Theory and Practical Experience Sharing of Management Science	2
President	Chiang,Cheng-Shing	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Finance Director	Chiang,Shao-May	2020.11.05~ 2020.11.06	Accounting Research and Development Foundation	Continuing Education for Securities Issuers, Securities Firms, and Finance Director	12
Finance Director	Chiang,Shao-May	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Sales manager	Liu,Fei-Hu	2020.07.24	C.S. Aluminium Corporation	Theory and Practical Experience Sharing of Management Science	2
Sales manager	Liu,Fei-Hu	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Financial manager and Concurrently corporate governance officer	Chiang,Chia-Chun	2020.07.24	C.S. Aluminium Corporation	Theory and Practical Experience Sharing of Management Science	2
Financial manager and Concurrently corporate governance officer	Chiang,Chia-Chun	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5
Oversea manager	Huang,Tien-Chang	2020.07.24	C.S. Aluminium Corporation	Theory and Practical Experience Sharing of Management Science	2
Oversea manager	Huang,Tien-Chang	2020.09.22	KSP Certified Public Accountants Limited	Control Legacy, Plan Golden Period, and Application of Family Charters to Practice a Century of Resilient Tradition	3
Oversea manager	Huang,Tien-Chang	2020.10.27	TWSE	2020 TWSE-Listed Company Business Promotion	3
Oversea manager	Huang,Tien-Chang	2020.12.15	Great China Metal Ind. Co., Ltd.	Promotion and Case Study on Regulations on Management of Prevention of Insider Trading	0.5

3.3.4. Composition, responsibilities, and functionality of the Remuneration Committee

The Company's "Remuneration Committee" was established on December 27, 2011. The Committee members consist of the whole independent directors. One independent director is elected by the whole members to serve as the convener. It must operate in accordance with the Company's "Articles of Association of Remuneration Committee".

Functionality

The Committee evaluates the remuneration policy and system related to directors and managerial officers, professionally and objectively. It convenes at least two meetings annually, and special meetings whenever necessary, in order to propose suggestions to the Board of Directors as the reference for the Board's decision making.

Authority

The Committee members must exercise the following authority with due diligence as a good administrator, take responsibility toward the Board of Directors and submit all of its suggestions to the Board of Directors for discussion:

1.Stipulate and review regularly the performance appraisal and compensation policies, systems, standards and structures of the directors and managerial officers.
2.Regularly review and set directors' and managerial officer's compensation policies.

The Remuneration Committee must comply with the following standards when exercising its authority.

1. The compensation and salary must be managed in line with the Company's compensation philosophy.
2. Never guide directors and managerial officers to engage in any activities beyond the Company's exposure to risk to pursue rewards.
3. The Committee members must recuse themselves from discussion and voting for any decision made for personal compensation and salary.

(1) Information Regarding Remuneration Committee

Position (Note 1)	Item / Name	Has over 5 years of work experience and the below professional qualifications: Holds the position of lecturer (or higher) at public or private college or university in business,law, finance,accounting or company operations	Holds a license, Obtained through National examination, for the position of judge, District attorney,lawyer, accountant,or similar	Work Experience in business,law, finance, accounting or company operations	Criteria (Note 2): 1	2	3	4	5	6	7	8	9	10	Number of Remuneration Committee memberships held in other public companies	Remark
Iindependent director	Tsai,Po-Hsien	V	V	V	V	V	V	V	V	V	V	V	V	V	0	
Iindependent director	Huang,Win-Jung			V	V	V	V	V	V	V	V	V	V	V	0	
Iindependent director	Hsieh,Ming-Jen	V	V	V	V	V	V	V	V	V	V	V	V	V	0	

Directors or supervisors, during the two years before being elected or during the term of office, have been or be any of the following, please tick the appropriate corresponding boxes：

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;
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;
6. Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company;
7. Not 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: a director (or governor), supervisor, or employee of that other company or institution;
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;
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 Securities and Exchange Act.

10. Not been a person of any conditions defined in Article30 of the Company Law.

(2) Operations of the Remuneration Committee:

The Company's Remuneration Committee is composed of three members.

The term of office for current members runs from 1 July 2020 through 22 June 2023.

The Company's Remuneration Committee held a total of 2 meetings in 2020, Member attendance is detailed below:

Title	Name	Meetings Attended Personally (B)	Meetings Attended By Proxy	Personal Attendance Rate (B/A) (Note)	Remark
Convener	Tsai,Po-Hsien	2	0	100%	
Member	Huang,Win-Jung	2	0	100%	
Member	Hsieh,Ming-Jen	2	0	100%	
Other mentionable items: 1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None. 2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.					

(3) Resolutions decided upon by the Remuneration Committee during the most recent year of the Annual Report:

Term	Contents	The opinions of All members	The Company's response to the Remuneration Committee's opinion
7th Meeting in 3nd Session 2020.03.10	1. The company's directors and managers' remuneration and bonuses. 2. The salary distribution of employees and directors in 2019.	The proposal was approved as proposed.	According to the resolution

1th Meeting in 4nd Session 2020.12.15	1. The company's directors and managers' remuneration and bonuses. 2. Set the 2021 meeting schedule of the compensation committee.	The proposal was approved as proposed.	According to the resolution

3.3.5. Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from "Corporate Social Responsibility(CSR) Best Practice Principles of TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?		V	The company has not yet enacted relevant risk management policies or strategies in accordance with the principle of materiality.	Not set yet
2. Does the company establish exclusive (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		Toward the Company's corporate social responsibility-related affairs, we review and approve the annual goals of all areas relevant to the corporate social responsibility, oversee the implementation in each and every year and report the implementation results to the board of directors after the end of the year.	None
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	V		(1) The Company has successfully passed the FSSC 22000 certification and, as a result, put various infrastructure and structures, e.g., buildings, working spaces, public facilities and process equipment, into sound control to assure the stability of product quality and safety.	None
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		(2)a. The major raw materials required by the Company are aluminum and iron materials that can be 100% recycled and re-used and all such materials shall be in compliance with the specifications and be non-polluting as the very key factors in our purchase considerations. b. Our Company has endeavored to build standard operating procedures (SOP). In each and every month, we conduct prudent inspection over the use of water, electricity, gas and other resources to ensure the maximum possible effective use of all sorts of resources. c. Inside our Company, we have set up resource recycling bins and conducted internal resource	None

			classification and recycling promotion measures for the entire staff. Thanks to such efforts, all sorts of resources can be effectively recycled and re-used inside our Company.	
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	V		(3)a. Also, inside our Company, we have a dedicated unit to review the energy consumption of each plant every year and exactly according to the review results, formulate energy-saving plans and implement them step-by-step as planned. b. During the summertime, our entire Company implements air-conditioning temperature control to minimize energy consumption; promote and adopt specific measures to reduce production and domestic water consumption to achieve the goal of energy saving and carbon reduction. c. I the selection of machinery and equipment here at our Company, we aim at energy savings and carbon reduction and greenhouse gas reduction and environmental safety as the top evaluation items. Whenever we build a new plan or refurbish a plant, we definitely choose energy-saving lamps such as LED lights, energy-saving bulbs...... and the like.	None
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?	V		(4)a. In each and every year, we work out statistics to analyze VOCs emissions, production water consumption and waste output. We further formulate annual reduction ratios to achieve energy-saving and carbon-reduction targets. b.In years 2017 and 2019 respectively, we added advanced air pollution prevention equipment at the two plants at Toufen and Fugang to minimize VOCs emissions.	None
4. Social Topic (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		(1) Our Company faithfully complies with the Labor Standards Law, Employment Service Act, Act of Gender Equality in Employment as well as other related laws and regulations concerned to ensure the principle of labor-oriented human rights and safeguard the legitimate rights and interests of our entire staff. The Company has established an "Internal Control System" and the company-related labor laws and regulations into the company system. All such laws and ordinances concerned function as the very basis for the work of all departments and to safeguard the rights and	None

			interests of our employees. Through outsourcing (certified public accountants, auditors), we conduct sound audit in performance in each and every year to firmly safeguard the rights and interests of the employees.	
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V		(2) Our Company has set up the "Remuneration Committee" which sets personnel management regulations, employee performance appraisal, work rules and the like to integrate remuneration with appraisal, incentive rewards and punishments in combination with corporate social responsibility policies.	None
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		(3)a. Our Company has, as well, set up labor safety and health management personnel to take charge of planning, execution, inspection, review and other operations of employee safety and health affairs and further perform work environment inspections and improvements on a quarterly basis. Thanks to such dedicated efforts, we are able to provide employees with very safe and healthy working environment. b. All newly hired employees of the Company shall receive and satisfactorily complete strict training programs focusing on work safety, sanitation and fire protection before they can officially start on their jobs. Further on a semiannual basis, we carry out labor safety and health awareness oriented training programs. c. Every year, we conduct operating environment monitoring and examination, provide safety protective instruments to employees and further provide health examination for all employees on an annual basis. d. In response to the extreme climate conditions on earth to lower the high temperature of the factories in summertime, the Company has additionally set up ice water machines and air-conditioning boxes to the production areas of the aluminum can production lines in Toufen factory. Thanks to such installation, the temperature in the production area can be effectively lowered by about 6-8 degrees. With such thoughtful efforts, our entire staff have actively improved efficiency while safeguarding their health.	None
(4) Has the Company established	V		(4) a. Exactly in accordance with the laws and	None

effective career development training plans?			regulations concerned in line with the work needs of various units and departments and further through the process of coaching and guidance by supervisors and senior colleagues, we try by all means to help new recruits to understand the culture inside our Company, a variety of managerial rules to familiarize themselves with job positions to, in turn, accomplish the maximum possible performance. b. Aiming at varied work needs for different duty positions in coordination with the personal career development of colleagues, we map out the necessary technical and academic training programs for each and every position to enhance the professional skills of our entire staff.	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures?	V		(5)a. The Company has established a sound food safety policy and expressly formulated standard procedures for communication with consumers and customers. The contents of such standard operating procedures (SOP) cover the storage and use of products, handling of defective products, as well as customer feedback, procedures to take charge of customer complaints and grievances. b. At the Company, we firmly adhere to the business philosophy of decent honesty toward customers with premier customer-oriented products, solid technology and high-quality services.	None
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		(6) a. Our Company has enacted “Regulations Governing the Evaluation of Affiliates or Sub-contractors" to evaluate and appraise the suppliers in their performance capability, look into their previous records toward impact upon environment and society in an effort to assure that our quality and delivery schedule would be consistent with the Company's requirements. In turn, we assure the stable quality of products to jointly endeavor toward corporate social responsibility (CSR). b. Where in transactions with suppliers, other than the quality of the products they provide to us, we closely watch and make sure whether or not their manufacturing process has been consistent with the requirements of corporate social responsibility (CSR). Whenever a supplier is found with significant impact upon	None

			the environment or the society, we shall either cut the supply volume or replace it with another forthwith.	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?		V	Our Company has not yet worked out the Corporate Social Responsibility (CSR) Report to disclose the Company's non-pecuniary information in accordance with the rules for working out such report prevalent in the international community.	Not yet compiled
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies:：None				
7. Other useful information for explaining the status of corporate social responsibility practices:None.				

3.3.6. Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from th Ethical Corporate Management Best Practices Principles for TWSE listed companies and reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	V		(1) The Company's "Code of Work" expressly stipulates that all employees should be loyal and diligent toward the Company. Internally, the entire staff should work hard, cherish public property, minimize wastage, enhance quality and maximize production. Externally, the staff shall assure sound confidentiality on all job secrets.	None
(2)Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		(2) Besides, the Company has further expressly provided that "an employee of the Company who uses his or her power or convenience in official affairs to profit himself or herself or others or who engages in other private frauds that may cause damage to the Company" shall be dismissed forthwith without notice. The Company tries hard to educate its employees so that they fully understand the Company's firm resolve to operate with integrity, policies and the consequences of violations of dishonest behavior.	None
(3)Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) All new recruits of the Company shall have such terms expressly entered onto their employment agreements that they shall be absolutely honest and clean during their entire tenure, faithfully abiding by laws without any hint of faults in their performance of duty. They shall not engage in unfair competition on the same business and shall assume the responsibility for compensation for damages in case of violation.	None
2.Fulfill operations integrity policy				
(1)Does the company evaluate business partners' ethical records and include ethics-related clauses in business	V		(1) All contracts executed with the Company bear confidentiality obligations and intellectual property right clauses to assure business	None

contracts?			performance in a fair and honest manner.	
(2)Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(2) Through organizational settings, we assure sound division of functions through mutual supervision. Meanwhile, by means of job rotation, we put into implementation thoroughly Best-Practice Principles on Good Faith Management and report to the board of directors about performance on a regular basis.	None
(3)Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(3) A conflict of interest found among business performance, if any, shall be reported to the supervisor and an employee involved in such conflict shall withdraw to prevent such conflict. On various motions or proposals, a director who is proven to be involved in conflict of interest shall withdraw from discussion or voting process in accordance with the principles of recusal.	None
(4)Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4)a. The Company refrains from dealings with people with records of dishonest behavior and expressly stipulates the integrity behavior clause onto all business contracts. All important legal papers of the Company shall be rechecked by legal personnel or legal advisors who will, in turn, offer professional opinions and suggestions. b. The Company's Audit Department is an independent unit subordinate to the board of directors. The Audit Department shall assume the responsibility for the implementation of integrity management. The internal auditors shall, on a regular basis, check the compliance status and further for monitoring and reporting on the performance of various business operations.	None
(5)Does the company regularly hold internal and external educational trainings on operational integrity?	V		(5) In each and every year, in accordance with the laws and ordinances concerned, the Company sponsors educational and training programs toward employees to have laws and ordinances concerned, confidentiality obligations, Rules Governing Code of Ethical Conduct extensively publicized to the entire staff.	None
3.Operation of the integrity channel				
(1)Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for	V		(1) In an attempt to guide employees into faithful enforcement of the high ethical standards within the business scope to prevent illegal acts from occurring, the Company has set	None

follow-up?			strict preventive measures and disciplines and established reporting and grievance channels. The Human Resources Administrative Department is the competent authority in charge of such affairs.	
(2)Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(2) While the Company accepts a grievance report, in order to safeguard the rights of the complainant, the complaint case shall be handled in a confidential manner and the name of the complainant or other relevant information sufficient to identify the identity of the complainant shall be kept in confidence and shall not be disclosed.	None
(3)Does the company provide proper whistleblower protection?	V		(3) Whenever a person of the Company proves to have violated the code of ethics and behaviors under this standard, he or she shall be punished in accordance with the relevant provisions of the Company's work rules on rewards and punishments. Where the punished person considers that the Company has infringed upon his or her legitimate rights and interests, he or she may follow the Company’s relevant regulations to appeal to the Human Resources Administrative Department in accordance with relevant grievance rules of the Company for a sound remedy.	None
4.Strengthening information disclosure				
Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		(1) The Company has set up a company website to disclose the Company's fundamental information. Furthermore, the Company would disclose such relevant information into the Market Observation Post System (MOPS) in real-time via open and transparent manner. (2) For the Company's website, we provide an English version and assign a dedicated person to collect and disclose the Company information. Such effort has yielded very encouraging results.	None
5.If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.				
6.Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). (1) The Company has set up "Regulations Governing Management over Prevention of Insider Trading" and publicized such Regulations for directors, managers and employees either on a regular basis or from time to time on a periodic basis, advising them not to disclose material information inside the Company to others.				

(2) The Company's "Rules of Procedures Governing Board of Directors' Meetings" expressly stipulate that directors who have gotten involved in interests in a motion in the meeting shall duly withdraw themselves along with their juristic person from participating in the discussion and from the voting process.
(3) The Company has faithfully abided by the Company Act, Rules of Exchange- (Over-The-Counter) Listed Companies, taxation and accounting-related laws to put into implementation thoroughly Best-Practice Principles on Good Faith Management.

3.3.7. If the Company has established corporate governance principles and other relevant guidelines, references to such principles shall be disclosed:
The Company has established its own "Corporate Governance Best-Practice Principles", "Parliamentary Rules for Meetings of Board of Directors", and "Standard Operating Procedure for Handling Directors' Requirements". The same are posted on the MOPS and disclosed on the Company's website.

3.3.8. Other information material to the understanding of corporate governance within the Company
In order to established a fair mechanism dedicated to processing and disclosing internal important information, and ensure consistency and accuracy of the information disclosed by the Company to the public, the Company defines the "Regulations on Management of Prevention of Insider Trading", which are communicated to employees by public notice, and must be followed by managerial officers and directors.

3.3.9. Implementation Status of Internal Control System.

1. Internal Control Declaration

Great China Metal Ind. Co., Ltd.
Statement of Internal Control System

Date: March 16, 2021

The internal control system from January 1 to December 31, 2020, according to the result of self-assessment is thus stated as follows：

1. The Company acknowledges that the implementation and maintenance of internal control system is the responsibility of Board of Directors and management, and the Company has established such system. The internal capital system is aimed to reasonably assure that the goals such as the effectiveness and the efficiency of operations (including profitability, performance and protection of assets), the reliability of financial reporting and the compliance of applicable law and regulations are achieved.
2. The internal control system has its innate restriction. An effective internal control system can only ensure the foregoing three goals are achieved; nevertheless, due to the change of environment and conditions, the effectiveness of internal control system will be changed accordingly. However, the internal control system of the Company has self-monitoring function and the Company will take corrective action once any defect is identified.
3. According to the effective judgment items for the internal control system specified in "Highlights for Implementation of Establishing Internal control System by Listed Companies" (hereinafter referred to as "Highlights") promulgated by Securities and Futures Commission, Ministry of Finance R.O.C., the Company has made judgment whether or not the design and execution of internal control system is effective. The judgment items for internal control adopted by “Highlights” are, based on the process of management control, for classifying the internal control into five elements: 1.Control environment; 2.Risk assessments; 3.Control activities; 4.Information and communication; and 5.Monitoring. Each element also includes a certain number of items. For the foregoing items, refer to "Highlights".
4. The Company has adopted the aforesaid judgment items for internal control to evaluate the effectiveness of design and execution of internal control system.
5. Based on the above-mentioned result of evaluation, the Company suggests that the internal control system, including the design and execution of internal control relating to the effectiveness and efficiency of operation, the reliability of financial reporting, the compliance of applicable law and regulations has been effective and they can reasonably assure the aforesaid goals have been achieved.
6. This statement will be the main content for annual report and prospectus and will be disclosed publicly. If the above contents have any falsehood and concealment, it will involve in the liability as mentioned in Article20, 32, 171 and 174 of Securities and Exchange Law.
7. This statement has been approved by the meeting of Board of Directors on March 16, 2021, and those 11 directors in presence all agree at the contents of this statement.

Great China Metal Ind. Co., Ltd.
Chairman：Chiang,Ching-Yee
President：Chiang,Cheng-Shing

2. If the company has commissioned external auditors to review the company's internal control system, the external auditor's report should be disclosed: NA.

3.3.10. Conviction of corporate or employees' wrongdoings, Company's punishment on employee for violation of internal control, major faults and improvements during recent fiscal period and to the publish date of the annual report:None.

3.3.11. Major Resolutions of Shareholders Meeting and Board Meeting：

Major resolutions of 2020 Shareholders Meeting

Date	Major resolutions	Implementation status
2020.06.23	Accepted the business report and financial statements of 2019.	The proposal was approved by the participating shareholders with 98.81% approved percentage.
	Approved the distribution of retained earnings of 2019,amounting to NT$1 per share for cash dividend payment.	1.The proposal was approved by the participating shareholders with 98.87% approved percentage. 2.Ex-Dividend Trading Date:2020/07/29. Cash Dividend Payout Date:2020/08/27.
	Amendmen to Articles of Incorporation.	1.The proposal was approved by the participating shareholders with 98.87% approved percentage. 2.The registration was approved by Ministry of Economic Affairs within 15 days.
	Amendmen to "Rules of Procedure for Shareholder Meetings".	1.The proposal was approved by the participating shareholders with 98.87% approved percentage. 2 Effective on the resolutions at general shareholders meeting.
	Complete the election of directors and independent directors of the company.	The registration was approved by Ministry of Economic Affairs within 15 days.
	Approved the Proposal of releasing the Non-Competition Restrictions of newly-elected directors.	1.The proposal was approved by the participating shareholders with 98.83% approved percentage. 2. Effective on the resolutions at general shareholders meeting.

Major resolutions of 2020 Board Meeting

Date	Term	Major resolutions
2020.05.05	20th Meeting in 15nd Session	(1)The consolidated financial statements for first quarter of 2020. (2)The evaluation of external auditor's independence.
2020.06.23	1th Meeting in 16nd Session	(1) To announce the 16th board of directors elected the chairman.
2020.07.01	2th Meeting in 16nd Session	(1) Set the record date of distribution of cash dividend of 2019. (2) Appointed the 4rd Remuneration Committee. (3) The amendments to "Rules of Procedure for Board of Directors Meetings". (4) The amendments to "Audit Committee charter". (5) The amendments to "Remuneration Committee charter". (6) The amendments to "Board of Directors Performance Evaluation Method". (7) The amendments to "Codes of Ethical Conduct".
2020.08.04	3th Meeting in 16nd Session	(1)The financial statements for first half of 2020. (2)The amendments to "Corporate Governance Best Practice Principles". (3)The amendments to " Standard Operating Procedure for Handling Request of Directors".
2020.11.03	4th Meeting in 16nd Session	(1)The consolidated financial statements for third quarter of 2020. (2)The appointment of corporate governance officer. (3)In response to the business needs of the Company's investee in the mainland

		China, the Company plans to make endorsements/guarantees for Jinan United Can Co., Ltd.. (4)In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Shanghai United Can Co., Ltd..
2020.12.15	5th Meeting in 16nd Session	(1)Report on the implementation of the company's salary and remuneration committee. 。 (2)Internal auditing proposal of 2021. (3)Formulated the company's "Management of Prevention of Insider Trading". (4)The Company's loan transactions with financial institutions and execution of various trading contracts. (5)Authorization of the financial hedge against foreign exchange positions underwritten by the Company in 2021.
2021.03.16	6th Meeting in 16nd Session	(1) Report the company's "Board Performance Evaluation" (2) Te statement of internal control system of 2020. (3) The business report of 2020. (4) The business plan of 2021. (5) The salary distribution of employees and directors in 2020. (6) The financial statements of 2020. (7) The distribution of retained earnings of 2020. (8) Approved the related operating procedures for shareholder proposal right. The period for shareholder to submit their proposals . (9) In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Huatong United (Nantong) Plastic Industry Co., Ltd.. (10) In response to the business needs of the Company's investee in the mainland China, the Company plans to make endorsements/guarantees for Jinan United Can Co., Ltd..

Note : 1. The opinions of all members：The above proposals were approved by all the directors present without objection.
2. Implementation status：According to the resolution.

3.3.12.Document or written statement that states different opinions by board members or supervisors against the approved major resolutions by the board meeting in recent fiscal period and to the publish date of the annual report: None.

3.3.13.Summary of the resignations and dismissals of the chairman, president, accountant division manager, chief financial officer, internal auditing manager, and R&D manager during the last year and up to the time of printing:NA.

3.4. Auditing Notes

3.4.1. Disclosure of Auditing Fee

Accounting Firm	Name of CPA		Period Covered by CPA’ s Audit	Remarks
Deloitte&Touche,Taiwan, Republic of Chin	Chang, Ching-Fu	Zheng, Cin-Zong	2020/01/01~2020/12/31	

Unit: NT$ thousands

	Fee Items / Fee Range	Audit Fee	Non-audit Fee	Total
1	Under NT$2,000		V	
2	NT$ 2,000 (incl.) – NT$ 4,000	V		V
3	NT$ 4,000 (incl.) – NT$ 6,000			
4	NT$ 6,000 (incl.) – NT$ 8,000			
5	NT$ 8,000 (incl.) – NT$10,000			
6	NT$10,000 and above			

1. Non-audit fees paid to CPA, accounting firm and affiliated companies thereof that amount to more than 1/4 of audit fees:None.
2. Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year: None.
3. Reduction of audit fees by more than 10% compared to the previous year: None.

3.5. Changing of auditors:

3.5.1. Regarding the former CPA

<table>
<tr><td>Replacement Date</td><td colspan="4">Since Q4 of 2019</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4">The engaged certified public accountants had been replaced to meet the needs of the internal adjustment of Deloitte & Touche, Taiwan. The former CPAs are Chang,Ching-Fu and Ke,Chin-Hsien, the successor CPAs are Chang,Ching-Fu and Zheng,Cin-Zong.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="2">Parties / Status</td><td>CPA</td><td>The Company</td></tr>
<tr><td colspan="2">Termination of appointment</td><td colspan="2" rowspan="2">None</td></tr>
<tr><td colspan="2">No longer accepted (continued) appointment</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">None</td></tr>
<tr><td rowspan="7">Differences with the company</td><td rowspan="5">Yes</td><td>-</td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td>-</td><td colspan="2">Disclosure of Financial Statements</td></tr>
<tr><td>-</td><td colspan="2">Audit scope or steps</td></tr>
<tr><td>-</td><td colspan="2">Others</td></tr>
<tr><td>-</td><td colspan="2"></td></tr>
<tr><td>None</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Remarks/specify details:</td></tr>
<tr><td>Other Revealed Matters</td><td colspan="4">None</td></tr>
</table>

3.5.2. Regarding the successor CPA

Name of accounting firm	Deloitte & Touche,Taiwan,Republic of China
Name of CPA	Chang,Ching-Fu and Zheng,Cin-Zong
Date of appointment	Dec. 17. 2019
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

3.6. If the Company's Chairman, President, or managers responsible for financial and accounting affairs have held any position in the accounting firm or its affiliates during the past year, all relevant information should be disclosed: None.

3.7. Net Change in shareholdings and in shares pledged by directors,supervisors, management, and shareholders holding more than a 10% share in the Company.：

3.7.1 Recent changes:

Title	Name	2020		As of Apr. 24, 2021	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Chiang,Ching-Yee	0	0	0	0
Director	Liu,Fei-Hu	0	0	0	0
Director	Chang,Jung-Fei	0	0	0	0
Director	ZHENG DA INVESTMENT CO., LTD.	0	0	0	0
	Representative Chiang,Ming-Li	0	0	0	0
Director	YONG ZEN INVESTMENT CO., LTD.	0	0	0	0
	Representative Chiang,Kang-Ming	0	0	0	0
Director	GLORY TASK ENTERPRISE CO., LTD.	22,032,503	0	0	0
	Representative Chiang,Shao-May	0	0	0	0
Director	Jazwin Ventures Ltd.	0	0	0	0
	Representative Chiang,Man-Tzyy	0	0	0	0
Director	Pinnacle Ventures Ltd.	0	0	0	0
	Representative Chiang,Shou-Cheng	0	0	0	0
Iindependent director	Tsai,Po-Hsien	0	0	0	0
	Huang,Win-Jung	0	0	0	0
	Hsieh,Ming-Jen	0	0	0	0
President	Chiang,Cheng-Shing	0	0	0	0
Finance Director	Chiang,Shao-May	0	0	0	0
Financial manager and Concurrently corporate governance office	Chiang,Chia-Chun	0	0	0	0

3.7.2. Shares Trade with Related Party

Name	Reason for Transfer	Date of Transaction	Transferee	Relationship between Transferee and Directors, Supervisors, Managers and Major Shareholders	Shares	Transaction Price (NT$)
GLORY TASK ENTERPRISE CO., LTD.	Business Combinations	109.10.28	Mas Peng Enterprise Co., LTD.	Shareholding by Nominee Arrangement	22,032,503	21.8

3.7.3. Shares Pledge with Related Party：None.

3.8. Information Disclosing the Relationship between any of the Company's Top Ten Shareholders：

Name	Current Shareholding		Spouse's / minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
GLORY TASK ENTERPRISE CO., LTD.	22,059,503	7.23%	0	0%	0	0%	-	-	-
Representative Chiang,Shao-May	1,042,507	0.34%	617,264	0.20%	0	0%	Chiang, Cheng-Shing Chiang, Shou-Cheng	Brother and sister	-
Jian Da Investment Co., Ltd.	20,764,950	6.81%	0	0%	0	0%	-	-	-
Representative Cheng,Jian-Yun	0	0%	0	0%	0	0%	-	-	-
Kong Nee Investment Co., Ltd.	19,551,088	6.41%	0	0%	0	0%	-	-	-
Representative Chiang,Hsiao-Chun	1,535,175	0.50%	0	0	0	0%	-	-	-
Yuan Da Investment Corp.	15,975,476	5.24%	0	0%	0	0%	-	-	-
Representative Chiang,Hsiao-Chun	1,535,175	0.50%	0	0	0	0%	-	-	-
ZHENG DA INVESTMENT CO., LTD.	11,806,451	3.87%	0	0%	0	0%	-	-	-
Representative Chiang,Ming-Li	11,467,147	3.76%	0	0%	0	0%	-	-	-
Fubon Life Insurance Co., Ltd.	11,632,000	3.81%	0	0%	0	0%	-	-	-
Representative Richard M. Tsai.	0	0%	0	0%	0	0%	-	-	-
Chiang,Ming-Li	11,467,147	3.76%	0	0%	0	0%	-	-	-
JE Ventures Ltd.	11,426,067	3.75%	0	0%	0	0%	-	-	-
Representative Chiang,Shou-Cheng	8,000	0%	12,000	0%	0	0%	Chiang, Cheng-Shing Chiang, Shao-May	Brother and sister	-
YONG CHENG INVESTMENT CO., LTD.	10,208,877	3.35%	0	0%	0	0%	-	-	-
Representative Chiang,Cheng-Shing	4,408,516	1.45%	90,340	0.03%	0	0%	Chiang, Shao-May Chiang, Shou-Cheng	Brother and sister	-
YONG ZEN INVESTMENT CO., LTD.	10,205,000	3.35%	0	0%	0	0%	-	-	-
Representative Chiang,Cheng-Shing	4,408,516	1.45%	90,340	0.03%	0	0%	Chiang, Shao-May Chiang, Shou-Cheng	Brother and sister	-

3.9. Total Percentage of Ownership of Investees

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/ Supervisors /Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
HAI HWA INVESTMENT CO., LTD.	-	100	-	-	-	100
GCM HOLDING CO., LTD.	-	100	-	-	-	100
Shanghai United Can Co., Ltd.	-	-	-	100	-	100
Huatong United (Nantong) Plastic Industry Co., Ltd.	-	-	-	100	-	100
Chongqing United Can Co., Ltd.	-	-	-	100	-	100
Jinan United Can Co., Ltd.	-	-	-	100	-	100
GCM PACKAGING (VIETNAM) CO., LTD.	-	-	-	100	-	100
Sunshui Changlee United Container Co., Ltd.	-	-	-	30	-	30

4、 Capital Overview

4.1. Capital and Shares

4.1.1 Source of Capital

1. Type of Stock April 24, 2021

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common stock	305,000,000	25,000,000	330,000,000	

2. Issued Shares

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1998.07	10	330,000,000	3,300,000,000	308,000,000	3,080,000,000			
2002.03	10	330,000,000	3,300,000,000	302,700,000	3,027,000,000			Note1
2003.12	10	330,000,000	3,300,000,000	305,000,000	3,050,000,000			Note2

Note1：The application for registration of cancellation of treasury stock and capital decrease has been approved by Ministry of Economic Affairs Letter under Jing-Shou-Shang-Zi No. 09101090450 dated March 14, 2002.

Note2：The common stock, totaling 2,300,000 shares, by private placement has been issued upon approval on May 10, 2007.

3. Information for Shelf Registration：None.

4.1.2. Status of Shareholders

April 24, 2021

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions & Natural Persons	Domestic Natural Persons	Total
Number of Shareholders	0	3	136	70	18,919	19,128

Shareholding (shares)	0	12,232,000	183,825,568	9,345,527	99,596,905	305,000,000
Percentage	0.00%	4.01%	60.27%	3.06%	32.66%	100.00%

Note : Ratio of shares held by investors in China: 0%.

4.1.3. Common Shares April 24, 2021

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	9,914	532,391	0.18 %
1,000 ~ 5,000	6,694	14,690,221	4.82 %
5,001 ~ 10,000	1,254	10,247,637	3.36 %
10,001 ~ 15,000	384	4,972,848	1.63 %
15,001 ~ 20,000	276	5,151,615	1.69 %
20,001 ~ 30,000	207	5,282,494	1.73 %
30,001 ~ 40,000	103	3,678,733	1.21 %
40,001 ~ 50,000	54	2,517,226	0.83 %
50,001 ~ 100,000	137	9,930,600	3.26 %
100,001 ~ 200,000	40	5,626,096	1.85 %
200,001 ~ 400,000	24	6,588,438	2.16 %
400,001 ~ 600,000	4	1,969,304	0.64 %
600,001 ~ 800,000	3	1,878,264	0.61 %
800,001 ~ 1,000,000	1	967,000	0.31 %
Over 1,000,001	33	230,967,133	75.72 %
Total	19,128	305,000,000	100.00 %

4.1.4. List of Major Shareholders

Shareholder's Name	Shareholding	
	Shares	Percentage
GLORY TASK ENTERPRISE CO., LTD.	22,059,503	7.23 %
Jian Da Investment Co., Ltd.	20,764,950	6.81 %
Kong Nee Investment Co., Ltd.	19,551,088	6.41 %
Yuan Da Investment Corp.	15,975,476	5.24 %
ZHENG DA INVESTMENT CO., LTD.	11,806,451	3.87 %
Fubon Life Insurance Co., Ltd.	11,632,000	3.81 %
Chiang,Ming-Li	11,467,147	3.76 %
JE Ventures Ltd.	11,426,067	3.75 %
YONG CHENG INVESTMENT CO., LTD.	10,208,877	3.35 %
YONG ZEN INVESTMENT CO., LTD.	10,205,000	3.35 %

4.1.5. Market Price, Net Worth, Earnings, and Dividends per Share

Items	2020	2019	01/01/2021-03/31/2021
Market Price per Share			
Highest Market Price	25.00	25.75	25.25
Lowest Market Price	17.15	23.45	21.80
Average Market Price	21.88	24.50	23.33
Net Worth per Share			
Before Distribution	23.84	22.66	24.23
After Distribution	22.34（Note）	21.66	—
Earnings per Share			
Weighted Average Shares	305,000,000	305,000,000	305,000,000
Diluted Earnings Per Share	1.83	1.57	0.40
Dividends per Share			
Cash Dividends	1.50（Note）	1.00	—
Stock Dividends			
Dividends from Retained Earnings	—	—	—
Dividends from Capital Surplus	—	—	—
Accumulated Undistributed Dividends	—	—	—
Return on Investment			
Price / Earnings Ratio	11.96（Note）	15.61	—
Price / Dividend Ratio	14.59（Note）	24.50	—
Cash Dividend Yield Rate (%)	6.86（Note）	4.08	—

Note：Pending Shareholders' Meeting Resolution.

4.1.6. Dividend Policy and Implementation Status

1. Dividend policy

If the Company retains earnings upon final account of any fiscal year, it must first pay the taxes, make up any losses from past years, and then make contribution of 10% as the legal reserve unless the legal reserve has reached the amount of the Company paid-in capital. After appropriating or reversing a special reserve in accordance with the laws and regulations, the motion for distribution of the balance, if any, plus the accumulative undistributed profit is formulated by the Board of Directors and submitted to a shareholders' meeting for resolution. The Company adopts the dividend policy in response to the current and future development plans and by taking into account the investment environment, funding needs and domestic/foreign competition overview, as well as shareholders' interest. As the Company is still growing, in response to the potential business expansion plan, the Company may allocate at least 30% of the earnings after tax for the current year as bonus to shareholders, unless no earnings are retained for the current year. The bonus to shareholders may be allocated in the form of cash dividends and stock dividends (50%~100% for cash dividends and 50%~0% for stock dividends). Notwithstanding, the Company may adjust the percentage for allocation of cash dividends and stock dividends, subject to the economic overview, industrial development and funding needs, if necessary.

Distribution of stock dividends proposed at the shareholders' meeting: In response to the motion for distribution of the Company's 2020 earnings, the Board of Directors resolved to allocate the cash dividend at NT$1.5 per share. Upon approval of the allocation per resolution adopted by this general shareholders' meeting, the Board of Directors will be authorized to set the ex-dividend date and date of distribution.

Expected major changes：None

2. 2020 PROFIT DISTRIBUTION TABLE：

Unit:NT$

Beginning retained earnings		1,672,063,787
Net profit after tax	559,377,030	
Remeasurement of defined benefit obligation	(80,873)	
Net profit for the year		559,296,157
10% legal reserve		(55,929,616)
Net profit excluding legal reserve		503,366,541
Distributable items		
Dividend to shareholders (NT$1.5 per share)		(457,500,000)
Unappropriated retained earnings		1,717,930,328

4.1.7. Impacts of Stock Dividends on Operation Results and EPS：NA.

4.1.8. Employee Bonus and Directors' Remuneration

1. Proportion of employee profit and ranges of remuneration to employees and directors specified in the Articles of Incorporation

   If the Company retains earnings at end of any fiscal year, the Company must allocate no less than 1% of the earnings as the remuneration to employees, which must be distributed in the form of stock or in cash upon a resolution adopted at a meeting of the Board of Directors. The recipients entitled to receive the remuneration include the employees of subsidiaries of the Company meeting certain specific requirements. The Company may also allocate no more than 5% of said earnings as the remuneration to directors upon a resolution adopted at a meeting of the Board of Directors. The motion for allocation of remuneration to employees and directors must be reported to a shareholders' meeting. Notwithstanding, where the Company retains accumulated losses, the losses must have been covered first, and the remainder, if any, must be allocated as the remuneration to employees and directors on a pro rata basis as referred to in the preceding paragraph.

2. Estimate Foundation of Employee Bonus and Directors' Remuneration：None.

3. Allocation of remuneration passed by the Board of Directors

   (1) The Board of Directors has resolved to allocate the remuneration to the employees, NT$ 14,516,427, and to directors, NT$14,516,427 , from the Company's 2020 earnings.

   (2) Proposed amount of employees' stock bonus as a percentage to the current period net profit after tax and the total amount of employees' bonus：None.

   (3) Hypothetical EPS after distributing the remuneration to employees and directors: N/A, as the remuneration to employees and directors has been expensed as incurred.

4. The actual distribution of bonus to employees and remuneration to directors resolved by a shareholders' meeting in 2019 is found identical with the projected distribution passed by the Board of Directors.

Distribution Earnings：	Employee Bonus-in Cash	NT$ 12,401,566
	Directors' Remuneration	NT$ 12,401,566

4.1.9. Buyback of Treasury Stock:：None

4.2. Corporate Bonds：None

4.3. Preferred Shares：None

4.4. Global Depository Receipts：None

4.5. Employee Stock Options：None

4.6. Restricted Stock Awards：None

4.7. Status of New Shares Issuance in Connection with Mergers and Acquisitions：None

4.8. Financing Plans and Implemention：None

5、Operational Highlights

5.1. Business Activities

5.1.1. Business Scope

1. The Company's business lines are described as following:
   (1) Metal Containers Manufacturing
   (2) Other Metal Products Manufacturing
   (3) Mold and Die Manufacturing
   (4) Machinery and Equipment Manufacturing
   (5) Manufacture of Plastic Sheets, Pipes, Boards, and Tubes
   (6) Manufacture of Plastic Films and Bags
   (7) Plastic Daily Necessities Manufacturing
   (8) Industrial Plastic Products Manufacturing
   (9) Plastic Leathers Products Manufacturing
   (10)Other Plastic Products Manufacturing
   (11)Housing and Building Development
   (12)New Towns and New Community Development
   (13)All business items that are not prohibited or restricted by law, except those that are subject to special approval

2. Operating proportion：

Item	proportion %
Aluminum Cans	62%
Top End / Bottom End	22%
Stretch Films	6%
Steel Cans	2%
Other	8%
Total	100%

3. Product Category：
   (1) Aluminum Cans
   (2) Steel Cans
   (3) DRD Cans
   (4) Full Open End / Sot End / Bottom End
   (5) Stretch Films

4. Business development under planning：
   (1) To develop the market for laminating aluminum cans domestically or overseas
   (2) To develop various aluminum (steel) cans/top end types and new materials to provide the complete product series
   (3) To keep completing the construction of production and sales locations for supply to ASEAN.

5.1.2. Industry Overview

1. Current and future industry prospects

The metal can industry refers to an industry requiring high capital intensity and technology. Especially, the investment capital required by a set of production lines for aluminum cans, in addition to land and plant and working capital, often amounts to NT$1 billion at least. Given the high capital intensity and technical threshold for the market access in the industry, the food and beverage industry is considered engaging in production of seasonal products, and its demand appears to be concentrated in peak seasons. In response to customers’ needs, the production lines are automated and largely computerized and, therefore, are less dependent on the labor force.

2. Association between upstream, midstream, and downstream industry participants

Metal can products may be categorized into two-piece aluminum cans, three-piece steel cans, DRD squeeze cans, and aluminum (steel) EOE top/bottom ends. Most of the aluminum materials required for such products are imported after they are priced in an international market and processed into aluminum alloy coils by certain multinational aluminum manufacturers. The tinplates are manufactured and supplied by domestic and foreign tinplate manufacturers respectively. Accordingly, association is closed between upstream and downstream industry participants. Most can manufacturers refer to the food and beverage industry participants. The top ends required by the industry are generally divided into ordinary and high thermal resistance aluminum and steel top ends.

3. Overall economy and industry development trends, and product competition

With the economic development in Taiwan, apparently beverages have become some daily necessity in the people's livelihood. Aluminum and steel cans can block air and light effectively with perfect tightness and, therefore, are identified as the best containers for foods and beverage to help keep perfect flavor of foods and beverages remain the same. Meanwhile, they are subject to the lowest recycling costs and pose very little impact to the environment. In consideration of the social interests and reduction of impact posed by waste to the environment, aluminum and steel cans are considered as the containers with the strongest competitiveness. Therefore, aluminum and steel cans will still be the main containers adopted in the food and beverage packaging markets.

Despite the stable market share of metal packaging in the market of various food packaging materials, for the industrial prospective development, it is still necessary to improve the existing product functions, and introduce new technologies, process and can types to make the products become more attractive.

5.1.3. Research and Development

Research and Development Expenses in Past Two Years

Unit：NT$

Year	2020	2019	2018
Research fee	1,638	1,748	1,595

1. Future research and development plan：Please refer to Page3.

5.1.4. Long-term and Short-term Development：

1. Short-term business development plan：

Practice the quality control, improve process and technological capabilities, and provide omnibus products to pursue sustainable business growth.

2. Long-term business development plan：

(1) Expand overseas locations to get closer to customers and cut transportation costs
(2) Improve management and production performance and cut costs
(3) Improve logistic ability and establish high-efficiency service systems
(4) Effective inventory management
(5) Active and stable financial management

5.2. Market and Sales Overview

5.2.1. Market Overview

Great China Metal Ind. Co., Ltd. is the only one manufacture engaged in production of comprehensive packaging and containers domestically. Its products cover various aluminum (steel) cans, LLDPE films, and aluminum (steel) EOE and full open can top ends. It is dedicated to providing the omnibus product series to provide complete services in the food and beverage industry.

In consideration of the impact posed by the significant fluctuation in the price of aluminum and steel raw materials and the economy in the market, under the circumstance that the aluminum can sales grew by 0.5% in 2020 from last year, while the steel can sales declined by 8%, the various aluminum (steel) top end sales also grew by 10%.

The actual sales performance of export accounts for 9% of the total turnover. The international market is still under development. The Company has established the production and sales locations for aluminum (steel) EOE top ends in Vietnam, in order to promote the sales performance in the territories of South East Asia under the international labor division system. It is believed to be help the Company's overall operating revenue substantially.

※ The ratio of domestic sales and export sales is 91% and 9%.

※ Upcoming opportunities and threats, and the responsive strategies

1. Opportunities
   (1) Stable finance and technical team are advantageous to diversified investment projects.
   (2) As a manufacturer with its own molds and spare parts/components, the Company's self-made rate attains more than 90%, which may help cut the costs significantly and also respond to customers' demand for change of types rapidly.
   (3) Diversified product types and wide marketing channels to deepen the competitiveness in market.
   (4) The Company focuses on globalization and keeps construction plants and expanding sales channels overseas to mitigate its market risk.
2. Threats
   (1) The fluctuation in the price of such raw materials as aluminum and steel sheets poses an impact to the production cost and thereby make it difficult to reflect the selling price.
   (2) The peer competition causes reduction of short-term earnings.
   (3) The electronics industry's advantages causes the effect of crowding out and thereby make the traditional industry to recruit talents.
   (4) Customers' demand for products tends to be small quantity and diversification and thereby increases the production costs, and also increases the frequency of startup so as to result in increase in the plant's cost.
3. Responsive measures for improvement
   (1) Continue to improve the process technology and productivity, cut production costs and increase profitability.
   (2) Establish know-how through the exchange and cooperation with domestic academic research institutions to create the knowledge value ahead of the others in the same industry.
   (3) Continue to expand the products in depth and width, in hopes to keep the strength in scale of economy until it becomes a growth engine.
   (4) Establish more closer supply and demand relations to cut production costs.

5.2.2. The major purpose of Main Products and Production Process of Main Products

1. The major purpose of Major Product：

Major products	The major purpose (Features)
Aluminum Cans	The aluminum cans are widely applied for carbonated drinks, beer and drinks with Nitrogen (juice, coffee, tea, sport drinks)
Steel Cans	The steel cans are widely applied for juice, coffee, tea, diary products, sport drinks, congee, dessert and so on.
Top End / Bottom End	Suitable for beverage cans, food cans and related containers.
Stretch Films	Full range of stretch films are available covering machine stretch films, handmade films, paperless tube films, colored films, slitting small films. The films are widely applied for packing transportation for fields of beverage drinks, chemical raw material, paper printing, fiber products, electric product, car accessories, decorative board, can-making container, warehouse logistic and so on.

2.Production Process of Main Products：

2-Piece Aluminum Can production process

Aluminum coil inspection→cupping→body making→edge trimming→can washing→printing, glazing→inside coating→necking and flanging→can inspection→packaging.

3-Piece Steel Can production process

Tinplate→Printing→Cutting→Forming welding→Side repainting→necking and flanging→Seaming End Or bottom→Vacuum inspection tank→Can body repainting→Packaging.

Aluminum Or Tinplate Can Ends production process

Aluminum Or Steel sheet→coating→cutting→press forming→gluing→combined punch processing→packaging.

5.2.3. Supply status of major raw materials

Wood Mackenzie, the British research and consulting firm, reported in the present week that China's ability to digest excess productivity would depend upon the potential supply disruptions in the Middle East and the global energy transition. These facts would represent the key to the outlook for the aluminum industry in 2020.Wood Mackenzie, meanwhile, predicts that by 2020, aluminum smelter plants would add more than 1 million tons of new productivity while the increase in demand is expected to be only one-third of this number. Notwithstanding the productivity orientation and restarting of newly implemented projects may help us remain at target levels while the high-cost smelter plants may close down under pressure from lower aluminum prices on the London Metal Exchange (LME).Accordingly, voluntary production cuts may soften Wood Mackenzie's prospects for overcapacity. Study results indicate that the growth rate of alumina oxide production outside China would outpace that of equivalent aluminum production.

Edgardo Gelsomino, head of Wood Mackenzie Aluminum, said, "Therefore, the stability of the global alumina market depends on the stability and regularity of exports to China. A sort of un unpredictable mode might lead to prices falling and manufacturers might become unwilling or unable to drastically cut output." Aluminum production might be, as well, subject to the impact from the escalating tensions in the Middle East.

Gelsomino added that the aluminum production in the Middle East is 6.8 metric tons, accounting for 10% of the aluminum production of the entire world. This number will rise up to 22% when China is excluded. The global energy transition will, as well, lead to an impact upon the aluminum industry because environmental protection-friendly aluminum may eventually bring the premium that manufacturers strive for. During the Year 2019 within a global scale, fossil fuel sources accounted for 72% of the total electricity supply toward smelter mills. Some manufacturers already have built their own environmental protection friendly aluminum brands thanks to their efforts to use hydropower.

Gelsomino pointed out: "Although Hydro, RUSAL, Rio Tinto and the American aluminum industry have been selling low-carbon primary aluminum for many years, they have not received an environmental premium from the fossil fuel aluminum priced by LME. Similarly, there has been no major consumers at all who have expressed willingness to pay higher prices for the environmental friendly aluminum."

He further pointed out that LME has been studying the possibility to use warehouse ownership documents to identify low-carbon materials and thereby give rise to the possibility of creating a new market for environmental protection friendly aluminum. Nevertheless, the exchange refused to set up a low-carbon futures contract because that would generate differentiated prices. The Year 2020 is very likely to become a year in which the concept of the primary aluminum secondary market would be consolidated.

As reported by the 21st Century Business Report, the China Iron and Steel Association held a press conference on the present day (27th), stressing that China's steel production and consumption have reached an all-time high in the preceding year (2020) with a minor rise in the profitability of steel firms. China Iron and Steel Association' s vice chairwoman Qu Hiuli pointed out that as the principal raw materials adopted for production by steel companies, the imported iron ore in China made prices rise rapidly since the fourth quarter of the preceding year. As monitored by the China Iron and Steel Association, the index of iron ore price (CIOPI)

was at 62% and the price of imported ore reached a maximum of US$171.6 per ton as of January 18, 2021, a 9-year record high, suggesting a significant pressure upon the iron and steel firms in costs, naturally imposing a mounting difficulty to further enhance efficiency.
Looking ahead to the present year (2021), the China Iron and Steel Association predicts that China's steel industry will disclose four major trends this year. At first, as macroeconomic policy remains stable, steel consumption has increased at a minor pace. Secondly, while the coronavirus pandemic (COVID-19) has not yet been controlled in a sound manner the world over, the international steel demand and production are still facing many difficulties from their goal of recovery. At the moment as China's domestic steel market demand grows continuously, the export of steel products has declined and the trend of import growth is expected to continue in the days and years ahead. Thirdly, entire enterprises have been subjected to significant cost pressure, bringing added difficulty from further enhancing efficiency. As of January 18, China's iron ore price index hit 62% and imported iron ore price rose to US$171.6/ton, a nine-year high. While it is difficult for steel prices to rise sharply, the task of reducing costs and enhancing efficiency for steel companies is tough and arduous. Fourthly, under the constraints to hit the “carbon peak" by 2030 and the “carbon neutral" goal by 2060, the iron and steel industry is targeted as a key industry for low-carbon emissions in the current year with firm obligations to minimize resource and energy consumption, work out low-carbon paths and crack down on low-carbon development difficulties. The time is pressing and the mission is imperative.

5.2.4. List of suppliers that have accounted for at least 10% of procurement over the past two years:

Major Suppliers in the Last Two Calendar Years Unit: NT$ thousands

Item	2020				2019				2021 (As of March 31) (Note2)			
	Company Name	Amount	Percent 〔%〕	Relation with Issuer	Company Name	Amount	Percent 〔%〕	Relation with Issuer	Company Name	Amount	Percent 〔%〕	Relation with Issuer
1	K	894,683	20	NA	K	1,073,134	20	NA	K	321,849	24	NA
2	L	846,902	18	NA	L	941,126	17	NA	L	191,851	14	NA
3	N	261,857	6	NA	D	625,491	11	NA	N	129,891	9	NA
4	D	304,074	7	NA	Others	2,820,221	52	NA	D	127,344	9	NA
5	Others	2,233,684	49	NA					Others	595,664	44	NA
	Net Total Supplies	4,541,200	100		Net Total Supplies	5,459,972	100		Net Total Supplies	1,366,599	100	

Note 1: Major suppliers refer to those commanding 10%-plus share of annual order volume.

2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of the annual report, should be disclosed.

3: "N" is the new supplier in year 2020.

Major Clients in the Last Two Calendar Years Unit: NT$ thousands

Item	2020				2019				2021 (As of March 31) (Note2)			
	Company Name	Amount	Percent 〔%〕	Relation with Issuer	Company Name	Amount	Percent 〔%〕	Relation with Issuer	Company Name	Amount	Percent 〔%〕	Relation with Issuer
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Net Sales	7,257,633			Net Sales	8,060,828			Net Sales	1,843,199		

Note 1: Major clients refer to those commanding 10%-plus share of annual order volume.

2: For the listed company, the most recent quarterly financial information which has been audited or reviewed by the accountant, prior to the publication date of the annual report, should be disclosed.

5.2.5.Production in the Last Two Years Unit: thousands

Year	2020			2019		
Output / Major Products	Capacity (Note)	Quantity	Amount	Capacity (Note)	Quantity	Amount
Aluminum Cans	1,647,355	3,077,997	4,058,971	1,654,463	3,205,069	4,503,973
Top End / Bottom End	1,748,368	2,237,926	971,158	1,805,084	2,888,179	1,229,628
Stretch Films (Ton)	10,000	9,411	356,949	10,000	10,707	474,793
Steel Cans	104,408	72,400	142,537	121,180	71,112	146,341
Plastic Closures	-	-	-	20,064	716	342
Total	-	-	5,529,615	-	-	6,355,077

Note 1：Production capacity means the quantity which may be produced by the Company within a shift period with the existing production equipment and under the normal operation, after ruling out such factors as required suspension of work and holidays.

Note 2：In the event of alternative production, the production capacity may be consolidated and explained in the notes hereto.

5.2.6. Shipments and Sales in the Last Two Years Unit: thousands

Year	2020				2019			
Shipments & Sales	Local		Export		Local		Export	
Major Products	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Aluminum Cans	2,874,801	4,121,598	142,582	394,066	3,151,554	4,576,763	98,804	322,538
Top End / Bottom End	3,585,760	1,509,532	91,397	70,210	3,400,231	1,735,683	47,821	49,475
Stretch Films(Ton)	7,405	341,354	1,925	87,646	7,877	428,387	2,355	119,372
Steel Cans	47,872	114,842	26,862	59,930	38,730	96,727	30,677	66,428
Plastic Closures	-	-	-	-	3,610	1,238	-	-
Others	-	494,468	-	63,987	-	636,283	-	27,934
Total	-	6,581,794	-	675,839	-	7,475,081	-	585,747

5.3. Human Resources

Year		2019	2020	As of Mar 31, 2021
Number of Employees		956	947	873
Average Age		41.65	41.02	41.70
Average Years of Service		8.20	8.48	9.20
Level of Education %	Ph.D.	0	0.11%	0.11%
	Masters	1.57%	2.01%	1.95%
	Bachelor' s Degree	37.24%	34.64%	35.17%
	Senior High School	44.87%	32.31%	29.44%
	Below Senior High School	16.32%	30.94%	33.33%

5.4. Expenditure of Environmental Protection

5.4.1. Losses resulting from environmental pollution in the most recent year and as of the publication date of the annual report:

The company has in recent years purchased and installed or updated environmental protection-related machinery and equipment according to the laws and regulations and conducted monthly inspections, maintenance of pollution prevention equipment as well as training programs for pollution prevention technicians. Such efforts have been faithfully exerted exactly in accordance with regulations to respond to increasingly stringent environmental protection measures. In recent years, the Company has not incurred any significant financial losses resulting from environmental pollution and there has not been estimated amount of financial losses due to environmental pollution. The Company, nevertheless, will strengthen continuously environmental protection measures and exert every effort to comply with legal requirements to eliminate any cause of pollution to the environment from possible occurrence.

5.4.2. Establishment of environmental protection related facilities

1. Efforts to apply for fixed pollution source operation permits: Our Fugang factory has successfully obtained the license in 2001.Our Toufen factory has successfully obtained the operating license of fixed pollution source in 2005, as well.
2. Establishment of pollution prevention equipment.
   (1) Regarding wastewater treatment, we have set up a wastewater treatment facility capable of treating 720 tons (currently, the actual treatment is 560 tons). In 1994, we invested NT$7 million to build additional biological treatment equipment for which we further invested NT$1 million yuan to update in 2006. Thanks to the updating efforts, other than reducing the operating costs of wastewater treatment, our Company could better satisfy the discharged water standards/criteria promulgated by the Environmental Protection Administration, the Executive Yuan.

   In our Company, we designed by ourselves the equipment to improve oil-water separation equipment in 2009 to further improve the removal rate of the original wastewater solids and slick oil.

In 2013, we added a drainage water recycling system to use the qualified drainage water to clean the pallets and to recycle the wastewater treatment equipment for reprocessing. By such efforts, we achieved the benefits of full re-use of resources, minimize waste and accomplish the benefit in water resource conservation.

(2) In terms of air pollution prevention and control, we have equipped our Fugang plant with hot smoke and exhaust gas combustion equipment which burns the generated exhaust gas at high temperature to significantly minimize the emission of volatile organic compounds. In addition, the combustion tower would return part of the exhaust gas to the secondary combustion as an alternative fuel to reduce fuel use, lowering CO2 emissions. Since November 2018, we have invested NT$1.2 million toward the activated carbon adsorption equipment (The project was completed in January 2019) to efficiently collect, control the odor of the oven emissions and safeguard the air quality around the plants. We started mapping out Toufen Plant in the second quarter of 2017, designing the additional air pollution prevention equipment. In 2018, we invested approximately NT$35 million to add regenerative combustion furnaces and manifolds and other air pollution prevention equipment and other related projects. The manifolds would collect exhaust gas which would be combusted in high-temperature to minimize the emission of volatile organic compounds by as much as more than 98%.The regenerative design can save energy consumption and cut down CO2 emissions. Such air pollution control system is scheduled to be completed and put into operation in the second quarter of Year 2019.

(3) In 2016, the old technical pressure type sludge de-watering machine was replaced and updated with a filter type de-watering machine to enhance the efficiency of the de-watering machine and reduce the output of sludge.

3. Personnel serving with the dedicated unit of environmental protection: We have assigned one person to be in charge of water pollution prevention and control, and one person in charge of waste removal.
4. In terms of waste treatment, in all events, we have outsourced qualified waste disposal firms to clean, transport and process waste.
5. Our solvent distillation recovery equipment would be able to collect and re-use the waste solvent out of the cleaning equipment, reduce pollution and improve the solvent re-use rate.

5.4.3. Losses resulting from polluted environment and our future countermeasures

Other than relevant equipment, personnel, monthly inspection along with efforts for upkeeps for pollution-related equipment as required by laws and ordinances concerned, we have cultivated and trained pollution prevention and control technicians in accordance with requirements in response to increasingly stringent environmental protection standards.

5.4.4. For raw materials, manufacturing process and shipping process of the products, our Company, as always, strictly controls the source and conducts sampling and testing to ensure superior product quality. In recent years, we put FSSC 22000 food safety system verification into overall comprehensively enforcement to reduce the frequency of unqualified products and cut costs to better satisfy customers' requirements for the safety of food packaging containers and enhance the Company's product safety credibility through the verification unit by means of a food safety management system.

5.4.5. In response to the mounting awareness for energy savings, carbon reduction, water saving, environmental protection and food safety from both government and people in common, our Company took the lead in introducing metal packaging containers with low environmental load advantages-aTULC cans. Under the policy, we adopted PET-coated aluminum instead of the original paint that isolates the contents and the inner surface of the metal packaging containers. During the entire canning process, we are not required at all to use metal processing liquid lubricating fluid for the lubrication needs. In turn, there is no need for the process of can washing and drying at all. In the entire manufacturing process and the internal spraying and re-drying process, we are not required at all to consume water resources with all such problems of wastewater treatment and solid waste treatment, thereby greatly reducing energy consumption, carbon dioxide and volatile organic compound VOC emissions and other emission-related problems would fade into oblivion. Other than the advantages yielded by the new generation TULC cans to greatly reduce the environmental load, the patented PET coating formula in such new generation products would not contain bisphenol A, melamine, plasticizers and other ingredients that can improve the quality, safety and sanitation of domestic food packaging containers. Our Company, therefore, satisfies the food hygiene and safety standards of Japanese and European and American countries. In our Company, we will continuously introduce industry-leading can-making technology, make an effort towards the earth's environment, and also safeguard the food safety of our valued customers.

5.5. Labor-management relationship

5.5.1. Our employees have been assured and benefited with handsome welfare measures, notably chances for continued refresher studies, training programs, sound retirement systems which have been put into sound enforcement. Such labor-management agreements and various employee rights protection measures are as follows:

1.Welfare measures, chances for continued refresher studies, training programs and the implementation thereof

(1)The Company established the Employee Welfare Committee as early as 1990 to implement annual domestic (overseas) tours, uniform distribution, lunch supply and wedding and funeral subsidies, Three Festival Gifts (vouchers), birthday vouchers, annual employee health examinations and child education scholarship as well as such generous welfare benefits.

(2) All employees are insured with labor insurance/national health insurance policies, as well as group insurance or travel insurance for those employees who travel frequently on business needs to safeguard employees for their insurance needs in full.

(3) In an attempt to encourage employees to participate in the Company's business management, the “Proposal Improvement Suggestion Method" has been specifically formulated to provide a sound channel for employees to offer suggestions on the Company's policies, laws and regulations, production processes, environmental improvement, safety and health, environmental protection and the like toward the Company. Thanks to the hands-on participation from employees, the Company has been significantly benefited in cutting operating costs, improvement of production efficiency and good relations between labor and management.

(4) We have set up the "Personnel Evaluation Committee" to strengthen the function of administration and management and as a sound channel for labor grievances to arrange for appointment and dismissal, rewards and punishments, promotion of employees to assure more reasonable and fairer treatment. Overall, the Committee achieves the goal of labor-

management harmony and assures a win-win target.

(5) In recent years, we have been more active in building a sound working environment, improving safety and health measures and moving towards the goal of "zero disasters" to perfectly ensure labor safety and improve production efficiency.

(6) In the Company, we set up a sound employee grievance system to enhance labor-management relations as well as general equality at work.

(7) In the work rules and personnel management rules we have established, we definitely stipulate the rights and obligations between labor and management and management matters which are made fully aware to the entire staff. Thanks to such efforts, the employees can fully understand and protect their rights and interests to the utmost.

(8)As always, we have attached great importance to the educational and training programs toward employees. We have established an "Employee Education and Training" standard book. Along with the training needs of employees and units, we elaborate design and provide pre-employment training, on-the-job training and work instructions and the like to enhance the quality and skills of our entire staff.

State of implementation: an employee is encouraged to submit an application himself or herself or the unit would handle the issue exactly as the actual requirements may justify. The overall performance of employee training in 2020 is stated as below:

In-House Training (Number of hours)	Outside Training (Number of hours)	Training Expense (NT$)
3,405	214	163,200

As always since the Company came into being, we have deemed our entire staff as the Company's supreme assets. Our high-level managerial officers are seriously concerned about the implementation and effectiveness of education and training and of strictly requesting each plant to continually strengthen the basic skills and quality management concepts of employees through the implementation of education and training.

In 2020, our General Manager virtually participated in the production management education and training of various departments in the Toufen factory and Fugang factory in person, encouraging all colleagues to learn continuously in various professional skills, strive for excellence, implement the skills learned in the training programs into hands-on production process and faithfully practice the Company's quality Policy: whole staff participation, quality first, sustainable pursuit toward superior quality.

Here at the Company, we design and provide a variety of hands-on professional on-the-job education and training programs including notably new recruit training, occupational safety and health education and training, aluminum can production professional courses and the like. Through such endeavors, we would enhance employees' professional capabilities and core competitiveness and further strengthen sound channels for the integral training and education. Exactly in response to the requirements from the competent authority and regulations, our financial accounting and auditing-related personnel are arranged to enroll in advanced learning courses every year.

2. Pension system and implementation status:

Retirement of employees is completely handled exactly in accordance with the relevant laws and regulations under the Labor Standards Act. The Company has set up a "Labor Pension Reserve Fund Supervisor Board," responsible for management and supervision of pension affairs. The monthly employee pension reserve is appropriated on a monthly basis exactly according to the laws and ordinances concerned from the government. Besides, in accordance with the provisions of the "Labor Pension Act" and the "Monthly Pay Grading Table" promulgated by Bureau of Labor Insurance, the Company appropriates 6% of the monthly wages of employees into the individual pension accounts established by employees with the Bureau of Labor Insurance. Employees are entitled to, at their discretion, contribute an additional 6% of the monthly salary to increase their retirement annuity.

3. Facts of performance over disputes between labor and management and measures to safeguard employees' rights and interests:

Over the past two years, the Company has not undergone any losses resulting from a labor dispute or a labor row.

5.5.2. Over the past two years and up to the publication date of the present annual report, the losses suffered by the Company as a result of labor disputes (including labor inspection results that violate the Labor Standards Act for which the sanction date, sanction file number, laws and regulations involved in the violation and contents of sanctions should be expressly specified). Meanwhile, the estimated amount of the penalty at the moment and in the future, as well as the designed countermeasures.

In the last two years and up to the present moment, the Company has enjoyed very harmonious labor relationship without any labor disputes or a significant loss resulting therefrom at all. Furthermore, at the moment and in the future, there is no possible labor dispute and any estimated impairment that often results therefrom. Nevertheless, the Company shall still, as always, continuously strengthen the communication and coordination between labor and management and put forth maximum possible efforts to implement welfare measures to promote a more harmonious labor-management relationship. Thanks to such policy and effort, the potential labor dispute will eventually fade into oblivion.

5.6. Important Contracts：None.

6、Financial Information

6.1. Five-Year Financial Summary

6.1.1 Financial information-IFRS

1. Condensed non-consolidated balance sheet-IFRS

Unit: NT$ thousands

Item \ Year		Financial information for the most recent five years				
		2020	2019	2018	2017	2016
Current assets		3,278,865	2,710,518	2,633,453	2,623,666	2,465,038
Fixed assets machinery and equipment		912,547	1,067,626	1,125,653	1,265,431	1,379,926
Intangible assets		-	628	1,369	2,059	2,510
Other assets		3,993,745	3,870,208	3,888,342	3,964,690	4,152,430
Total assets		8,185,157	7,648,980	7,648,817	7,855,846	7,999,904
Current liabilities	Before distribution	466,965	297,437	408,208	396,809	462,511
	After distribution	Note	602,437	713,208	915,309	920,011
Non-current Liabilities		446,984	439,303	404,874	487,649	547,834
Total liabilities	Before distribution	913,949	736,740	813,082	884,458	1,010,345
	After distribution	Note	1,041,740	1,118,082	1,402,958	1,467,845
Capital		3,050,000	3,050,000	3,050,000	3,050,000	3,050,000
Capital reserve		24,431	24,431	24,431	24,431	24,431
Retained earnings	Before distribution	3,984,936	3,730,639	3,556,066	3,600,961	3,473,049
	After distribution	Note	3,425,639	3,251,066	3,082,461	3,015,549
Other equity		211,841	107,170	205,238	295,996	442,079
Treasury stock		-	-	-	-	-
Total equity	Before distribution	7,271,208	6,912,240	6,835,735	6,971,388	6,989,559
	After distribution	Note	6,607,240	6,530,735	6,452,888	6,532,059

Note：Pending Shareholders' Meeting Resolution.

2. Condensed consolidated balance sheet- IFRS

Unit: NT$ thousands

Item \ Year		Financial information for the most recent five years					As of Mar 31, 2021 (Note 1)
		2020	2019	2018	2017	2016	
Current assets		7,237,855	6,338,725	5,730,520	5,582,991	5,421,551	7,605,678
Fixed assets machinery and equipment		2,724,570	3,157,907	3,540,049	3,522,541	3,844,726	2,634,255
Intangible assets		19,373	20,812	12,565	5,492	5,139	19,259
Other assets		264,331	250,295	279,269	225,202	327,772	258,593
Total assets		10,246,129	9,767,739	9,562,403	9,336,226	9,599,188	10,517,785
Current liabilities	Before distribution	2,206,183	2,092,933	1,971,978	1,842,985	2,032,801	2,361,460
	After distribution	Note 2	2,397,933	2,276,978	2,361,485	2,490,301	-
Non current liabilities		476,714	468,718	438,332	521,853	576,828	477,726
Total liabilities	Before distribution	2,682,897	2,561,651	2,410,310	2,364,838	2,609,629	2,839,186
	After distribution	Note 2	2,866,651	2,715,310	2,883,338	3,067,129	-
Equity attributable to owners of the parent		-	-	-	-		-
Capital		3,050,000	3,050,000	3,050,000	3,050,000	3,050,000	3,050,000
Capital reserve		24,431	24,431	24,431	24,431	24,431	24,431
Retained Earnings	Before distribution	3,984,936	3,730,639	3,556,066	3,600,961	3,473,049	4,106,736
	After distribution	Note 2	3,425,639	3,251,066	3,082,461	3,015,549	-
Other equity		211,841	107,170	205,238	295,996	442,079	209,865
Treasury stock		-	-	-	-	-	-
Non-controlling interest		292,024	293,848	316,358	-	-	287,567
Total equity	Before distribution	7,563,232	7,206,088	7,152,093	6,971,388	6,989,559	7,678,599
	After distribution	Note 2	6,901,088	6,847,093	6,452,888	6,532,059	-

Note 1：Financial information regarding the first quarter of 2021 follows IFRS and has been verified by independent auditors.

Note 2：Pending Shareholders' Meeting Resolution.

6.1.2.

1.Condensed non-consolidated income statement-IFRS

Unit: NT$ thousands

Item \ Year	Financial information for the most recent five years				
	2020	2019	2018	2017	2016
Revenue	2,557,779	2,672,584	2,575,915	2,807,580	2,800,090
Gross Profit	696,732	591,845	618,653	777,128	810,823
Operating Profit	549,872	447,666	468,851	608,335	661,379
Non-Operating Income (Expenses)	144,133	147,316	(4,787)	77,093	27,017
Net Income Before Tax	694,005	594,982	464,064	685,428	688,396
Net Income from Continuing Operations	694,005	594,982	464,064	685,428	688,396
Income (or Loss) from Discontinued Operations	-	-	-	-	-
Net Income (Loss)	559,377	477,345	448,079	587,420	587,131
Other Comprehensive Income (Loss) (After-Tax)	104,591	(95,840)	(65,232)	(148,091)	(278,709)
Total Comprehensive Income (Losses)	663,968	381,505	382,847	439,329	308,422
Earnings per share (NT$)	1.83	1.57	1.47	1.93	1.93

2. Condensed consolidated income statement-IFRS

Unit: NT$ thousands

Item \ Year	Financial information for the most recent five years					As of Mar 31, 2021 (Note 1)
	2020	2019	2018	2017	2016	
Revenue	7,257,633	8,060,828	7,132,593	7,140,343	7,085,998	1,843,119
Gross Profit	1,115,822	1,079,638	930,434	1,008,410	1,148,870	263,685
Operating Profit	630,711	551,102	423,783	517,175	675,833	133,364
Non-Operating Income (Expenses)	92,476	56,826	47,997	187,215	35,244	22,313
Net Income Before Tax	723,187	607,928	471,780	704,390	711,077	155,677
Net Income from Continuing Operations	723,187	607,928	471,780	704,390	711,077	155,677
Income (or Loss) from Discontinued Operations	-	-	-	-	-	-
Net Income (Loss)	553,022	465,681	439,755	587,420	587,131	119,405
Other Comprehensive Income (Loss) (After-Tax)	109,122	(106,686)	(75,994)	(148,091)	(278,709)	(4,038)
Total Comprehensive Income (Losses)	662,144	358,995	363,761	439,329	308,422	115,367
Net Income Attributable to the Parent	559,377	477,345	448,079	587,420	587,131	121,800
Net Income Attributable to NonControlling Interests	(6,355)	(11,664)	(8,324)	-	-	(2,395)
Total Comprehensive Income Attributable to the Parent	663,968	381,505	382,847	439,329	308,422	119,824
Total Comprehensive Income Attributable to Non-Controlling Interests	(1,824)	(22,510)	(19,086)	-	-	(4,457)
Earnings per share (NT$)	1.83	1.57	1.47	1.93	1.93	0.40

Note1 :Financial information regarding the first quarter of 2021 follows IFRS and has been verified by independent auditors.

6.1.3. Auditors' Opinions from 2016 to 2020

Year	Accounting Firm	Audit Opinion
2016	Deloitte & Touche,Taiwan,Republic of China	Unqualified
2017	Deloitte & Touche,Taiwan,Republic of China	Unqualified
2018	Deloitte & Touche,Taiwan,Republic of China	Unqualified
2019	Deloitte & Touche,Taiwan,Republic of China	Unqualified
2020	Deloitte & Touche,Taiwan,Republic of China	Unqualified

6.2. Five-Year Financial Analysis

1. Financial Analysis-IFRS (non-consolidated)

Item	Year	Financial Analysis for the Past Five Years				
		2020	2019	2018	2017	2016
Financial structure (%)	Debt Ratio	11.17	9.63	10.63	11.26	12.63
	Ratio of long-term capital to property, plant and equipment	845.79	688.59	643.24	589.45	546.22
Solvency (%)	Current ratio	702.17	911.29	645.13	661.19	532.97
	Quick ratio	569.73	637.08	403.95	476.21	402.71
	Interest earned ratio (times)	1,637.80	1,200.56	0	0	0
Operating performance	Accounts receivable turnover (times)	6.66	7.24	6.66	6.29	6.34
	Average collection period	55	50	55	58	58
	Inventory turnover (times)	2.62	2.34	2.30	3.06	2.97
	Accounts payable turnover (times)	17.02	14.59	10.80	12.88	15.00
	Average days in sales	139	156	159	119	123
	Property, plant and equipment turnover (times)	2.58	2.44	2.15	2.12	2.82
	Total assets turnover (times)	0.32	0.34	0.33	0.35	0.35
Profitability (%)	Return on total assets (%)	7.07	6.25	5.78	7.41	7.32
	Return on stockholders' equity	7.89	6.94	6.49	8.42	8.31
	Pre-tax income to paid-in capital	22.75	19.51	15.22	22.47	22.57
	Profit ratio	21.87	17.86	17.39	20.92	20.97
	Earnings per share (NT$)	1.83	1.57	1.47	1.93	1.93
Cash flow (%)	Cash flow ratio	105.10	95.95	175.77	108.15	171.87
	Cash flow adequacy ratio	95.39	84.40	82.79	83.10	83.94
	Cash reinvestment ratio	1.82	-0.20	2.12	-0.30	3.60
Leverage	Operating leverage	1.72	1.88	1.88	1.70	1.58
	Financial leverage	1.00	1.00	1.00	1.00	1.00

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. Increase of ratio of long-term capital to property, plant and equipment: Since total equity increase.
2. Current ratio decrease: Due to increase of current liabilities.
3. Interest earned ratio (times) increase: Due to increase of profit before income tax.
4. Profit ratio increase: Due to increase of not profit after income tax.
5. Cash reinvestment ratio increase: Due to increase of working capital.

2. Financial Analysis-IFRS (consolidated)

Item	Year	Financial Analysis for the Past Five Years					As of Mar 31, 2021 (Note)
		2020	2019	2018	2017	2016	
Financial structure (%)	Debt Ratio	26.18	26.23	25.21	25.33	27.19	26.99
	Ratio of long-term capital to property, plant and equipment	295.09	243.03	214.42	212.72	196.80	309.63
Solvency (%)	Current ratio	328.07	302.86	290.60	302.93	266.70	322.08
	Quick ratio	249.87	211.13	191.16	204.20	191.43	243.69
	Interest earned ratio (times)	1,018.14	177.62	114.60	178.65	236.69	1,674.95
Operating performance	Accounts receivable turnover (times)	5.40	6.19	5.45	5.15	5.35	5.21
	Average collection period	68	59	67	71	68	70
	Inventory turnover (times)	3.65	3.91	3.70	4.37	4.63	3.82
	Accounts payable turnover (times)	4.00	4.81	4.84	4.88	5.40	3.99
	Average days in sales	100	93	99	84	79	96
	Property, plant and equipment turnover (times)	2.47	2.41	2.02	1.94	2.04	2.75
	Total assets turnover (times)	0.73	0.83	0.75	0.75	0.74	0.71
Profitability (%)	Return on total assets (%)	5.60	4.97	4.78	6.24	6.17	1.17
	Return on stockholders' equity	7.57	6.65	6.35	8.42	8.31	1.60
	Pre-tax income to paid-in capital	23.71	19.93	15.47	23.09	23.31	5.10
	Profit ratio	7.71	5.92	6.28	8.23	8.29	6.61
	Earnings per share (NT$)	1.83	1.57	1.47	1.93	1.93	0.40
Cash flow (%)	Cash flow ratio	16.39	41.31	72.97	21.64	72.51	14.97
	Cash flow adequacy ratio	110.12	102.58	97.81	90.60	101.75	NA
	Cash reinvestment ratio	0.40	4.25	7.20	-0.48	8.57	3.04
Leverage	Operating leverage	2.41	2.64	0.81	3.22	2.41	1.07
	Financial leverage	1.00	1.01	1.01	1.01	1.00	1.00

Please explain the reasons for changes in financial ratios over the past two years:

1.Increase of ratio of long-term capital to property, plant and equipment: Due to decrease in property, plant and equipment.

2..Interest earned ratio (times) increase: Due to increase of profit before income tax.

3.Profit ratio increase: Due to increase of not profit after income tax.

4.Cash flow ratio decrease: Due to the decrease in net cash flow from operating activities.

5.Cash reinvestment ratio decrease: Due to the decrease in net cash flow from operating activities.

Note :Financial information regarding the first quarter of 2021 follows IFRS and has been verified by independent auditors.

The calculation formula of financial analysis:

1. Capital Structure Analysis
   (1) Debt ratio = Total Liabilities / Total Assets
   (2) Long-term fund to fixed assets ratio= (Shareholders' Equity + Long-term Liabilities) / Net Properties
2. Liquidity Analysis
   (1) Current ratio = Current Assets / Current Liabilities
   (2) Quick ratio = (Current Assets – Inventories - Prepaid Expenses) / Current Liabilities
   (3) Times interest earned = Earnings before Interest and Taxes / Interest Expenses
3. Operating Performance Analysis
   (1) Average collection turnover = Net Sales / Average Trade Receivables
   (2) Average collection days = 365 / Receivables Turnover rate
   (3) Average inventory turnover = Cost of Sales / Average inventory
   (4) Average inventory turnover days = 365 / Inventory Turnover rate
   (5) Average payment turnover = Cost of Sales / Average Trade Payables
   (6) Fixed assets turnover = Net Sales / Average Net Properties
   (7) Total assets turnover = Net Sales / Average Total Assets
4. Profitability Analysis
   (1) Return on total assets = {Net Income + Interest Expenses * (1 - Effective tax rate)} / Average Tota Assets
   (2) Return ratio on stockholders' equity = Net Income / Average Shareholders' Equity
   (3) Operating income to paid-in capital = Operating Income / Capital
   (4) Pre-tax income to paid-in capital = Income before tax/ Capital
   (5) Net income to net sales = Net Income / Net Sales
   (6) Earnings per share = (Net Income – Preferred Stock Dividend) / Weighted Average Number of Share Outstanding
5. Cash Flow
   (1) Cash flow ratio = Net Cash Provided by Operating Activities / Current Liabilities
   (2) Cash Flow Adequacy Ratio =Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends.
   (3) Cash flow reinvestment ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Plant + Investment + Other Assets + Working Capital)
6. Leverage
   (1) Operating leverage = (Net Sales - Variable Cost) / Income from Operations
   (2) Financial leverage = Income from Operations / (Income from Operations - Interest Expenses)

6.3. Audit Committee's Review Report

Great China Metal Ind. Co., Ltd.

Audit Committee's Review Report

(Translated from Chinese)

I hereby state as following:
This proposal is the presentation by the Board of Directors of the Company's 2020 Business Report, Financial Statements, and the Profit Allocation Proposal. Of these items, the Financial Statements have been audited by external auditors Chang,Ching-Fu and Zheng,Cin-Zong of Deloitte &Touche, Taiwan,Republic of China, and an opinion and report have been issued on the Financial Statements. The aforementioned proposal regarding Business Report, Financial Statements, and the Profit Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee. Per the regulations in Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To:
2021 General Shareholders' Meeting of Great China Metal Ind. Co., Ltd.

Great China Metal Ind. Co., Ltd.

Chairman of the Audit Committee: Tsai,Po-Hsien

Mar. 16, 2021

6.4. Non-consolidated financial statements and report of independent accountants:

Please refer to Page 106.

6.5. Consolidated financial statements and report of independent accountants：

Please refer to Page 180.

6.6. Financial Difficulties

The Company should disclose the financial impact to the Company and its affiliated companies have incurred any financial or cash flow difficulties from Jan. 1, 2020 through until Apr. 30, 2021：None.

7. Review of Financial Conditions, Operating Results, and Risk Management

7.1. Analysis of Financial Status

Unit: NT$ thousands

Item \ Year	2020	2019	Difference	
			Amount	%
Current Assets	7,237,855	6,338,725	899,130	14.18
Fixed Assets	2,724,570	3,157,907	(433,337)	(13.72)
Fixed Assets	283,704	271,107	12,597	4.65
Total Assets	10,246,129	9,767,739	478,390	4.90
Current Liabilities	2,206,183	2,092,933	113,250	5.41
Total Liabilities	2,682,897	2,561,651	121,246	4.73
Capital stock	3,050,000	3,050,000	0	0
Capital surplus	24,431	24,431	0	0
Retained Earnings	3,984,936	3,730,639	254,297	6.82
Total Stockholders' Equity	7,563,232	7,206,088	357,144	4.96

Explanation for variance (if the variation is 20 % or more):None

7.2. Analysis of Operation Results

Unit: NT$ thousands

Item \ Year	2020	2019	Difference	
			Amount	%
Operating revenue	7,257,633	8,060,828	(803,195)	(9.96)
Operating costs	(6,141,811)	(6,981,190)	(839,379)	(12.02)
Gross profit from operations	1,115,822	1,079,638	36,184	3.35
operating expenses	(485,111)	(528,536)	(43,425)	(8.22)
Net operating income	630,711	551,102	79,609	14.45
non-operating income and expenses	92,476	56,826	35,650	62.74
Profit from continuing operations before tax	723,187	607,928	115,259	18.96
tax expense	(170,165)	(142,247)	27,918	19.63
Profit from continuing operations	553,022	465,681	87,341	18.76
Cumulative Effect of Change in Accounting Principles	-	-	-	-
Profit	553,022	465,681	87,341	18.76

Explanation for variance (if the variation is 20 % or more):

1. Non-operating income and expenses: Mainly due to increase of relief payment $16,183 thousand issued by government, and gain on sale of financial assets 10,501 thousand.

7.3. Analysis of Cash Flow

Remedy for Cash Deficit and Liquidity Analysis

Item \ Year	2020	2019	Variance (%)
Cash Flow Ratio（%）	16.39	41.31	-60.32
Cash Flow Adequacy Ratio（%）	110.12	102.58	7.35
Cash Reinvestment Ratio（%）	0.40	4.25	-90.57

Analysis of financial ratio change:
1. Cash flow ratio decrease: Due to the decrease in net cash flow from operating activities.
2. Cash reinvestment ratio decrease: Due to the decrease in net cash flow from operating activities.

Cash Flow Analysis for the Current Year　　Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3))	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
497,705	1,114,958	587,168	1,025,495	-	-

Analysis of change in cash flow in the current year:
1. Operating activities: The Company expects to generate cash flows from profit earned in current period.
2. Investing activities: The Company expects to purchase equipment in the current period.
3. Financing activities: The Company expects to pay cash dividends during current period.

7.4. Major Capital Expenditure

1. Major Capital Expenditure Items and Source of Capital：None
2. Expected Benefits：None

7.5. Latest investment policy, major causes of profits and losses, and improvement plans for upcoming year

1. Direct investment policy of the most recent year: The Company's direct investment policy focused on integration of overseas resources in the most recent year. For the time being, among the Company's overseas investees, except Shanghai United Can Co., Ltd., due to equipments impairment loss, and Sunshui Changlee United Container Co., Ltd. in Fonshan City, due to the stretch film product development less than expectation, and GCM PACKAGING (VIETNAM) CO., LTD., due to disposition of slow moving stock, suffered losses, the other three overseas investees continued to earn profit. In the future, the Company will increase the production and sales volume of Sunshui Changlee United Container Co., Ltd. and GCM PACKAGING (VIETNAM) CO., LTD., and also use its best effort to cut the product cost to improve both companies’ losses.
2. Investment plan for the year ahead: In the upcoming year, the Company will integrate existing resources, remodel or re-layout the existing production lines primarily, and implement the product differentiation strategy timely.

7.6. Analysis of Risk Management：

7.6.1. Impacts of interest rates, exchange rates, and inflation to the Company's earnings, and the future responsive measures:

1. Interest rates: The Company has no owed long-term liabilities and, therefore, faces low interest rate risk. The Company's assets are primarily invested in short-term fixed-income products and term deposits with high-liquidity. The interest rate fluctuations might pose some impact to the interest revenue, but the impact is considered very limited.
2. Exchange rates: The Company's raw materials are primarily procured from foreign countries, and its import is greater than its export. The exchange rate fluctuation renders considerable effects to the Company. The responsive measures are:

A. Maintain the export currency.

B. Engage in foreign exchanges in batches within the time limit prescribed in the import letter of credit.

C. Adopt hedge tools to mitigate the impact posed by exchange rate fluctuations to the Company.

3. Inflation: For the time being, the global inflation remains stable. The Company will keep track of the impact posed by the international environment to the price of raw materials and supplies, and adjust inventories in a timely manner to respond to potential impacts.

7.6.2. Policies on high-risk and highly leveraged investments, loans to third parties, endorsements / guarantees, and trading of derivatives; describe the main causes of any profits or losses incurred and future responsive measures:

1. The Company was never involved in high-risk leveraged investment.
2. Loans to third parties, endorsements/guarantees, and trading of derivatives must be governed by the competent authority's regulations.

7.6.3. Future Research & Development Projects and Corresponding Budget:

1. Future Research：Please refer to Page3.
2. The estimated budget is approximately NT$ 40 million in 2021

7.6.4. The effect of major policy changes and legal practices, whether domestic or foreign, on the Company's treasury operations and responsive actions:

The Company is used to noticing and controlling any policies and laws critical to the Company potentially, and adjust its related internal systems in response to such policies and laws. The changes in related laws and regulations impose no significant impact to the Company this year.

7.6.5. Effects of technological and industrial changes to the Company's treasury operations and the responsive actions：

The technological changes are used to rendering minor impacts to the Company's products. Notwithstanding, the Company will apply technologies in a timely manner to improve the Company's entire operating efficiency.

7.6.6. The Impact of the Changes of Corporate Image on Corporate Risk Management and our Action Plan：NA.

7.6.7. Anticipated Results and Risks of Acquisition：NA.

7.6.8. Anticipated Results and Risks of Expansion of Factory Buildings：NA.

7.6.9. Risks and responsive measures associated with concentrated sales or purchases:

Most of the main raw materials needed by the industry, e.g. aluminum and steel coils, largely rely on import. Only few of them are supplied by domestic suppliers. In order to diversify the risk, the Company uses suppliers from different regions. Recently, in consideration of the increase in price of petroleum, canning steel and printing, etc., the canning industry has suffered the impact posed by drastic increase in the cost of raw materials. Given the booming international need for raw materials and supplies, and huge price increase, the short supply arises. Notwithstanding, the Company has established fair cooperative and interactive relations with suppliers. Therefore, the Company's sources remain unaffected.

The Company engages in production of various aluminum and steel cans, and aluminum and steel EOE containers, according to its complete production specifications. Its production capacity may satisfy customers' demand sufficiently. Therefore, the Company is well received by customers and secure a specific market share accordingly.

The domestic container market has tended to be saturated. In the recent years, the Company also started to develop overseas markets actively and achieved remarkable results, expected to help diversify the markets and mitigate the risk over market concentration to a certain extent.

7.6.10. Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

As of the publication date of the present annual report, no such situation has ever occurred at all.

7.6.11. Effects of, Risks Relating to and Response to the Changes in Management Rights

As of the publication date of the present annual report, no such situation has ever occurred at all.

7.6.12. Litigation or Non-litigation Matters：None.

7.6.13. Other significant risks and responsive measures: The Company values the impacts posed by the diversified development of computer computing and network applications. To ensure the highest security of the host, user end and entire information applications, the Company will apply safer and more correct and rapid network communications in response to the trends, and also set up encrypted private networks applied to data across regions, and the video surveillance and voice mail system to strengthen the information security protection, maintain confidentiality of the Company's data and protect personal data. Meanwhile, the Company will backup important data periodically and practice physical exercises to recover important information systems in the case of disaster to ensure the safety, availability and reliability of information applications. Also, the Company will engage with the information security and application workshops organized by governments or private organizations from time to time, in order to keep learning, make good use of the information technology, cut corporate costs and improve corporate competitiveness.

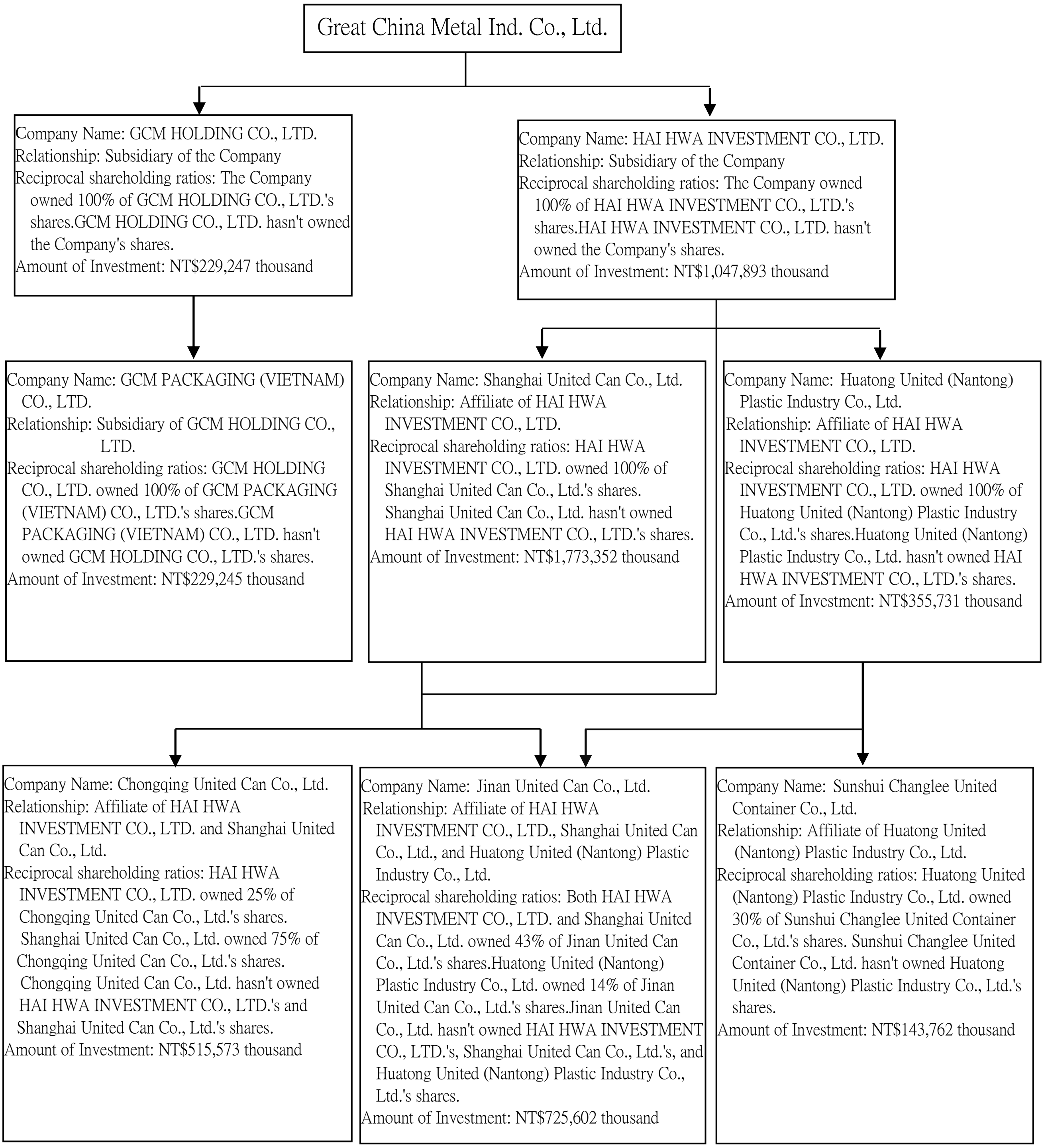
7.7. Other Important Matters：NA.

8、Special Disclosure

8.1. Summary of Affiliated Companies

8.1.1. Consolidated business report of Affiliated Companies

1. Chart of Affiliated Companies



Note 1: Amount of Investment was calculated until December 31, 2020.

2. Information Regarding Affiliated Companies：

Unit: NT$ thousands

Company Name	Date of Incorporation	Address	Paid-in Capital	Major Business
HAI HWA INVESTMENT CO., LTD.	1995.02.21	Victoria Place, 5th Floor, 31 Victoria Street, Hamilton HM 10, Bermuda	NTD1,047,893	Investment Holding
Shanghai United Can Co., Ltd.	1994.10.07	No.89 Chexin Road, Chedun Town, Songjiang District, Shanghai, China	NTD1,773,352	2-piece Aluminum Can and Easy Open End
Chongqing United Can Co., Ltd.	2006.08.18	No.78 Lvcheng Avenue of Xipeng, Jiu Long Po District, ChongQing, China	NTD 515,573	2-piece Aluminum Can
Jinan United Can Co., Ltd.	2009.12.29	No.27399 of Panwang Road, Zhangqiu District, Jinan City, Shandong Province, China	NTD 725,602	2-piece Aluminum Can
Huatong United (Nantong) Plastic Industry Co., Ltd.	1995.12.08	No.895, Xiushan East Road, Haimen Economic Development Zone, Jiangsu Province, China	NTD 355,731	Stretch Film for Packaging Use
Sunshui Changlee United Container Co., Ltd.	1992.05.19	Building 1, No. 5, Jinze Road, Xinan Street, Sanshui District, Foshan City, Guangdong Province, China	NTD 161,267	Stretch Film for Packaging Use
GCM HOLDING CO., LTD.	2004.10.13	Portcullis Chambers, P.O. Box 1225, Apia, Samoa	NTD 229,247	Investment Holding
GCM PACKAGING (VIETNAM) CO., LTD.	2004.12.08	No. 29 Doc lap Boulevard, Vietnam Singapore Industrial Park, Binh Hoa ward, Thuan An Town, Binh Duong Province, Vietnam	NTD 229,245	Easy Open End

3. Businesses covered by the whole affiliates and separation of duties:

3-1. Controlling corporation：

Great China Metal Ind. Co., Ltd. was founded on November 26, 1973, primarily engaged in manufacturing and trading of various metal printing, painting, metal containers and packaging equipment.

For the time being, its paid-in capital amounts to NT$3,050,000,000. The stocks issued by the Company have already traded on TWSE.

3-2. Subsidiaries：

3-2.1. Purpose for incorporation of HAI HWA INVESTMENT CO., LTD.: To invest in Shanghai United Can Co., Ltd., Huatong United (Nantong) Plastic Industry Co., Ltd., Chongqing United Can Co., Ltd., and Jinan United Can Co., Ltd. via HAI HWA INVESTMENT CO., LTD.

3-2.2. Purpose for incorporation of Shanghai United Can Co., Ltd.: To take advantage of the lower production cost in the mainland China to produce aluminum cans and easy open ends, and launch into the market in the mainland China to increase profit.

3-2.3. Purpose for incorporation of Chongqing United Can Co., Ltd.: To take advantage of lower production cost in the mainland China to produce metal cans, and launch into the market in the mainland China to increase profit.

3-2.4. Purpose for incorporation of Jinan United Can Co., Ltd.: To take advantage of lower production cost in the mainland China to produce metal cans, and launch into the market in the mainland China to increase profit.

3-2.5. Purpose for incorporation of Huatong United (Nantong) Plastic Industry Co., Ltd.: To take advantage of the lower production cost in the mainland China to produce industrial plastic films, and launch into the market in the mainland China to increase profit.

3-2.6. Direct investment in Sunshui Changlee United Container Co., Ltd. in Fongshan City: To take advantage of lower production cost in the mainland China to produce industrial plastic films, and launch into the market in the South of China to increase profit.

3-2.7. Purpose for incorporation of GCM HOLDING CO., LTD.: Direct investment in GCM PACKAGING (VIETNAM) CO., LTD. via GCM HOLDING CO., LTD.

3-2.8. Purpose for incorporation of GCM PACKAGING (VIETNAM) CO., LTD.: To take advantage of the lower production cost in Vietnam to produce aluminum EOE, and launch into the market in Vietnam to increase profit.

4. Directors, Supervisors and Presidents of Affiliated Companies：

Unit: NT$ thousands；%

Company Name	Title	Name	Investment Amount	Investment Holding (%)	Notes
HAI HWA INVESTMENT CO., LTD.	Director and President	Chiang,Ching-Yee	1,047,893	100%	Representative of the Company
	Director	Chiang,Shou-Cheng	-	-	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Ming-Li	-	-	Representative of the Company
Shanghai United Can Co., Ltd.	Chairman	Chiang,Ching-Yee	1,773,352	100%	Representative of the Company
	Director and President	Chiang,Shou-Cheng	-	-	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Ming-Li	-	-	Representative of the Company
	Supervisor	Chiang,Shao-May	-	-	Representative of the Company
Chongqing United Can Co., Ltd.	Chairman	Chiang,Ching-Yee	515,573	100%	Representative of the Company
	Director and President	Chiang,Shou-Cheng	-	-	Representative of the Company

Company Name	Title	Name	Investment Amount	Investment Holding (%)	Notes
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Ming-Li	-	-	Representative of the Company
	Supervisor	Chiang,Shao-May	-	-	Representative of the Company
Jinan United Can Co., Ltd.	Chairman	Chiang,Ching-Yee	725,602	100%	Representative of the Company
	President	Ma,Hong	-	-	
	Director	Chiang,Shou-Cheng	-	-	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Ming-Li	-	-	Representative of the Company
	Director	Chiang,Shao-May	-	-	Representative of the Company
	Supervisor	Lee,Chih-Wei	-	-	Representative of the Company
Huatong United (Nantong) Plastic Industry Co., Ltd.	Chairman	Chiang,Ching-Yee	355,731	100%	Representative of the Company
	Director and President	Peng,Chun-Hui	-	-	Representative of the Company
	Director	Chiang,Shou-Cheng	-	-	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Ming-Li	-	-	Representative of the Company
	Supervisor	Chiang,Shao-May	-	-	Representative of the Company
Sunshui Changlee United Container Co., Ltd.	Chairman	Chiang,Ching-Yee	48,380	30%	Representative of the Company
	Director and President	Peng,Chun-Hui	-	-	Representative of the Company
	Director	Chiang,Shou-Cheng	-	-	
	Director	Chiang,Cheng-Shing	-	-	
	Director	Chiang,Min-Te	-	-	
	Supervisor	Chiang,Shao-May	-	-	Representative of the Company
GCM HOLDING CO., LTD.	Chairman	Chiang,Ching-Yee	229,247	100%	Representative of the Company
GCM PACKAGING (VIETNAM) CO., LTD.	Chairman and President	Chiang,Ching-Yee	229,245	100%	Representative of the Company
	Director	Chiang,Shou-Cheng	-	-	Representative of the Company
	Director	Chiang,Cheng-Shing	-	-	Representative of the Company
	Director	Chiang,Ming-Li	-	-	Representative of the Company
	Director	Chiang,Shao-May	-	-	Representative of the Company
	Director	Chiang,Man-Tzyy	-	-	Representative of the Company

5.Operational Highlights of Affilated Companies：

Unit: NT$ thousands

Company Name	Capital	Total Assets	Total Liabitities	Net Worth	Net Revenue	Income (Loss) from Operation	Net Income (Loss)	Basic Earnings Per Share (After Tax）
HAI HWA INVESTMENT CO., LTD.	$ 1,047,893	$ 3,590,247	$ -	$ 3,590,247	$ -	$ -	$ 93,783	$ -
Shanghai United Can Co., Ltd.	1,773,352	2,162,546	671,697	1,490,849	1,524,991	(49,636)	(48,531)	-
Chongqing United Can Co., Ltd.	515,573	1,278,767	688,507	590,260	1,529,850	52,734	53,962	-
Jinan United Can Co., Ltd.	725,602	1,397,048	694,409	702,639	1,590,763	66,598	48,080	-
Huatong United (Nantong) Plastic Industry Co., Ltd.	355,731	751,135	63,670	687,465	386,974	42,298	42,995	-
Sunshui Changlee United Container Co., Ltd.	161,267	404,095	9,608	394,487	69,330	(17,098)	(8,610)	-
GCM HOLDING CO., LTD.	229,247	338,023	-	338,023	-	-	(5,260)	-
GCM PACKAGING (VIETNAM) CO., LTD.	229,245	244,177	3,523	240,654	42,955	(7,256)	(1,142)	-

8.1.2. Consolidated financial report of Affiliated Companies：Please refer to Page 180.

8.1.3. Affiliated Companies Report：NA

8.2. Issuance of Private Placement Securities：None

8.3. Acquisitions or Disposal of Great China Metal Ind. Co., Ltd.'s Shares by Subsidiaries：None

8.4. Other Necessary Supplement：None

9. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, such situations shall be listed one by one: None.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Great China Metal Ind. Co., Ltd

We have audited the financial statements of Great China Metal Ind. Co., Ltd (collectively referred to as the "Company"), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, based on our audits, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its 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 consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing of Financial Statements and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company' s financial statements for the year ended December 31, 2020 are stated as follows：

Revenue recognition
Refer to Note 20 to the financial statements.

Printing and painting of various metals, manufacturing and trading of metal containers and plastic products, are major business of Great China Metal Ind. Co., Ltd.. The large transaction volume of sales revenue from major products and multiple operating locations significantly affects the Group's overall revenue and profit. Revenue recognition is identified as a key audit matter since there are significant risks in the occurrence of revenue.

The key audit procedures that we performed in respect of revenue recognition included the following:

1. We understood and tested the design and operating effectiveness of the key controls over revenue recognition.

2. Select samples to perform test of details. Check the transaction documents, including sales orders, shipping documents, export documents and collection documents, etc. Confirm the Company recognize revenue as the performance obligations are satisfied.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the 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 audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partners on the audit resulting in this independent auditors' report are Chang, Ching-Fu and Zheng, Cin-Zong.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 16, 2021

Notice to Readers

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

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

GREAT CHINA METAL IND. CO., LTD
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 183,689	2	$ 344,303	4
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,122,014	14	652,031	9
1120	Financial assets at fair value through other comprehensive income – current (Notes 4 and 8)	214,942	3	158,920	2
1136	Financial assets at amortized cost - current (Notes 4, 9)	759,595	9	345,869	4
1150	Notes receivable - from unrelated parties (Note 4 and 10)	37,753	-	37,034	-
1170	Accounts receivable - from unrelated parties (Note 4 and 10)	301,702	4	309,903	4
1180	Accounts receivable – from related parties (Note 10 and 26)	38,107	-	44,064	1
1200	Other receivables	2,638	-	2,777	-
130X	Inventories (Notes 4, 5 and 11)	613,372	8	806,008	11
1470	Other current assets	5,053	-	9,609	-
11XX	Total current assets	3,278,865	40	2,710,518	35
	NON-CURRENT ASSETS				
1550	Investments accounted for using equity method (Notes 4 and 12)	3,925,305	48	3,808,431	50
1600	Property, plant and equipment (Notes 4, 13 and 26)	912,547	11	1,067,626	14
1755	Right-of-use assets (Note 14)	34,088	1	41,641	1
1780	Intangible assets (Note 4)	-	-	628	-
1840	Deferred tax assets (Notes 4 and 22)	19,503	-	19,240	-
1915	Prepayments for equipment	14,721	-	768	-
1920	Refundable deposits	128	-	128	-
15XX	Total non-current assets	4,906,292	60	4,938,462	65
1XXX	TOTAL ASSETS	$ 8,185,157	100	$ 7,648,980	100
Code	**Liabilities**				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 15)	$ 101,022	1	$ 38,627	1
2150	Notes payable - to unrelated parties (Note 16)	1,115	-	1,959	-
2170	Accounts payable - to unrelated parties (Note 16)	112,189	1	92,375	1
2180	Accounts payable - to related parties (Note 26)	6,641	-	4,349	-
2200	Other payables (Note 17)	115,329	2	108,458	1
2230	Current tax liabilities (Notes 4 and 22)	119,462	2	40,289	1
2280	Lease liabilities - current (Notes 14)	6,985	-	7,646	-
2300	Other current liabilities	4,222	-	3,734	-
21XX	Total current liabilities	466,965	6	297,437	4
	NON-CURRENT LIABILITIES				
2570	Deferred tax liabilities (Notes 4 and 22)	343,555	4	329,809	4
2580	Lease liabilities - non-current (Notes 4 and 14)	27,471	-	34,219	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 18)	75,958	1	75,275	1
25XX	Total non-current liabilities	446,984	5	439,303	6
2XXX	Total liabilities	913,949	11	736,740	10
	EQUITY (Notes 4 and 19)				
	Share capital				
3110	Ordinary shares	3,050,000	37	3,050,000	40
	Capital surplus				
3210	Capital surplus - additional paid-in capital	11,523	-	11,523	-
3220	Capital surplus - treasury stock transactions	12,908	-	12,908	-
3200	Total capital surplus	24,431	-	24,431	-
	Retained earnings				
3310	Legal reserve	1,753,575	22	1,705,618	22
3350	Unappropriated earnings	2,231,361	27	2,025,021	27
3300	Total retained earnings	3,984,936	49	3,730,639	49
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	61,782	1	13,133	-
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	150,059	2	94,037	1
3400	Total other equity	211,841	3	107,170	1
3XXX	Total equity	7,271,208	89	6,912,240	90
	TOTAL LIABILITIES AND EQUITY	$ 8,185,157	100	$ 7,648,980	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 16, 2021)

Chairman : Chiang, Ching-Yee President : Chiang, Cheng-Shing Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		For the Year Ended December 31, 2020 Amount	%	For the Year Ended December 31, 2019 Amount	%
	OPERATING REVENUE				
4100	Sales (Notes 4, 20 and 26)	$2,557,779	100	$2,672,584	100
	OPERATING COST				
5110	Cost of goods sold (Notes 11, 21, and 26)	(1,861,047)	(73)	(2,080,739)	(78)
5900	GROSS PROFIT	696,732	27	591,845	22
	OPERATING EXPENSES (Notes 21 and 26)				
6100	Selling and marketing expenses	(65,104)	(3)	(64,611)	(2)
6200	General and administrative expenses	(82,571)	(3)	(79,369)	(3)
6450	Expected credit loss（gain）	815	-	(199)	-
6000	Total operating expenses	(146,860)	(6)	(144,179)	(5)
6900	PROFIT FROM OPERATIONS	549,872	21	447,666	17
	NON-OPERATING INCOME AND EXPENSES(Notes 21)				
7100	Interest revenue	5,908	-	6,843	-
7010	Other revenue	30,143	1	14,953	1
7020	Other gains and losses	19,983	1	11,878	-
7050	Finance costs	(424)	-	(496)	-
7070	Share of profit (loss) of subsidiaries accounted for using equity method	88,523	4	114,138	4
7000	Total non-operating income and expenses	144,133	6	147,316	5
7900	PROFIT BEFORE INCOME TAX	694,005	27	594,982	22
7950	INCOME TAX EXPENSE (Notes 4 and 22)	(134,628)	(5)	(117,637)	(4)
8200	NET PROFIT FOR THE YEAR	559,377	22	477,345	18
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	(101)	-	2,785	-
8316	Unrealized (gain) loss on investments in equity instruments at fair value through other comprehensive income	56,022	2	35,607	1
8349	Income tax expense relating to items that will not be reclassified subsequently to profit or loss	21	-	(557)	-
		55,942	2	37,835	1
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	48,649	2	(133,675)	(5)
		48,649	2	(133,675)	(5)
8300	Other comprehensive loss for the year, net of income tax	104,591	4	(95,840)	(4)
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 663,968	26	$ 381,505	14
	EARNINGS PER SHARE (Note 23)				
	Form continuing operation				
9710	Basic	$ 1.83		$ 1.57	
9810	Diluted	$ 1.83		$ 1.56	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 16, 2021)

Chairman : Chiang, Ching-Yee President : Chiang, Cheng-Shing Finance Director : Chiang, Shao-Ma

GREAT CHINA METAL IND. CO., LTD
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

Code		Share capital	Capital surplus: Additional paid-in capital	Capital surplus: Ttreasury stock transactions	Retained earnings: Legal reserve	Retained earnings: Unappropriated earnings	Other equity: Exchange differences on translating the financial statements of foreign operations	Other equity: Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total equity
A1	BALANCE AT JANUARY 1, 2019	$ 3,050,000	$ 11,523	$ 12,908	$ 1,660,810	$ 1,895,256	$ 146,808	$ 58,430	$ 6,835,735
	Appropriation of 2018 earnings								
B1	Legal reserve	-	-	-	44,808	(44,808)	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(305,000)	-	-	(305,000)
D1	Net profit for the year ended December 31, 2019	-	-	-	-	477,345	-	-	477,345
D3	Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	2,228	(133,675)	35,607	(95,840)
D5	Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	479,573	(133,675)	35,607	381,505
Z1	BALANCE AT DECEMBER 31, 2019	3,050,000	11,523	12,908	1,705,618	2,025,021	13,133	94,037	6,912,240
	Appropriation of 2019 earnings								
B1	Legal reserve	-	-	-	47,957	(47,957)	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(305,000)	-	-	(305,000)
D1	Net profit for the year ended December 31, 2020	-	-	-	-	559,377	-	-	559,377
D3	Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(80)	48,649	56,022	104,591
D5	Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	559,297	48,649	56,022	663,968
Z1	BALANCE AT DECEMBER 31, 2020	$ 3,050,000	$ 11,523	$ 12,908	$ 1,753,575	$ 2,231,361	$ 61,782	$ 150,059	$ 7,271,208

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 16, 2021)

Chairman : Chiang, Ching-Yee   President : Chiang, Cheng-Shing   Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

Code		For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 694,005	$ 594,982
A20010	Adjustments for:		
A20100	Depreciation expenses	170,685	168,616
A20200	Amortization expenses	628	741
A20300	Expected credit loss recognized on accounts receivables（Gain on reversal）	(815)	199
A20400	Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	(15,065)	(11,156)
A20900	Finance costs	424	496
A21200	Interedt income	(5,908)	(6,843)
A21300	Dividend income	(6,985)	(6,944)
A22400	Share of loss of associates accounted for using the equity method	(88,523)	(114,138)
A22500	Loss (gain) on disposal of property, plant and equipment	(1,446)	1,095
A23700	Impairment loss recognized (reversed) on non-financial assets	1,136	5,270
A23900	Unrealized gain from trading with subsidiaries	(618)	(618)
A24100	Unrealized net gain on foreign currency exchange	(951)	(719)
A29900	Net gain on disposal of right-of-use assets	(5)	-
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(454,918)	(276,171)
A31130	Notes receivable	(719)	10,050
A31150	Accounts receivable	13,282	(55,064)
A31180	Other receivables	151	(1,721)
A31200	Inventories	191,500	163,720
A31240	Other current assets	4,556	(96)
A32130	Notes payable	(844)	(3,178)
A32150	Accounts payable	22,737	(83,690)
A32180	Other payable	3,895	2,642
A32230	Other current liabilities	488	1,816
A32240	Net defined benefit liabilities	582	(18,816)
A33000	Cash generated from operations	527,272	370,473
A33100	Interest received	5,896	7,112
A33300	Interest paid	(424)	(496)
A33500	Income tax paid	(41,951)	(91,689)
AAAA	Net cash generated from operating activities	490,793	285,400
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Paymrnt for financial assets at fair value through other comprehensive income	-	(554)
B00040	Paymrnt for financial assets at amortized cost	(1,624,373)	(1,959,617)
B00050	Proceeds from sale of financial assets at amortized cost	1,210,647	1,987,477
B02700	Payments for property, plant and equipment	(9,939)	(82,945)
B02800	Proceeds from disposal of property, plant and equipment	1,510	924
B03800	Decrease in refundable deposits	-	244
B07100	Increase in prepayments for equipment	(9,229)	-
B07200	Dncrease in prepayments for equipment	-	12,758
B07600	Dividend received	6,985	6,944
B09900	Investment accounted for using equity method- Profit from investment in subsidiaries	20,916	-
BBBB	Net cash used in investing activities	(403,483)	(34,769)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	64,406	-
C00200	Dncrease in short-term borrowings	-	(32,291)
C03100	Dncrease in guarantee deposits	-	(1,168)
C04020	Repayment of the principal portion of lease liabilities	(7,330)	(7,310)
C04500	Dividends paid	(305,000)	(305,000)
CCCC	Net cash used in financing activities	(247,924)	(345,769)
EEEE	NET DECREASE IN CASH AND CASH EQUIVALENTS	(160,614)	(95,138)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	344,303	439,441
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 183,689	$ 344,303

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 16, 2021)

Chairman : Chiang, Ching-Yee   President : Chiang, Cheng-Shing   Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1.ORGANIZATION AND OPERATIONS

Great China Metal Ind. Co., Ltd（collectively referred to as “the Company”）was incorporated in November, 1973, under the provisions of the Company Act of the Republic of China (R.O.C.). The major business of the Group is to provide printing services for metal, manufacturing and selling metal containers, other plastic products, and paking machines.

In Augest’ 1990, Great China Metal Ind. Co., Ltd became a publicly listed company on the Taiwan Stock Exchange.

The financial statements of the Company are presented in the Company’s functional currency, New Taiwan dollars.

2.APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’ s board of directors on March 16, 2021.

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

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), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Except for the following, 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 did not have any material impact on the Company’s accounting policies:

<u>Amendments to IAS 1 and IAS 8 “Definition of Material”</u>
The Group adopted the amendments starting from January 1, 2020. The threshold for materiality influencing users has been changed to “could reasonably be expected to influence” and, 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 FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to FRS 4 “Applicable IFRS 9 Deferral approach”	Effective on announced date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	Reporting period after January 1, 2021
Amendments to IFRS 16 “Covid-19 - Related Rent Concessions”	Reporting period after June 1, 2020

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

“Interest Rate Benchmark Reform - Phase 2” “Interest Rate Benchmark Reform - Phase 2”, primarily, we intend to amend IFRS 9, IFRS 7 and IFRS 16 which provides practical expedients for the impact of changes in interest rate indicators.

<u>The changes in the basis for determining contractual cash flows will be incurred by changes in interest rate indicators.</u>

We’d determine the basis for changes in the contractual cash flow of financial assets, financial liabilities and lease liabilities in cases where they are essential for the direct results from changes in the interest rate indicators. The new basis is economically equivalent to the basis before the change. It should be taken into account when determining the basis changes amidst the effective interest rates.

As of the date the financial statements were authorized for issue, the Comapany is continuously assessing the possible impact that the application of other 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 (Note1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note3)
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 AS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note6)
Amendments to AS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note7)
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022 (Note4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note5)

Note1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note2: 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.

Note3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note4: 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.

Note5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note6: The application of the present amendment will be postponed up to the annual reporting period starting from January 1, 2023.

Note7: This amendment that is applicable to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period starting from January 1, 2023.

1) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

That amendment is intended to clarify whether or not the liability should be classified as non-current and should be assessed whether or not the Company is entitled to defer the settlement period to at least 12 months after the reporting period at the end of the current reporting period. Where the Company is entitled to such right at the end of the reporting period, regardless of whether or not the Company is expected to exercise such right, the liability is classified as non-current.

That amendment further clarified that if the Company is required to comply with certain conditions before being entitled to defer payment of liabilities, t the Company should have complied with the specified conditions at the end of the reporting period, even if the lender tests at a later date whether or not the Company has complied with the conditions.

2) Annual Improvements to IFRS Standards 2018-2020

Amendment to certain standards/criteria in the 2018~2020 periodic annual improvement and amendment of which the amendment of IFRS 9 "Financial Instruments" is intended to assess whether or not there exists a significant difference between the exchange of financial liabilities and the modification of terms to compare the discounted cash flow value of the old and new contract terms (including the net amount of the fees received for signing new contracts or amending the contracts) with a 10% difference of not. The aforementioned fees paid include only the fees collected and paid between the loanee and the loaner.

3) Amendments to AS 1 “Disclosure of Accounting Policies”

That amendment expressly stipulates that based on the definition of materiality that the Company shall determine the material accounting policy information that should be disclosed. Where the accounting policy information can be reasonably expected to affect the decisions to be made by the main users of general-purpose financial statements based on these financial statements, that accounting policy information is deemed as material and significant. That amendment further clarifies:

- The accounting policy information relevant to non-significant transactions, other matters or circumstances are attributed as non-significant; the Group there would be no need to disclose such information.
- The Company might be judged that the relevant accounting policy information is significant because of the nature of the transaction, other matters or circumstances, even if the amount is insignificant.
- Not all accounting policy information related to major transactions, other matters or circumstances are deemed significant.

Besides, the amendment, as well, illustrates by example to explain that if the accounting policy information is related to major transactions, other matters or circumstances and the following circumstances, the information might be deemed significant：

(1) The Company changes in accounting policies during the reporting period and the changes lead to a significant changes in financial statement information.

(2) The Company chooses the applicable accounting policy from the options as allowed within the standard;

(3) in accordance with lack of specific standards, the accounting policies established by the Group in accordance with “IAS 8 Accounting Policies, Changes In Accounting Estimates And Errors”;

(4) the Company discloses the relevant accounting policies that it must use significant judgments or assumptions to determine matters; or

(5) Where complicated accounting requirements are involved, the users of financial statements rely on such information to look into such major transactions, other matters or situations.

4) Amendments to AS 8 “Definition of Accounting Estimates”

That amendment expressly specifies that the accounting estimate refers to the monetary amount that has been affected by measurement uncertainty in the financial statements. At the moment while accounting policies apply, the Company might be required to measure financial statement items in monetary amounts that cannot be directly observed and must call for estimates. Therefore, measurement techniques and input values must be put into use to establish accounting estimates to achieve such purpose. Where the impact of changes in measurement technology or input values on accounting estimates is not a correction of previous errors, such a change is deemed as a change in accounting estimates.

As of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other 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

a. Statement of compliance

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

b. Basis of preparation

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing its financial statements, the Company used equity method to account for its investment in subsidiary. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owner of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between the parent company only basis and the consolidated basis were made to investments accounted for using equity method, share of profit or loss of subsidiary, share of other comprehensive income of subsidiary, and related equity items, as appropriate, in the parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period,
3) Liabilities for which the Group does not have an unconditional right to defer

settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising 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.

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

For the purposes of presenting financial statements, the assets and liabilities of the Company’ s its foreign operations (including of the subsidiaries and associates) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period; and income and expense items are translated at the average exchange rates for the current period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Corporation’s entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is calculated as equity transaction and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

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

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Company.

Under the equity method, the investment in a subsidiarie is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiaries. The Company also recognizes the changes in the Company' s share of equity of subsidiaries attributable to the Company.

Changes in the Company' s ownership interests in subsidiaries that do not result in the Company' s loss of control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amounts of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company' s share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment in subsidiary accounted for by the equity method and long-term interests that, in substance, form part of the Company' s net investment in the subsidiary), the Bank continues recognizing its share of further losses.

The acquisition cost in excess of the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. Goodwill is not amortized. The acquisition-date fair value of the net identifiable assets acquired in excess of the acquisition cost is recognized immediately in profit or loss.

When assessing imparements, the Company consider the cash-generating unit as a whole in the financial statements, and compare the recoverable amount with the carring amount. When the recoverable amount of asset increase, a reversal of an impairment loss is recognized in profit or loss, but only carring amount after the impairment loss being reversed shall not exceed the carring amount of the asset after deducting the amortization. The impairment loss attributable to goodwill shall not be reversed in the subsequent period.

When the Company ceases to have control over a subsidiary, any retained investment is measured at fair value at that date and the difference between the previous carrying amount of the subsidiary attributable to the retained interest and its fair value is included in the determination of the gain or loss.

Furthermore, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream transactions with a subsidiary and sidestream transactions between subsidiaries are recognized in the Cpmpany's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

g. Property, plant and equipment

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

Property, plant and equipment in the course of construction purposes are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis. On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Acquired separately

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

2) Derecognition

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

i. Impairment of right-of-use assets, contract assets, intangible assets, property, plant and equipment

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

The Company perform impairment testing for intangible assets which have still not available for use, if any indication of impairment exists, or at least once a year.

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

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is designated as at FVTPL. A mandatory financial asset measured at fair value through profit and loss includes such equity instrument investments that are not specified at fair value through other comprehensive gains and losses not designated by the Company and such investment into liability instruments inconsistent with the classification as measured at amortized costs or measured at fair value through other comprehensive gains and losses.

The net gain or loss recognized in profit or loss on such a financial asset. Fair value is determined in the manner described in Note 25.

ii. Financial assets at amortized cost

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

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

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and note receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

The term “credit-impaired financial assets" as set forth herein denotes that where the issuer or debtor who has experienced major financial difficulties, defaults and where the debtor is likely to apply for bankruptcy or other financial reorganization, or where the active market for financial assets disappears due to financial difficulties. The term “cash equivalents" herein includes time deposits that are highly liquid within three months from the date of acquisition and could be converted into cash of a fixed amount at any time with little risk of value changes, as used to satisfy short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Company recognizes allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default :

i. Internal or external information shows that the debtor is unlikely to pay its creditors.
ii. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The 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.

The allowance loss of debt instrument investment measured at fair value through other comprehensive income is, nevertheless, recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

3) Financial liabilities

a)Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b)Derecognition of financial liabilities

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

k. Revenue recognition

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

Revenue from the sale of goods

Revenue from the sale of goods is recognized when the goods are delivered to the customer's designated destination, once the goods are shipped, or once the goods at delivery. In either case, the Company has transferred to the customer the significant risks and rewards of ownership of the goods. The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

l. Leases

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

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 which are accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

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

Right-of-use assets are presented on a separate line in the balance sheets. Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the 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. 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 balance sheets.

m. Government grants

Government grants are not recognized until there is reasonable assurance that the Cpmpany will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

o. Taxation

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

1) Current tax

The Company determines the current income (loss) in accordance with the regulations established by income tax authorities in each region, and calculates the payable (recoverable) income tax.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided in the year the shareholders approve to retain the earnings.

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards 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 and interests in joint arrangements, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable 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 assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively. Where current taxes or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Comany takes the economic impact of COVID-19 into consideration in significant accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Cash on hand and petty cash	$ 211	$ 199
Checking accounts and demand deposits	104,213	61,859
Cash equivalent (investments with original maturities of less than 3 months)	44,983	282,245
Certificate deposit in bank	34,282	-
	$ 183,689	$ 344,303

The market rate intervals of cash in bank and certificate deposit in bank with original maturities of less than 3 months, at the end of the reporting period were as follows:

	December 31, 2020	December 31, 2019
Cash in bank	0.001%～0.05%	0.001%～0.33%
Certificate deposit in the bank with original maturities of less than 3 months	0.38%～0.41%	0.63%～1.9%
Repurchase bond with original maturities of less than 3 months	0.38%～0.4%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2020	December 31, 2019
Financial Assets - current		
Financial assets mandatorily classified as at FVTPL		
Beneficiary Certification for open ended fund	$1,122,014	$ 652,031

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2020	December 31, 2019
Current		
Equity instrument at fair value through other comprehensive income	$ 214,942	$ 158,920

Equity instruments

	December 31, 2020	December 31, 2019
Current		
Domestic investments		
Listed shares and emerging market shares	$ 214,942	$ 158,920

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

The Company recognized dividend income of 6,985 thousand and 6,944 thousand in 2020 and 2019 respectivel, which from share investment held at the year end of 2020 and 2019 respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2020	December 31, 2019
Current		
Domestic investments		
Restricted assets－bank deposit	$ 73,379	$ 88,486
Certificate deposit in bank with original maturities of less than 3 months	686,216	257,383
Total	$ 759,595	$ 345,869

The market rate intervals of certificate deposit in bank with original maturities of more than 3 months, for the year ended December 31, 2020 and 2019 were 0.4%～0.815%and 0.55%～1.065%.

For pledge of financial assets at amortized cost, refer to Note 27.

10. NOTE RECEIVABLES AND ACCOUNT RECEIVABLES

	December 31, 2020	December 31, 2019
Note receivables		
At amortized cost		
Gross Carrying amount	$ 37,753	$ 37,034
Less: Allowance for impairment loss	-	-
	$ 37,753	$ 37,034
Accounts receivable - from unrelated parties		
At amortized cost		
Gross Carrying amount	$ 301,907	$ 310,923
Less: Allowance for impairment loss	(205)	(1,020)
	$ 301,702	$ 309,903
Accounts receivable – from related parties		
At amortized cost		
Gross Carrying amount	$ 38,107	$ 44,064
Less: Allowance for impairment loss	-	-
	$ 38,107	$ 44,064

The average credit period of account receivable was 120 days. No interest was charged on account receivables. In order to minimize credit risk, the management of the Corporation has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for account receivables at an amount equal to lifetime ECLs. The expected credit losses on account receivables are estimated using a provision matrix by reference to the past default experience of the debtor, an analysis of the debtor's current financial position, general economic conditions of the industry, considerations of GDP forecast and industry trend. As the Company's historical credit loss experience show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished according to the Company's different customer base.

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

The following table details the loss allowance of account receivables based on the Company's provision matrix.

December 31, 2020

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%~0.06%	0%~13.36%	0%~3.19%	0%~1.86%	1.7%~100%	
Gross carrying amount	$ 377,767	$ -	$ -	$ -	$ -	$ 377,767
Loss allowance (Lifetime ECL)	(205)	-	-	-	-	(205)
Amortized cost	$ 377,562	$ -	$ -	$ -	$ -	$ 377,562

December 31, 2019

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%~0.15%	0%~17.73%	0%~6.98%	0%~9.66%	13.04%~100%	
Gross carrying amount	$ 390,169	$ -	$ 1,465	$ -	$ 387	$ 392,021
Loss allowance (Lifetime ECL)	(531)	-	(102)	-	(387)	(1,020)
Amortized cost	$ 389,638	$ -	$ 1,363	$ -	$ -	$ 391,001

The movements of the allowance for doubtful trade receivables were as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Balance at January 1, 2020	$ 1,020	$ 821

Add: Net remeasurement of loss allowance	-	199
less: Reversal of loss allowance	(815)	-
Balance at December 31, 2020	$ 205	$ 1,020

Compared with the balance at the beginning of the year, the carrying amount of account receivable on December 31, 2020 and 2019 decreased 14,254 thousand and increased 44,216 thousand respectively, the amount of allowance loss decrease 815 thousand and increase 199 thousand respectively.

11. INVENTORIES

	December 31, 2020	December 31, 2019
Merchandise	$ 285,975	$ 325,939
Finished goods	63,444	73,962
Work in progress	218,057	352,157
Raw materials and supplies	28,322	21,658
Leftover bits and pieces	15,867	29,774
Materials for subcontractor	1,707	2,518
	$ 613,372	$ 806,008

The natures of cost of goods sold are as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Cost of good sold	$1,859,911	$2,075,469
Inventory write-downs	55	-
Loss of inventory scrapped	1,081	5,270
	$1,861,047	$2,080,739

12. INVESTMENTS IN EQUITY METHOD

	December 31, 2020	December 31, 2019
Subsidiaries	$3,925,305	$3,808,431
HAI HWA INVESTMENT CO., LTD.	$3,590,247	$3,434,616
GCM HOLDING CO., LTD.	335,058	373,815
	$3,925,305	$3,808,431

The equity and voting rights in subsidiaries at December 31, 2020 and 2019 were both 100%.

Details of the subsidiaries which are indirectly held by the Company, refer to Note 31.

The investments accounted for using equity method and the share of profit or loss and other comprehensive income of the investments for the years ended December 31, 2020 and 2019 were based on the financial statements audited by the auditors for the same years.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Utility Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost									
Balance at January 1, 2020	$ 59,074	$ 473,639	$ 2,644,141	$ 64,931	$ 17,053	$ 50,790	$ 59,028	$ 1,800	$3,370,456
Additions	-	3,476	3,933	2,440	142	-	-	2,924	12,915
Disposals	-	-	(673)	-	(160)	(75)	-	-	(908)
Reclassification	-	234	(234)	-	-	-	-	(4,724)	(4,724)
Balance at December 31, 2020	$ 59,074	$ 477,349	$ 2,647,167	$ 67,371	$ 17,035	$ 50,715	$ 59,028	$ -	$3,377,739
Accumulated depreciation									
Balance at January 1, 2020	$ -	$ 283,391	$ 1,835,040	$ 53,872	$ 15,047	$ 48,393	$ 56,866	$ -	$2,292,609
Disposals	-	-	(609)	-	(160)	(75)	-	-	(844)
Depreciation expense	-	10,204	149,469	1,704	351	729	749	-	163,206
Reclassification	-	-	-	-	-	-	-	-	-
Balance at December 31, 2020	$ -	$ 293,595	$ 1,983,900	$ 55,576	$ 15,238	$ 49,047	$ 57,615	$ -	$2,454,971
Accumulated impairment									
Balance at January 1, 2020	$ -	$ -	$ 10,221	$ -	$ -	$ -	$ -	$ -	$ 10,221
Disposals	-	-	-	-	-	-	-	-	-
Balance at December 31, 2020	$ -	$ -	$ 10,221	$ -	$ -	$ -	$ -	$ -	$ 10,221
Carrying amounts at December 31, 2020	$ 59,074	$ 183,754	$ 653,046	$ 11,795	$ 1,797	$ 1,668	$ 1,413	$ -	$ 912,547
Cost									
Balance at January 1, 2019	$ 59,074	$ 472,274	$ 2,546,386	$ 64,931	$ 17,468	$ 49,057	$ 59,028	$ 3,980	$3,272,198
Additions	-	1,590	68,582	-	-	1,915	-	10,917	83,004
Disposals	-	(225)	(5,994)	-	(415)	(182)	-	-	(6,816)
Reclassification	-	-	35,167	-	-	-	-	(13,097)	22,070
Balance at December 31, 2019	$ 59,074	$ 473,639	$ 2,644,141	$ 64,931	$ 17,053	$ 50,790	$ 59,028	$ 1,800	$3,370,456
Accumulated depreciation									
Balance at January 1, 2019	$ -	$ 273,105	$ 1,691,837	$ 52,187	$ 15,091	$ 48,126	$ 55,978	$ -	$2,136,324
Disposals	-	(177)	(4,023)	-	(415)	(182)	-	-	(4,797)
Depreciation expense	-	10,463	147,226	1,685	371	449	888	-	161,082
Reclassification	-	-	-	-	-	-	-	-	-
Balance at December 31, 2019	$ -	$ 283,391	$ 1,835,040	$ 53,872	$ 15,047	$ 48,393	$ 56,866	$ -	$2,292,609
Accumulated impairment									
Balance at January 1, 2019	$ -	$ -	$ 10,221	$ -	$ -	$ -	$ -	$ -	$ 10,221
Disposals	-	-	-	-	-	-	-	-	-
Balance at December 31, 2019	$ -	$ -	$ 10,221	$ -	$ -	$ -	$ -	$ -	$ 10,221
Carrying amounts at December 31, 2019	$ 59,074	$ 190,248	$ 798,880	$ 11,059	$ 2,006	$ 2,397	$ 2,162	$ 1,800	$1,067,626

The Company did not conduct impairment assessment, since there is no indication that those assets have suffered any impairment loss for the year ended December 31, 2020 and 2019.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful life of the asset:

Building	
Main buildings	20 - 36 years

Engineering system	2 - 17 years
Machinery and Equipment	2 - 10 years
Utility Equipment	
Air conditioner pipe	35 years
Other power equipment	2 - 15 years
Transportation Equipment	2 - 5 years
Office Equipment	2 - 6 years
Other Equipment	2 - 7 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2020	December 31, 2019
Carrying amounts		
Buildings	$ 32,324	$ 38,168
Transportation Equipment	1,764	3,473
	$ 34,088	$ 41,641

	For the year ended December 31, 2020	For the year ended December 31, 2019
Additions to right-of-use assets	$ 490	$ 1,854
Depreciation charge for right-of-use assets		
Buildings	$ 5,843	$ 5,845
Transportation Equipment	1,636	1,689
	$ 7,479	$ 7,534

Except for the additions and depreciation expenses listed above, there was no significant sublease and impairment during the year ended December 31, 2020 and 2019 for the Company's right-of-use assets.

b. Lease liabilities

	December 31, 2020	December 31, 2019
Carrying amounts		
Current	$ 6,985	$ 7,646
Non-current	$ 27,471	$ 34,219

Range of discount rate for lease liabilities was as follows:

	December 31, 2020	December 31, 2019
Buildings	1.1%	1.1%
Transportation Equipment	1.1%	1.1%

c. Other lease information

The Company leases certain assets which qualify as short-term leases. The Company has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

	For the year ended December 31, 2020	For the year ended December 31, 2019

	For the year ended December 31, 2020	For the year ended December 31, 2019
Expenses relating to short-term leases	$ 385	$ 626
Expenses relating to low-value asset leases	$ 8	$ 36
Total cash (outflow) for leases	($ 7,723)	($ 7,972)

15. SHORT-TERM BORROWINGS

	December 31, 2020	December 31, 2019
Unsecured borrowings		
－Bank loans for working capital	$101,022	$ 38,627

The rate intervals of bank revolving loan at December 31,2020 and 2019 were 0.56%～0.65% and 2.21%～2.72% respectively.

16. NOTE PAYABLES AND ACCOUNT PAYABLES

The average credit period of the Group is 3 months. The Group has a financial risk management policy to ensure that all payables are paid within the credit period agreed previously.

17. OTHER PAYABLES

	December 31, 2020	December 31, 2019
Payables for salaries and bonuses	$ 67,491	$ 65,400
Freight payable	5,347	5,652
Payable for annual leave	5,281	5,232
Payables for purchases of equipment	4,272	1,296
Other	32,938	30,878
	$115,329	$108,458

18. 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.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligation	$ 108,467	$ 111,194
Fair value of plan assets	(32,509)	(35,919)
Net defined benefit liability	$ 75,958	$ 75,275

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2019	$ 158,944	($ 62,068)	$ 96,876
Service cost			
Current service cost	685	-	685
Net interest expense (income)	1,580	(623)	957
Recognized in profit or loss	2,265	(623)	1,642
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,101)	(2,101)
Actuarial loss - experience adjustments	(684)	-	(684)
Recognized in other comprehensive income	(684)	(2,101)	(2,785)
Contributions from the employer	$ -	($ 20,458)	($ 20,458)
Benefits paid－from carrying value	-	-	-
Benefits paid－from plan assets	(49,331)	49,331	-
Balance at December 31, 2019	$ 111,194	($ 35,919)	$ 75,275
Balance at January 1, 2020	$ 111,194	($ 35,919)	$ 75,275
Service cost			
Current service cost	453	-	453
Net interest expense (income)	1,112	(363)	749
Recognized in profit or loss	1,565	(363)	1,202
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(646)	(646)
Actuarial loss - experience adjustments	747	-	747
Recognized in other comprehensive income	747	(646)	101
Contributions from the employer	-	(620)	(620)
Benefits paid－from carrying value	-	-	-
Benefits paid－from plan assets	(5,039)	5,039	-
Balance at December 31, 2020	$ 108,467	($ 32,509)	$ 75,958

The amount recognized in the profit and loss of the defined benefit plans is summarized by function as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Operating cost	$ 662	$ 964
Selling and marketing expenses	64	71
General and administrative expenses	476	607
	$ 1,202	$ 1,642

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

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

2) Interest risk: A decrease in the corporate 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 plans' debt investments.

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

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

	December 31, 2020	December 31, 2019
Discount rate	0.8%	1.00%
Expected rate of salary increase	2.75%	2.75%

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

	December 31, 2020	December 31, 2019
Discount rate(s)		
0.25% increase	($ 1,008)	($ 1,159)
0.25% decrease	$ 1,043	$ 1,202
Expected rate(s) of salary increase		
1% increase	$ 4,437	$ 5,110
1% decrease	($ 3,967)	($ 4,538)

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

	December 31, 2020	December 31, 2019
Expected contributions to the plans for the next year	$ 575	$ 585
Average duration of the defined benefit obligation	8.7 years	9.6 years

19. EQUITY

a. Share capital

Common shares

	December 31, 2020	December 31, 2019
Number of shares authorized (in thousands)	330,000	330,000
Shares authorized	$3,300,000	$3,300,000
Number of shares issued and fully paid (in thousands)	305,000	305,000
Shares issued	$3,050,000	$3,050,000

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares) and donations may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Corporation’s paid-in capital and to once a year).

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees’ compensation and remuneration of directors and supervisors after the amendment, refer to “Employees’ compensation and remuneration of directors and supervisors” in Note 21-g.

The dividends policy of the Company shall be made according to the Company 's current and future plan, considering investment environment, fund requirements, overall competition and taking into account the interests of shareholders. The Group is growth steadily. Consider in future operating expansion plans, dividends are distributed in a coordinated manner with cash dividends and share dividends. The cash dividend is about 50% to 100% and the share dividend is about 50% to 0%. The company may adjust the distribution ratio of cash dividends and share dividends if necessary, which depending on factors such as economic conditions, industrial development and capital needs.

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2019 and 2018 approved in the shareholders' meetings on June 23, 2020 and June 25, 2019, respectively, were as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Legal reserve	$ 47,957	$ 44,808
Cash dividends	$ 305,000	$ 305,000
Cash dividends per share	$ 1.0	$ 1.0

The appropriation of earnings for 2020 had been proposed by the Corporation's board of directors on March 16, 2021. The appropriation and dividends per share were as follows:

	For the year ended December 31, 2020
Legal reserve	$ 55,930
Cash dividends	$ 457,500
Cash dividends per share	$ 1.5

The appropriation of earnings for 2020 are subject to the resolution of the shareholders' meeting to be held on June, 2021.

20. Revenue

	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenue from contracts with customers		
Sale of goods	$ 2,557,779	$ 2,672,584

a.Contracts with Customers

Revenue from sale of goods

Where a product is carried to the customer designated destination, the customer is entitled to set the price and use of such product and is obliged for resale and to bear the risk of obsolescence and outdating of the product. The

Company acknowledges revenue and accounts receivable at that point in time.
At the moment while the material is provided for processing, the control of the ownership of the processed product has not been transferred so the income is not acknowledged when the material is provided.

b. Balance of contracts

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable (Note 10)	$ 37,753	$ 37,034	$ 47,084
Accounts receivable (Note 10)	$ 339,809	$ 353,967	$ 299,900

c. Details of revenue from contracts with customers
Refer to Statement 11 for details of revenue.

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Bank deposit	$ 5,908	$ 6,843

b. Other income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Dividend income	$ 6,985	$ 6,944
Others	23,158	8,009
	$ 30,143	$ 14,953

c. Other gains and losses

	For the year ended December 31, 2020	For the year ended December 31, 2019
(Loss) gain on disposal of property, plant and equipment	$ 1,446	($ 1,095)
Net gain on disposal of right-of-use assets	5	-
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily at FVTPL	15,065	11,156
Net foreign exchange gains (losses)	3,484	1,827
Others	(17)	(10)
	$ 19,983	$ 11,878

d. Finance costs

	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest on lease liabilities	$ 424	$ 496

e. Depreciation and amortization

	For the year ended December 31, 2020	For the year ended December 31, 2019
Depreciation expense by function		
Operating costs	$ 162,493	$ 160,728
Operating expenses	8,192	7,888
	$ 170,685	$ 168,616
Amortization expense by function		
Operating costs	$ 628	$ 741

f. Employee benefits expense

	For the year ended December 31, 2020	For the year ended December 31, 2019
Post-employment benefits		
Defined contribution plans	$ 8,270	$ 8,550
Defined benefit plans (Note 18)	1,202	1,642
	9,472	10,192
Other employee benefits		
Salary expenses	192,763	192,207
Labor and health insurance expenses	20,192	21,141
Other	34,911	33,441
	247,866	246,789
Total	$ 257,338	$ 256,981
An analysis of employee benefits expense by function		
Operating costs	$ 181,349	$ 186,375
Operating expenses	75,989	70,606
	$ 257,338	$ 256,981

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019 which have been approved by the Corporation's board of directors on March 16, 2021 and March 10, 2019, respectively, were as follows:

Percentage

	For the year ended December 31, 2020	For the year ended December 31, 2019
Employees' compensation	2%	2%
Remuneration of directors	2%	2%

Amount

	For the year ended December 31, 2020	For the year ended December 31, 2019

	Cash	Cash
Employees' compensation	$ 14,516	$ 12,402
Remuneration of directors	14,516	12,402

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

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

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

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the year ended December 31, 2020	For the year ended December 31, 2019
Current tax		
In respect of the current year	$ 115,270	$ 86,876
Income tax expense of unappropriated earnings	6,110	2,647
Adjustment for prior periods	(256)	(93)
	121,124	89,430
Deferred tax		
In respect of the current year	13,504	28,207
Income tax expense recognized in profit or loss	$ 134,628	$ 117,637

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

	For the year ended December 31, 2020	For the year ended December 31, 2019
Net income before tax from continuing operations	$ 694,005	$ 594,982
Income tax expense calculated at the statutory rate	$ 138,801	$ 118,996
Nondeductible expenses in determining taxable income	120	56
Tax-exempt income	(10,147)	(3,880)
Additional income tax on unappropriated earnings	6,110	2,647
Unrecognized deductible temporary differences	-	(89)
Adjustments for prior year's tax	(256)	(93)
Income tax expense recognized in profit or loss	$ 134,628	$ 117,637

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

b. Income tax recognized in other comprehensive income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Deferred tax		
In respect of current period		
- Remeasurement of defined benefit plans	$ 21	($ 557)

c. Income tax assets and liabilities

	December 31, 2020	December 31, 2019
Income tax liabilities		
Income tax payable	$ 119,462	$ 40,289

d. Deferred tax assets and liabilities

Movement for deferred tax assets and liabilities is as follow:

For the Year Ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				
Right of use asset	$ 45	($ 45)	$ -	$ -
Financial asset at fair value through comprehensive income	1,200	-	-	1,200
Unrealized gain (loss) on trading with subsidiary	717	(124)	-	593
Defined benefit obligation	15,054	116	21	15,191
Payable for annual leave	1,076	10	-	1,086
Unrealized exchange loss	162	274	-	436
Unrealized inventory write-downs	986	11	-	997
	$ 19,240	$ 242	$ 21	$ 19,503
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gain	$ 303	$ 225	$ -	$ 528
Unappropriated earnings from subsidiary	329,506	13,521	-	343,027
	$329,809	$ 13,746	$ -	$ 343,555

For the Year Ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				
Right of use asset	$ -	$ 45	$ -	$ 45
Financial asset at fair value through comprehensive income	1,200	-	-	1,200
Unrealized gain (loss) on trading with subsidiary	840	(123)	-	717
Defined benefit obligation	19,375	(3,764)	(557)	15,054
Payable for annual leave	1,181	(105)	-	1,076
Unrealized exchange loss	20	142	-	162

Unrealized inventory write-downs	2,409	(1,423)	-	986
	$ 25,025	($ 5,228)	($ 557)	$ 19,240

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	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gain	$ 152	$ 151	$ -	$ 303
Unappropriated earnings from subsidiary	306,678	22,828	-	329,506
	$306,830	$ 22,979	$ -	$ 329,809

e. Income tax assessments

Income tax returns of the Corporation through 2018 have been examined and cleared by the tax authorities.

23. EARNINGS PER SHARE

Net Profit for Current year

	For the year ended December 31, 2020	For the year ended December 31, 2019
Net Profit for Current year	$ 559,377	$ 477,345

Number of Shares (In Thousands)

	For the year ended December 31, 2020	For the year ended December 31, 2019
Weighted average number of ordinary shares used in computation of basic loss per share	305,000	305,000
Dilutive effects		
- employees' compensation or bonus issue to employees	731	588
Weighted average number of ordinary shares used in computation of basic loss per share	305,731	305,588

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

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company's overall strategy remains unchanged since 2012. The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

25. FINANCIAL INSTRUMENTS

a. Fair value information—The relevant financial instruments not measured by fair value.
The Company management believes that the book value of financial assets and financial liabilities that are not measured by fair value is close to the fair value.

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

1) Fair value hierarchy

December 31,2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Beneficiary certification for fund	$1,122,014	$ -	$ -	$1,122,014
Financial assets at fair value through Other comprehensive income				
Equity instruments				
－Shares of publicly quoted entity	$ 214,942	$ -	$ -	$ 214,942

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Beneficiary certification for fund	$ 652,031	$ -	$ -	$ 652,031
Financial assets at fair value through Other comprehensive income				
Equity instruments				
－Shares of publicly quoted entity	$ 158,920	$ -	$ -	$ 158,920

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

c. Categories of financial instruments

	December 31, 2020	December 31, 2019
Financial assets		
FVTPL		
Mandatorily at FVTPL	$ 1,122,014	$ 652,031
Financial assets at amortized cost (1)	1,322,468	1,082,999
Financial assets at fair value through other comprehensive income		
Equity instruments	214,942	158,920
Financial liabilities		
Financial liabilities at amortized cost (2)	251,363	171,538

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investment, note receivables, account receivables and other receivables.
2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowing, note payables, account payables and other payables.

d. Financial risk management objectives and policies

The Company's major financial instruments included equity and debt investments, note receivables, account receivables, other receivables, note payables, account payables and borrowings. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

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

1)Market risk

The Group's operating activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see a) below) and interest rates (see b) below).

a) Foreign currency risk

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 29.

<u>Sensitivity analysis</u>

The Company was mainly exposed to the fluctuation of the U.S. dollar.

The following table details the Company's sensitivity to a 3% increase and decrease in New Taiwan dollars (the functional currency) against USD. The Company's sensitivity to a 3% increase and decrease in NTD (the functional currency) against the relevant foreign currencies represents management’s assessment of the reasonably possible changein foreign exchange rates. The sensitivity analysis is for a 3% change in foreign currency rates and included only outstanding foreign currency denominated monetary items at the end of the reporting period. A positive number below indicates a decrease in pre-tax profit when New Taiwan dollars strengthen by 3% against USD. For a 3% weakening of New Taiwan dollars against USD, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Profit or loss	$ 749	$ 588

b) Interest rate risk

Hedging activities are evaluated regularly to align with interestrate views and defined risk appetite ensuring the most cost-effective hedging strategies are applied.

The carrying amount of the Company's financial assets and financial liabilities with exposure to interestrates at the end of the reporting period were as follows:

	December 31, 2020	December 31, 2019
Fair value interest rate risk		
－Financial assets	$ 595,944	$ 273,737
－Financial liabilities	34,456	41,865
Cash flow interest rate risk		
－Financial assets	314,495	400,479
－Financial liabilities	101,022	38,627

<u>Sensitivity analysis</u>
The sensitivity analysis below was determined based on the Company’s exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the Company’s pre-tax profit for the years ended December 31, 2020 and 2019 would decrease by $1,067 thousand and $1,809 thousand, respectively.

c) Other price risk
The Company was exposed to equity price risk through its investments in listed equity securities and beneficiary certification for fund. The

management of the Company manages risks by holding investment portfolios with different risk levels. The equity price risk of the Company is mainly from the equity instruments issued in Taiwan.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices increase/ decrease 5%, the profit before income tax for the year 2020 and 2019 would have increased/ decrease by $56,101 thousand and $32,602 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. The pre-tax other comprehensive income for the year 2020 and 2019 would have increased/ decrease by $10,747 thousand and $7,946 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

(1)The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

(2) The amount of contingent liabilities due to the financial guarantees provided by the Company.

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

Since the counterparty of circulating capital and derivative financial instruments is the bank with a high credit rating given by the international credit rating agency, there is no significant credit risk.

Ongoing credit evaluation is performed on the financial condition of customers in view of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

Trade receivables consist of a large number of customers, which spread across diverse industries and geographical areas, thus, no other concentration of credit risk was observed.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. The Company had available unutilized short-term bank loan facilities set out in (b) below.

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

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

December 31, 2020

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Non-interest bearing	$ 92,700	$ 80,755	$ 61,819	$ -
Lease liabilities	611	1,221	5,451	28,209
Variable interest rate instrument	49,946	51,076	-	-
Non-derivative financial liabilities	-	227,840	423,755	-
	$ 143,257	$ 360,892	$ 491,025	$ 28,209

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	$ 7,283	$ 24,974	$ 3,235

December 31, 2019

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Non-interest bearing	$ 70,561	$ 70,511	$ 66,069	$ -
Lease liabilities	631	1,262	5,522	34,897
Variable interest rate instrument	25,542	13,085	-	-
Non-derivative	-	246,931	447,700	-

financial liabilities	$ 96,734	$ 331,789	$ 519,291	$ 34,897

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	$ 7,415	$ 25,570	$ 9,327

The amount of floating interest rate instruments for the aforementioned non-derivative financial assets and liabilities would change amidst the difference between the floating interest rate and the interest rate estimated as of the balance sheet date.

b) Financing facilities

	December 31, 2020	December 31, 2019
Unsecured bank facilities:		
－Amount used	$ 257,322	$ 98,322
－Amount unused	1,439,798	1,646,048
	$1,697,120	$1,744,370

26. RELATED-PARTY TRANSACTIONS

Details of transactions between the Company and related parties were disclosed below.

a. Related Party Categories / Names

Related Party	Relationship with the Company
Shanghai United Can Co., Ltd	Subsidiary
Huatong United (Nantong) Plastic Industry Co., Ltd	Subsidiary
GCM PACKAGING (VIETNAM) CO., LTD.	Subsidiary
China Can Printing and Metal MFG. Co., Ltd.	Related party in substance (Note)
HuaDong United Can Co., Ltd	Related party in substance (Note)

Note: It is related party in substance, whose Chairman of the Board is the same as the Company and whose representative is second-degree relative of the Chairman of the Company.

The sales prices and payment terms to related parties were not significantly different from those between the Company and non-related parties.

b. Operating Revenue

Item	Related Party	For the year ended December 31, 2020	For the year ended December 31, 2019
Sales of goods	Subsidiaries		
	Shanghai United Can Co., Ltd	$ 1,720	$ -
	GCM PACKAGING (VIETNAM) CO., LTD.	11,353	5,252
		$ 13,073	$ 5,252
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	$ 210,960	$ 217,002

The price of sales to related parties approximated those for third parties. Collection terms are 60 to 150 days for third parties, T/T 90 days for Shanghai United Can Co., Ltd, T/T 60 days for GCM PACKAGING (VIETNAM) CO., LTD. and 90 days for China Can Printing and Metal MFG. Co., Ltd.

c. Trading transactions

Item	Related Party	For the year ended December 31, 2020	For the year ended December 31, 2019
Purchase of goods	Subsidiaries		
	Shanghai United Can Co., Ltd	$ 15,123	$ 5,390
	Huatong United (Nantong) Plastic Industry Co., Ltd	2,723	3,049
		$ 17,846	$ 8,439
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	$ 1,628	$ 4,856

The price of purchase to related parties approximated those for third parties.

d. Receivables from related parties

Item	Related Party	December 31, 2020	December 31, 2019
Accounts receivable	Subsidiaries		
	GCM PACKAGING (VIETNAM) CO., LTD.	$ 2,107	$ 2,382
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	$ 36,000	$ 41,682

Collection terms are 60 to 150 days for third parties, T/T 60 days for GCM PACKAGING (VIETNAM) CO., LTD. and 90 days for China Can Printing and Metal MFG. Co., Ltd.

The outstanding account receivables from related parties are unsecured. The Company didn't recognize bad debt expenses for the account receivables from related parties in 2020 and 2019.

e. Payables from related parties

Item	Related Party	December 31, 2020	December 31, 2019
Accounts payable	Subsidiaries		
	Shanghai United Can Co., Ltd	$ 4,781	$ 1,485
	GCM PACKAGING (VIETNAM) CO., LTD.	837	-
	Huatong United (Nantong) Plastic Industry Co., Ltd	446	-
		$ 6,064	$ 1,485
	Related parties in substance		
	China Can Printing and Metal MFG. Co., Ltd.	$ 577	$ 2,864

The payment term of purchase to related parties approximated those for third parties.

The outstanding payables to related parties are unsecured.

f. Purchase on property, plant and equipment

Related Party	December 31, 2020	December 31, 2019
Related parties in substance		
HuaDong United Can Co.,Ltd	$ -	$ 203

g. Lease agreement

Item	Related Party	December 31, 2020	December 31, 2019
Lease Liabilitiy	Related party in substance		
	China Can Printing and Metal MFG. Co., Ltd.	$ 30,483	$ 35,830

Related Party	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest expense		
Related party in substance		
China Can Printing and Metal MFG. Co., Ltd.	$ 367	$ 426

The Company leased an office building in Taishan District, New Taipei City, from China Can Printing and Metal MFG. Co., Ltd. with an area of approximately 1735.545 square meters. The lease term will end on June 30, 2022. The monthly rent will be $476 thousand, and the rent will be prepaid for 3 months at the beginning of every quarter. The rent in the lease contract was negotiated with the reference on market price, and pay according to the agreed method in the lease contract.

h. Endorsements/guarantees provided

Related Party	December 31, 2020	December 31, 2019
Subsidiaries	$ 651,595	$ 694,631
	USD 17,500	USD 17,490
	CNY 35,000	CNY 35,000

Refer to Table1 for informations of endorsements/guarantees provided.

i. Other transactions with related parties

Related Party	For the year ended December 31, 2020	For the year ended December 31, 2019	Nature
Subsidiaries			
GCM PACKAGING (VIETNAM) CO., LTD.	$ 10,719	$ 13,784	Processing expense
Related parties in substance			
China Can Printing and Metal MFG. Co., Ltd.	$ 493	$ 46	Processing expense and other expenses

j. Compensation of key management personnel

	For the year ended December 31, 2020	For the year ended December 31, 2019
Short-term benefits	$ 29,968	$ 27,639
Post-employment benefits	513	415
	$ 30,481	$ 28,054

The remuneration of directors and key executives was determined by the remuneration committee basedon the performance of individuals and market trends.

27. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2020	December 31, 2019
Aaaets pledged（Financial assets at amortized cost）	$ 73,379	$ 88,486

28. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

1)Significant commitment

a. Unused letters of credit for purchases of raw materials and machinery and equipment amounted as follow:

	December 31, 2020	December 31, 2019
USD	$ 2,806	$ 878
NTD	69,374	28,217

b. Commitments with equipment suppliers are as follow:

	December 31, 2020	December 31, 2019
Unpaid amount		
－USD	$ 92	$ 55
－NTD	2,862	2,721
－GBP	5	5

2)Significant contingent liabilities: None.

29. OTHER ITEMS

Starting from January, 2020, as a result of the spread of the coronavirus pandemic (COVID-19), a good number governments of various countries the world over have successively implemented various epidemic prevention controls. Meanwhile, where the Company's product sales market is primarily in Taiwan where the domestic pandemic slowed down and the government significantly loosened control, resulting in no major impact on the combined parent company's production and sales. Where the impact of the pandemic is still ambiguous. Nevertheless, the Company would continuously pay high attention to the development of the pandemic and take relevant response measures to alleviate the impact on the Company's business operations.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying value
Assets in foreign currencies			
Monetary items			
USD	$ 4,427	28.48（USD：NTD）	$ 126,077
Non - monetary items			
USD	30	28.48（USD：NTD）	846
Liabilities in foreign currencies			
Monetary items			
USD	3,550	28.48（USD：NTD）	101,110

December 31, 2019

	Foreign Currencies	Exchange Rate	Carrying value
Assets in foreign currencies			
Monetary items			
USD	$ 1,861	29.98（USD：NTD）	$ 55,785
Non - monetary items			
USD	55	29.98（USD：NTD）	1,662

Liabilities in foreign currencies			
Monetary items			
USD	2,514	29.98（USD：NTD）	75,389

The following information was aggregated by the functional currencies of the group entities, and theexchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31, 2020		For the Year Ended December 31, 2019	
Functional currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)- NTD	Exchange Rate	Net Foreign Exchange Gain (Loss)- NTD
NTD	1（NTD：NTD）	$ 3,484	1（NTD：NTD）	$ 1,827

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:
   1) Financing provided to others. (None)
   2) Endorsements/guarantees provided. (Table 1)
   3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities. (Table 2)
   4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital. (Table 3)
   5) Acquisition of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital. (None)

   6) Disposal of individual real estate at prices of at least NT $300 million or 20% of the paid-in capital. (None)
   7) Total purchases from or sales to related parties amounting to at least NT $100 million or 20% of the paid-in capital. (Table 4)
   8) Receivables from related parties amounting to at least NT $100 million or 20% of the paid-in capital. (None)
   9) Trading in derivative instruments. (None)

b. Information on investees. (Table 5)

c. Information on investments in mainland China

   1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

   2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on thefinancial position, such as the rendering or receiving of services.

d. Information on investors: Investors’ name, holding shares and percentage for shareholding over 5%. (Table 7)

GREAT CHINA METAL IND. CO., LTD.
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 2

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

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Notes 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note4)	Note
		Name	Relationship (Note 2)											
0	Great China Metal Ind. Co., Ltd	Huatong United (Nantong) Plastic Industry Co., Ltd	2	$ 3,635,604	$ 92,715 (USD 3,000)	$ 85,440 (USD 3,000)	$ -	$ -	1.18%	$ 7,271,208	Y	N	Y	—
0	Great China Metal Ind. Co., Ltd	Shanghai United Can Co., Ltd	2	3,635,604	289,981 (USD 9,490)	128,160 (USD 4,500)	40,000 (CNY 9,139)	-	1.76%	7,271,208	Y	N	Y	—
0	Great China Metal Ind. Co., Ltd	Jinan United Can Co., Ltd	2	3,635,604 (1)	453,955 (USD 10,000) (CNY 35,000)	437,995 (USD 10,000) (CNY 35,000)	81,179 (CNY 18,547)	-	6.02%	7,271,208 (2)	Y	N	Y	—

Note 1: The parent company and its subsidiaries are coded as follows:

a. The parent company is coded “0”.

b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Relationship between endorser/guarantor and endorsee/guarantee are as follows:

(1) Business relationship.

(2) A subsidiary in which the Company holds directly and indirectly over 50% of an equity interest.

(3) An investee in which the Company and its subsidiaries hold directly and indirectly over 50% of an equity interest.

(4) Among the companies where the Company holds voting shares more than 90% either directly or indirectly.

(5) A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Those companies that are endorsed and guaranteed by all capital shareholders pursuant to their shareholding ratio under a joint investment relationship.

(7) The inter-industry companies that are engaged in the joint guarantee of the performance guarantee of the pre-construction house sales contract in accordance with the Consumer Protection Act.

Note 3: 1) The endorsement/guarantee limit for each entity is 7,271,208(Net value)×50%＝3,635,604.

2) The endorsement/guarantee limit for the total endorsement/guarantee limit is 7,271,208(Net value)×100%＝7,271,208.

Note 4: Those belong to an exchange-listed and/or over-the-counter listed parent company that endorses its subsidiary company and those where a subsidiary company renders guarantee toward its exchange-listed and/or over-the-counter listed parent company. In case of endorsement/guarantee toward Mainland China area, please fill in Y otherwise please fill in N.

GREAT CHINA METAL IND. CO., LTD.
MARKETABLE SECURITIES HELD
As of DECEMBER 31, 2020

Table 2

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	DECEMBER 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Great China Metal Ind. Co., Ltd	Ordinary shares							
	ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	47	$ 3,853	-	$ 3,853	
	Taiwan Semiconductor Manufacturing Company Limited	None	Financial assets at fair value through other comprehensive income – current	288	152,574	-	152,574	
	Sino Tactful Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	-	2	-	2	
	Xac Automation Corp.	None	Financial assets at fair value through other comprehensive income – current	-	10	-	10	
	Cathay Financial Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	477	20,150	-	20,150	
	Mega Financial Holding Company Limited	None	Financial assets at fair value through other comprehensive income – current	1,287	38,353	-	38,353	
					$ 214,942		$ 214,942	
	Fund							
	Fubon No.1 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	1,500	$ 27,555	-	$ 27,555	
	Cathay No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	600	11,226	-	11,226	
	Fubon No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	2,000	34,220	-	34,220	
	Cathay No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	370	7,363	-	7,363	
	Franklin Templeton Sinoam Money Market Fund	None	Financial assets at fair value through profit or loss - current	34,637	361,209	-	361,209	
	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,114	78,926	-	78,926	
	Shanghai Growth Fund	None	Financial assets at fair value through profit or loss - current	99	846	-	846	
	Capital Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,723	$ 28,019	-	$ 28,019	
	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	20,906	312,541	-	312,541	
	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	12,873	175,656	-	175,656	
	Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,293	84,453	-	84,453	
					$1,122,014		$1,122,014	

GREAT CHINA METAL IND. CO., LTD.
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 3

(In Thousands of New Taiwan Dollars and Chinese Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares (Thousands)	Amount (Note)	Number of Shares (Thousands)	Amount (Note)	Number of Shares (Thousands)	Amount	Carrying Amount (Note)	Gain (Loss) on Disposal	Number of Shares (Thousands)	Amount (Note)
	Fund													
Great China Metal Ind. Co., Ltd	Taishin 1699 Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	7,045	$ 95,700	57,533	$ 783,959	51,705	$ 704,558	$ 704,010	$ 548	12,873	$175,649
Great China Metal Ind. Co., Ltd	FSITC Taiwan Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	6,213	95,445	53,055	817,239	54,154	834,439	833,758	681	5,114	78,926
Great China Metal Ind. Co., Ltd	Franklin Templeton Sinoam Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	14,904	154,680	124,381	1,295,276	104,648	1,089,900	1,088,759	1,141	34,637	361,197
Great China Metal Ind. Co., Ltd	Jih Sun Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	6,415	95,431	72,662	1,084,196	58,171	868,196	867,219	977	20,906	312,408
Great China Metal Ind. Co., Ltd	Prudential Financial Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	6,517	103,491	28,833	459,195	30,057	478,695	478,234	461	5,293	84,452

Note: Initial cost.

GREAT CHINA METAL IND. CO., LTD.
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 4

(In Thousands of New Taiwan Dollars)

Buyer/ Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Great China Metal Ind. Co., Ltd	China Can Printing and Metal MFG. Co., Ltd.	Related parties in substance	Sale	$ 210,960	8%	90days	No significant difference	No significant difference	$ 36,000	11%	

GREAT CHINA METAL IND. CO., LTD.
INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 5

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Shares	%	Carrying Amount			
Great China Metal Ind. Co., Ltd	HAI HWA INVESTMENT CO., LTD.	Bermuda	Makes investments	$ 1,047,893	$ 1,047,893	-	100%	$ 3,590,247	$ 93,783	$ 93,783	Subsidiarie
Great China Metal Ind. Co., Ltd	GCM HOLDING CO., LTD.	Samoa	Makes investments	229,247	229,247	-	100%	335,058	(5,260)	(5,260)	Subsidiarie
GCM HOLDING CO., LTD.	GCM PACKAGING (VIETNAM) CO., LTD.	Vietnam	Aluminum pop can lid	229,245	229,245	-	100%	240,654	(1,142)	N/A	Sub-subsidiary

Note: Information on investees in mainland China, refer to Table 6.

GREAT CHINA METAL IND. CO., LTD.
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 6 (In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of Decembet 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outward	Inward						
Shanghai United Can Co., Ltd	manufacture and sale 2-piece aluminum can and easy open end	Registered and contributed capital USD 49.2 million (Including capital increasing by earnings USD 27.05 million and capital increasing by cash from HAI HWA INVESTMENT CO., LTD. USD 2.15 million).	(2)	$ 522,642	$ -	$ -	$ 522,642	($ 48,531)	100%	($ 48,531) (2)B	$1,484,514	$ -
Huatong United (Nantong) Plastic Industry Co., Ltd	Manufacture and sale LLDPE film	Registered and contributed capital USD 9.45 million (Including capital increasing by earnings USD 2.45 million).	(2)	187,479	-	-	187,479	42,995	100%	42,995 (2)B	831,226	-
Chongqing United Can Co., Ltd	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 107,568 thousands.	(3)A.	-	-	-	-	53,962	100%	53,962 (2)B	590,260	-
Jinan United Can Co., Ltd	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 157,052 thousands.	(3)B.	317,000	-	-	317,000	48,080	100%	48,080 (2)B	702,638	-
Sunshui Changlee United Container Co Ltd	Manufacture and sale LLDPE film	Registered and contributed capital USD 6 million.	(3)C.	-	-	-	-	(9,080)	30%	(2,724) (2)B	125,153	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2019	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 1,027,121	USD 74,190 thousands	$ 4,537,939 (Note 3)

Note 1: The investment methods are as follow:
(1)Direct investment in mainland China through the parent company.
(2)Invest in Mainland China through a third-region company (HAI HWA INVESTMENT CO.,LTD.).
(3)Other：
A. Invested by Shanghai United Can Co., Ltd and HAI HWA INVESTMENT CO., LTD.
B. Invested by HAI HWA INVESTMENT CO., LTD., Shanghai United Can Co., Ltd and Huatong United (Nantong) Plastic Industry Co., Ltd.
C. Invested by Huatong United (Nantong) Plastic Industry Co., Ltd

Note 2: Investment Gain (Loss)
(1)If it is under preparation and there is no investment gain or loss, it should be indicated.
(2)The recognition basis of investment gains or losses are as follow:
A. Financial statements were audited and certificated by International accounting firm which has a cooperative relationship with accounting firm in Taiwan.
B. Financial statements were audited and certificated by certified public accountant engaged by parent company in Taiwan.
C.Others.

Note 3: Consolidate net value of equity×60%＝7,563,232×60%＝4,537,939。

GREAT CHINA METAL IND. CO., LTD.
INFORMATION ON INVESTOR
AS OF DECEMBER 31, 2020

Table 7

Investor	Shares	
	Shares held	%
Glory Task Enterprise Co., Ltd.	22,059,503	7.23%
Jianda Investment Co., Ltd.	20,764,950	6.81%
Corning Investment Co., Ltd.	19,551,088	6.41%
Yuanta Investment Co., Ltd.	15,975,476	5.24%

Note 1: The key shareholder information covered within this table is based on the last business day at the end of each quarter and the total number of common shares and preferred shares held by such shareholders of the Company that have been completed the centralized securities depository company for the Company's disembodied (book entry) delivery (including treasury stocks) , as the data with total common shares and preferred shares up to 5%.The share capital recorded in the Company's standalone financial statement might possibly differ from the actual number of shares delivered without physical registration because of different calculation bases.

Note 2: Among the aforementioned information, where a shareholder delivers his or her shares into the trust, it would be disclosed in the individual account of the trustor in the trust account opened by the trustee. In case of a shareholder's declaration of insider's shareholdings in accordance with the Securities and Exchange Act, the shareholdings would include his or her own shareholdings plus the shares delivered to the trust and the right to use the trust property and the like. For more details regarding the information of insider’s shareholdings, please refer to the Market Observation Post System (MOPS).

GREAT CHINA METAL IND. CO., LTD.
THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2020

Statement 1 (In Thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand and petty cash		$ 211
Bank deposits		
Demand deposits		64,298
Foreign currency deposits	Including USD259 thousands (USD1=NTD28.48)	7,282
Checking deposits		32,633
Certificate deposit		44,983
Bonds denominated in foreign currencies	Including USD1,220 thousands (USD1=NTD28.48)	34,282
		183,478
		$183,689

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
DECEMBER 31, 2020

Statement 2

(In Thousands of New Taiwan Dollars)

Item	Number of Shares (In Thousands)	Carrying Amount	Initial Cost	Fair Value In Dollars / Per Share	Fair Value Total Amount	Changes in Fair Value Attributable to Credit Rrisk Changes
Fund						
Fubon No.1 Real Estate Investment Trust	1,500		$ 15,000	18.37	$ 27,555	$ -
Cathay No.2 Real Estate Investment Trust	600		6,000	18.71	11,226	-
Fubon No.2 Real Estate Investment Trust	2,000		20,080	17.11	34,220	-
Cathay No.2 Real Estate Investment Trust	370		3,700	19.90	7,363	-
Capital Money Market Fund	1,723		28,018	16.27	28,019	-
Franklin Templeton Sinoam Money Market Fund	34,637		361,197	10.43	361,209	-
FSITC Taiwan Money Market Fund	5,114		78,926	15.43	78,926	-
Taishin 1699 Money Market Fund	12,873		175,649	13.65	175,656	-
Jih Sun Money Market Fund	20,906		312,408	14.95	312,541	-
Prudential Financial Money Market Fund	5,293		84,452	15.95	84,453	-
Shanghai Growth Fund	99		10,941	8.54	846	-
			$1,096,371		$1,122,014	$ -

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – CURRENT
DECEMBER 31, 2020

Statement 3

(In Thousands of New Taiwan Dollars)

Item	Number of Shares （In Thousands）	Carrying Amount	Initial Cost	Accumulated Impairment	Fair Value	
					In Dollars / Per Share	Total Amount
Ordinary shares						
Taiwan Semiconductor Manufacturing Company Limited	288	10	$ 18,713	$ -	530.00	$ 152,574
ASE Technology Holding Co., Ltd.	47	10	795	-	81.30	3,853
Sino Tactful Co., Ltd.	-	10	2	-	15.10	2
Xac Automation Corp.	-	10	16	-	27.00	10
Cathay Financial Holding Co., Ltd.	477	10	24,038	-	42.25	20,150
Mega Financial Holding Company Limited	1,287	10	20,366	-	29.80	38,353
			$ 64,930	$ -		$ 214,942

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF NOTES RECEIVABLE FROM THIRD PARTIES
DECEMBER 31, 2020

Statement 4 (In Thousands of New Taiwan Dollars)

Client Name	Amount
TA MAW FOODS CORPORATION	$ 11,363
Long Chuan Zuan co., ltd.	4,744
CHING CHUEN CHYUAN FOOD COMPANY LIMITED	4,565
MING SHIN CAN WORK FACTORY CO., LTD.	3,436
GUANG HWA INDUSTRY CO., LTD.	3,343
LONG WELL CANNING CO., LTD.	3,243
COSMOS-SHOWA PRODUCTS CO., LTD.	2,845
Others (Individual client does not exceed 5% of the account balance)	4,214
	$ 37,753

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE FROM THIRD PARTIES
DECEMBER 31, 2020

Statement 5 (In Thousands of New Taiwan Dollars)

Client Name	Amount
TAIWAN TOBACCO & LIQUOR CORPORATION	$ 58,885
VITALON FOODS CO., LTD.	35,272
PT.Kino Indonesia Tbk.	32,877
GALLO FAMILY VINEYARDS	30,695
SWIRE COCA-COLA BEVERAGES LTD., TAIWAN BRANCH (B.V.I.)	30,026
HEY-SONG CORPORATION	28,105
Others (Individual client does not exceed 5% of the account balance)	86,047
	301,907
Less: Allowance for doubtful accounts	(205)
	$301,702

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2020

Statement 6 (In Thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net Realizable Value
Finished goods	$ 285,975	$ 388,539
Work-in-progress	63,444	95,068
Raw materials	218,057	223,398
Leftover bits and pieces	28,322	35,056
Materials for subcontractor	15,867	21,312
Others	1,707	1,707
	$ 613,372	$ 765,080

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2020

Statement 7

(In Thousands of New Taiwan Dollars)

Investees	Balance, January 1, 2020		Additions (Decrease) in Investment		Gain (Loss) on Investment	Balance, December 31, 2020			Market Value or Net Assets Value	Collateral or Pledge
	Share (In Thousands)	Amount	Share (In Thousands)	Amount		Share (In Thousands)	Ownership Interest (%)	Amount		
HAI HWA INVESTMENT CO.,LTD. (Note1)	-	$3,434,616	-	$ 61,848	$ 93,783	-	-	$3,590,247	$3,590,247	None
GCM HOLDING CO., LTD. (Note2)	-	373,815	-	(33,497)	(5,260)	-	-	335,058	335,058	None
		$3,808,431		$ 28,351	$ 88,523			$3,925,305	$3,925,305	

Note1: The addition amount includes cumulative translation differences.
Note2: The decreased amount includes cumulative translation differences (13,199) thousands, unrealized gain on transactions with subsidiaries 618 thousands and repatriation of earnings from subsidiaries (20,916) thousand.

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
DECEMBER 31, 2020

Statement 8

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

	Buildings	Transportation Equipment	Total
Cost			
January 1, 2020	$ 44,012	$ 5,163	$ 49,175
Additions	-	490	490
Disposals	-	(1,878)	(1,878)
December 31, 2020	$ 44,012	$ 3,775	$ 47,787
Accumulated depreciation			
January 1, 2020	$ 5,845	$ 1,689	$ 7,534
Additions	5,843	1,636	7,479
Disposals	-	(1,314)	(1,314)
December 31, 2020	$ 11,688	$ 2,011	$ 13,699
December 31, 2020, net	$ 32,324	$ 1,764	$ 34,088

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF ACCOUNTS PAYABLE TO THIRD PARTIES
DECEMBER 31, 2020

Statement 9 (In Thousands of New Taiwan Dollars)

Client Name	Amount
C.S. ALUMINIUM CORPORATION	$ 67,575
AKZO NOBEL PAINTS TAIWAN LIMITED	9,188
STOLLE MACHINERY (SHANGHAI) CO., LTD	7,010
CHA CHANG CHEMICAL CO., LTD.	6,939
Others (Individual supplier does not exceed 5% of the account balance)	21,477
	$112,189

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2020

Statement 10 (In Thousands of New Taiwan Dollars)

	Lease period(Month)	Discount Rate	Ending Balance
Buildings	90~96	1.1%	$ 32,677
Transportation Equipment	32~43	1.1%	1,779
			$ 34,456

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2020

Statement 11

(In Thousands of New Taiwan Dollars)

Item	Quantity	Amount
Aluminum Can	629,884	$ 1,407,501
Lid (Bottom) of Aluminum Can	831,787	761,214
3-Piece Metal Can	74,734	174,772
Others	-	214,292
		$ 2,557,779

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2020

Statement 12 (In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials, beginning of year	$ 352,157
Additions: Raw material purchased	1,099,001
Others	4,945
Deductions: Others	(6,695)
Raw materials, end of year	(218,057)
Raw materials used (1)	1,231,351
Direct labor (2)	65,511
Manufacturing expense (3)	442,011
Manufacturing cost (1)+(2)+(3)	1,738,873
Additions: Work in progress, beginning of year	73,962
Others	40,516
Deductions: Others	(169,525)
Work in progress, end of year	(63,444)
Cost of finished goods	1,620,382
Additions: Finished goods, beginning of year	325,939
Others	29,582
Deductions: Others	(1,426)
Finished goods, end of year	(285,975)
Cost of goods sold	1,688,502
Additions: Raw materials sold and cost of work in progress	109,109
Cost of leftover bits sold	73,351
Cost of merchandise sold	4,128
Scrapped losses on inventory	1,081
Deductions: Tax refund	(15,124)
Operating cost	$ 1,861,047

GREAT CHINA METAL IND. CO., LTD.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

Statement 13 (In Thousands of New Taiwan Dollars)

Item	Selling And Marketing Expenses	General And Administrative Expenses	Total
Freight	$ 45,613	$ 2	$ 45,615
Payroll and related expense	9,460	55,857	65,317
Others (Individual expense does not exceed 5% of the account balance)	9,216	26,712	35,928
	$ 64,289	$ 82,571	$146,860

GREAT CHINA METAL IND. CO., LTD.

STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION BY FUNCTION

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

Statement 14

(In Thousands of New Taiwan Dollars)

	For the year ended December 31, 2020			For the year ended December 31, 2019		
Nature	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Salary and bonus	$ 142,337	$ 50,426	$ 192,763	$ 145,886	$ 46,321	$ 192,207
Labor and health insurance	15,702	4,490	20,192	16,526	4,615	21,141
Pension	7,165	2,307	9,472	7,712	2,480	10,192
Director's remuneration	-	14,891	14,891	-	12,762	12,762
Other employee benefits	16,145	3,875	20,020	16,251	4,428	20,679
Total employee benefit	$ 181,349	$ 75,989	$ 257,338	$ 186,375	$ 70,606	$ 256,981

Note 1: The average number of employees of the Company were 350 and 371, respectively, both of which include 4 and 5 board of directors, not serving concurrently as employees, , respectively, for the years ended 2020 and 2019. There is no difference on the basis of calculation.

Note 2:

1) The average employee benefit expenses were $701 thousand for the years ended December 31, 2020 ("Current year employee benefit expenses - remuneration of directors"/"Current year average number of employees - board of directors without holding employment positions").
The average employee benefit expenses were $667 thousand for the years ended December 31, 2019 ("Prior year employee benefit expenses - remuneration of directors"/"Prior year average number of employees - board of directors without holding employment positions").

2) The average salaries and bonuses were $557 thousand for the years ended December 31, 2020 (Current year salary and bonus/"Current year average number of employees - board of directors without holding employment positions").
The average salaries and bonuses were $525 thousand for the years ended December 31, 2019 (Prior year salary and bonus/"Prior year average number of employees - board of directors without holding employment positions").

3) The average change in salaries and bonuses was 6.1% ("Average salary and bonus for the year ended 2020 - average salary and bonus for the year ended 2019"/average salary and bonus for the year ended 2019).

Note 3: The Company aqdopts the audit committee to replace the supervisor system.

Note 4: Compensation of managers and employees, and remuneration of directors are as follow:

1) Directors: The Company use "Directors' Remuneration Payment Method" and "Directors' Remuneration Distribution Method" as the basis to formulate the remuneration procedures for director. The Company provides reasonable remuneration to directors by considering the company's overall operating

performance, future operating risks and the contribution to the company's operations.

2) Managers: The Company gives managers a reasonable compensation, which is reviewed by the compensation committee and approved by the board of directors, according to salary survey results of the metal industry, salary level of the peers, measures of the Company's business strategy and profitability, managers' performance and contribution, and other factors.

3) Employees: The Company sets the salary payment standard, which refers to the salary market, the company's operating conditions and the organizational structure. The salary will also be adjusted with reference to individual performance, market salary dynamics, overall economic and industrial changes.

The Company regularly evaluates the performance of directors and managers, and sets the content and amount of their individual remuneration and compensation; conducts employee performance appraisals every year for their promotion, transfer, salary adjustment and bonus payment. The Company has set up a compensation committee on December 27, 2011 to review policies, systems, standards and structure of the Company's compensation.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2020 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,
GREAT CHINA METAL IND. CO., LTD.
By:

Chiang, Ching-Yee
Chairman
March 16, 2021

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Great China Metal Ind. Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Great China Metal Ind. Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section below), 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 consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing of Financial Statements and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matters identified in the Group' s consolidated financial statements for the year ended December 31, 2020 are stated as follows：

Revenue recognition

Refer to Note 21 to the financial statements.

Printing and painting of various metals, manufacturing and trading of metal containers and plastic products, are major business of Great China Metal Ind. Co., Ltd. and its subsidiaries.

The large transaction volume of sales revenue from major products and multiple operating locations significantly affects the Group's overall revenue and profit. Revenue recognition is identified as a key audit matter since there are significant risks in the occurrence of revenue.

The key audit procedures that we performed in respect of revenue recognition included the following:

1. We understood and tested the design and operating effectiveness of the key controls over revenue recognition.
2. Select samples to perform test of details. Check the transaction documents, including sales orders, shipping documents, export documents and collection documents, etc. Confirm the Group recognize revenue as the performance obligations are satisfied.

Other Matter

We have also audited the parent company only financial statements of Great China Metal Ind. Co., Ltd. as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified report with other matter paragraph.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chang, Ching-Fu and Zheng, Cin-Zong.

Deloitte & Touche Taipei, Taiwan Republic of China
March 16, 2021

Notice to Readers

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

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

GREAT CHINA METAL IND. CO., LTD
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 497,705	5	$ 751,462	8
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	2,052,585	20	875,977	9
1120	Financial assets at fair value through other comprehensive income – current (Notes 4 and 8)	214,942	2	158,920	2
1136	Financial assets at amortized cost - current (Notes 4, 9 and 28)	1,438,656	14	1,188,346	12
1150	Notes receivable, net (Note 4 and 10)	105,261	1	103,942	1
1170	Accounts receivable, net (Note 4, 10, and 27)	1,171,738	12	1,307,760	13
1200	Other receivables	31,704	-	32,386	-
130X	Inventories (Notes 4, and 11)	1,595,411	16	1,772,208	18
1429	Prepayments (Notes 15)	129,772	1	147,227	2
1470	Other current assets	81	-	497	-
11XX	Total current assets	7,237,855	71	6,338,725	65
	NON-CURRENT ASSETS				
1600	Property, plant and equipment (Notes 4, 13, 28 and 29)	2,724,570	27	3,157,907	32
1755	Right-of-use assets (Note 4 and 14)	218,668	2	229,261	3
1780	Intangible assets (Note 4)	19,373	-	20,812	-
1840	Deferred tax assets (Notes 4 and 23)	19,503	-	19,240	-
1915	Prepayments for equipment	25,209	-	878	-
1920	Refundable deposits	951	-	916	-
15XX	Total non-current assets	3,008,274	29	3,429,014	35
1XXX	TOTAL ASSETS	$10,246,129	100	$9,767,739	100
Code	**Liabilities**				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 16)	$ 101,022	1	$ 38,627	-
2130	Contract liability-current (Note 21)	153,601	1	145,802	2
2150	Notes payable (Note 17)	995,443	10	1,053,010	11
2170	Accounts payable (Note 17 and 27)	508,875	5	510,204	5
2200	Other payables (Note 18)	305,768	3	288,048	3
2230	Current tax liabilities (Notes 4 and 23)	124,537	1	45,027	-
2280	Lease liabilities - current (Notes 4 and 14)	6,985	-	7,646	-
2300	Other current liabilities	9,952	-	4,569	-
21XX	Total current liabilities	2,206,183	21	2,092,933	21
	NON-CURRENT LIABILITIES				
2570	Deferred tax liabilities (Notes 4 and 23)	343,555	4	329,809	4
2580	Lease liabilities - non-current (Notes 4 and 14)	27,471	-	34,219	-
2630	Deferred revenue - non-current (Notes 4)	29,166	-	29,326	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 19)	75,958	1	75,275	1
2645	Guarantee deposits	564	-	89	-
25XX	Total non-current liabilities	476,714	5	468,718	5
2XXX	Total liabilities	2,682,897	26	2,561,651	26
	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT				
	Share capital				
3110	Ordinary shares	3,050,000	30	3,050,000	31
	Capital surplus				
3210	Capital surplus - additional paid-in capital	11,523	-	11,523	-
3220	Capital surplus - treasury stock transactions	12,908	-	12,908	1
3200	Total capital surplus	24,431	-	24,431	1
	Retained earnings				
3310	Legal reserve	1,753,575	17	1,705,618	17
3350	Unappropriated earnings	2,231,361	22	2,025,021	21
3300	Total retained earnings	3,984,936	39	3,730,639	38
	Other equity				
3410	Exchange differences on translating the financial statements of foreign operations	61,782	1	13,133	-
3420	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	150,059	1	94,037	1
3400	Total other equity	211,841	2	107,170	1
36XX	NON-CONTROLLING INTERESTS	292,024	3	293,848	3
3XXX	Total equity (Notes 4 and 20)	7,563,232	74	7,206,088	74
	TOTAL LIABILITIES AND EQUITY	$10,246,129	100	$9,767,739	100

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 16, 2021)

Chairman : Chiang, Ching-Yee President : Chiang, Cheng-Shing Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		For the Year Ended December 31, 2020 Amount	%	For the Year Ended December 31, 2019 Amount	%
	OPERATING REVENUE				
4100	Sales (Notes 4, 21 and 27)	$7,257,633	100	$8,060,828	100
	OPERATING COST				
5110	Cost of goods sold (Notes 11, 13, 22 and 27)	(6,141,811)	(84)	(6,981,190)	(87)
5950	GROSS PROFIT	1,115,822	16	1,079,638	13
	OPERATING EXPENSES (Notes 22 and 27)				
6100	Selling and marketing expenses	(300,171)	(4)	(338,124)	(4)
6200	General and administrative expenses	(186,246)	(3)	(190,049)	(2)
6450	Expected credit losses（gains）	1,306	-	(363)	-
6000	Total operating expenses	(485,111)	(7)	(528,536)	(6)
6900	PROFIT FROM OPERATIONS	630,711	9	551,102	7
	NON-OPERATING INCOME AND EXPENSES (Notes 22)				
7100	Interest revenue	23,259	-	26,635	-
7190	Other revenue	61,422	1	38,648	1
7020	Other gains and losses	8,506	-	(5,015)	-
7050	Finance costs	(711)	-	(3,442)	-
7000	Total non-operating income and expenses	92,476	1	56,826	1
7900	PROFIT BEFORE INCOME TAX	723,187	10	607,928	8
7950	INCOME TAX EXPENSE (Notes 4 and 23)	(170,165)	(2)	(142,247)	(2)
8200	NET PROFIT FOR THE YEAR	553,022	8	465,681	6
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	(101)	-	2,785	-
8316	Unrealized (gain) loss on investments in equity instruments at fair value through other comprehensive income	56,022	1	35,607	-
8349	Income tax expense relating to items that will not be reclassified subsequently to profit or loss	21	-	(557)	-
		55,942	1	37,835	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	53,180	-	(144,521)	(2)
		53,180	-	(144,521)	(2)
8300	Other comprehensive loss for the year, net of income tax	109,122	1	(106,686)	(2)
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 662,144	9	$ 358,995	4
	NET INCOME ATTRIBUTABLE TO:				
8610	Owners of the Corporation	$ 559,377	8	$ 477,345	6
8620	Non-controlling interests	(6,355)	-	(11,664)	-
8600		$ 553,022	8	$ 465,681	6
	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
8710	Owners of the Corporation	$ 663,968	9	$ 381,505	5
8720	Non-controlling interests	(1,824)	-	(22,510)	(1)
8700		$ 662,144	9	$ 358,995	4
	EARNINGS PER SHARE (Note 24)				
	Form continuing operation				
9710	Basic	$ 1.83		$ 1.57	
9810	Diluted	$ 1.83		$ 1.56	

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 16, 2021)

Chairman : Chiang, Ching-Yee　　President : Chiang, Cheng-Shing　　Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

			Capital surplus		Retained earnings		Other equity			
Code		**Share capital**	**Additional paid-in capital**	**Ttreasury stock transactions**	**Legal reserve**	**Unappropriated earnings**	**Exchange differences on translating the financial statements of foreign operations**	**Unrealized gain (loss) on financial assets at fair value through other comprehensive income**	**Non-controlling interests**	**Total equity**
A1	BALANCE AT JANUARY 1, 2019	$ 3,050,000	$ 11,523	$ 12,908	$ 1,660,810	$ 1,895,256	$ 146,808	$ 58,430	$ 316,358	$ 7,152,093
	Appropriation of 2018 earnings (Note 20)									
B1	Legal reserve	-	-	-	44,808	(44,808)	-	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(305,000)	-	-	-	(305,000)
D1	Net profit for the year ended December 31, 2019	-	-	-	-	477,345	-	-	(11,664)	465,681
D3	Other comprehensive loss for the year ended December 31, 2019, net of income tax	-	-	-	-	2,228	(133,675)	35,607	(10,846)	(106,686)
D5	Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	479,573	(133,675)	35,607	(22,510)	358,995
Z1	BALANCE AT DECEMBER 31, 2019	3,050,000	11,523	12,908	1,705,618	2,025,021	13,133	94,037	293,848	7,206,088
	Appropriation of 2019 earnings (Note 20)									
B1	Legal reserve	-	-	-	47,957	(47,957)	-	-	-	-
B5	Cash dividends paid to shareholders	-	-	-	-	(305,000)	-	-	-	(305,000)
D1	Net profit for the year ended December 31, 2020	-	-	-	-	559,377	-	-	(6,355)	553,022
D3	Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(80)	48,649	56,022	4,531	109,122
D5	Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	559,297	48,649	56,022	(1,824)	662,144
Z1	BALANCE AT DECEMBER 31, 2020	$ 3,050,000	$ 11,523	$ 12,908	$ 1,753,575	$ 2,231,361	$ 61,782	$ 150,059	$ 292,024	$ 7,563,232

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 16, 2021)

Chairman : Chiang, Ching-Yee　　President : Chiang, Cheng-Shing　　Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

Code		For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 723,187	$ 607,928
A20010	Adjustments for:		
A20100	Depreciation expenses	509,390	510,312
A20200	Amortization expenses	11,092	6,033
A20300	Expected credit loss (gain)	(1,306)	363
A20400	Net loss (gain) on fair value changes of financial assets at fair value through profit or loss	(28,166)	(17,665)
A20900	Finance costs	711	3,442
A21200	Interest income	(23,259)	(26,635)
A21300	Dividend income	(6,985)	(6,944)
A22500	Loss (gain) on disposal of property, plant and equipment	(2,511)	3,878
A23700	Impairment loss recognized (reversed) on non-financial assets	41,151	-
A23800	Impairment and scrapped losses on inventory	9,186	5,270
A24100	Unrealized net gain on foreign currency exchange	(6,540)	(142)
A29900	Net gain on disposal of right-of-use assets	(5)	-
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(1,116,521)	(205,858)
A31130	Notes receivable	(1,319)	(11,139)
A31150	Accounts receivable	135,539	(208,966)
A31180	Other receivables	1,801	31,750
A31200	Inventories	167,598	23,422
A31230	Prepayments	17,455	6,547
A31240	Other current assets	416	(454)
A32125	Contract liability	7,799	22,484
A32130	Notes payable	(57,567)	265,361
A32150	Accounts payable	(1,919)	(41,546)
A32180	Other payable	32,277	1,659
A32230	Other current liabilities	5,383	2,499
A32250	Deffered revenue	(160)	(3,368)
A32240	Net defined benefit liabilities	582	(18,816)
A33000	Cash generated from operations	417,309	949,415
A33100	Interest received	22,140	33,613
A33300	Interest paid	(719)	(3,497)
A33500	Income tax paid	(77,151)	(114,987)
AAAA	Net cash generated from operating activities	361,579	864,544
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Paymrnt for financial assets at fair value through other comprehensive income	-	(554)
B00040	Paymrnt for financial assets at amortized cost	(2,669,663)	(3,463,799)
B00050	Proceeds from sale of financial assets at amortized cost	2,419,353	3,115,765
B02700	Payments for property, plant and equipment	(100,571)	(220,536)
B02800	Proceeds from disposal of property, plant and equipment	8,511	8,402
B03700	Decrease in refundable deposits	(35)	-
B03800	Increase in prepayments for equipment	-	360
B04500	Purchase on intangible assets	(9,406)	(15,046)
B07100	Increase in prepayments for equipment	(24,331)	-
B07600	Dividend received	6,985	6,944
BBBB	Net cash used in investing activities	(369,157)	(568,464)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase short-term borrowings	71,271	-
C00200	Dncrease short-term borrowings	-	(86,172)
C03000	Increase in guarantee deposits	475	-
C03100	Decrease in refundable deposits	-	(1,843)
C04020	Repayment of the principal portion of lease liabilities	(7,330)	(7,310)
C04500	Dividends paid	(305,000)	(305,000)
CCCC	Net cash used in financing activities	(240,584)	(400,325)

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Code		For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(5,595)	(49,471)
EEEE	NET DECREASE IN CASH AND CASH EQUIVALENTS	(253,757)	(153,716)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	751,462	905,178
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 497,705	$ 751,462

The accompanying notes are an integral part of the consolidated financial statements.
(With Deloitte & Touche auditors' report dated March 16, 2021)

Chairman : Chiang, Ching-Yee　　President : Chiang, Cheng-Shing　　Finance Director : Chiang, Shao-May

GREAT CHINA METAL IND. CO., LTD. ANDS SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Great China Metal Ind. Co., Ltd（collectively referred to as “the Group”） was incorporated in November, 1973, under the provisions of the Company Act of the Republic of China (R.O.C.). The major business of the Group is to provide printing services for metal, manufacturing and selling metal containers, other plastic products, and paking machines.

In Augest’ 1990, Great China Metal Ind. Co., Ltd became a publicly listed company on the Taiwan Stock Exchange.

The consolidated financial statements of the Corporation and its subsidiaries (collectively referred to as “the Group”) are presented in the Corporation’ s functional currency, New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation s board of directors on March 16, 2021.

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

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), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, 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 did 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 “could reasonably be expected to influence” and, 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 FSC for application starting from 2021

New IFRSs	Effective Date Announced by IASB
Amendments to FRS 4 “ Applicable IFRS 9 Deferral approach”	Effective on announced date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”	Reporting period after January 1, 2021
Amendments to IFRS 16 “Covid-19 - Related Rent Concessions”	Reporting period after June 1, 2020

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”

“Interest Rate Benchmark Reform - Phase 2”, primarily, we intend to amend IFRS 9, IFRS 7 and IFRS 16 which provides practical expedients for the impact of changes in interest rate indicators.

The changes in the basis for determining contractual cash flows will be incurred by changes in interest rate indicators.

We’d determine the basis for changes in the contractual cash flow of financial assets, financial liabilities and lease liabilities in cases where they are essential for the direct results from changes in the interest rate indicators. The new basis is economically equivalent to the basis before the change. It should be taken into account when determining the basis changes amidst the effective interest rates.

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

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

New IFRSs	Effective Date Announced by IASB (Note1)
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note2)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note3)
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 AS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note6)
Amendments to AS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note7)
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022 (Note4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note5)

Note1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note2: 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.

Note3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note4: 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.

Note5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Note6: The application of the present amendment will be postponed up to the annual reporting period starting from January 1, 2023.

Note7: This amendment that is applicable to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period starting from January 1, 2023.

1) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

That amendment is intended to clarify whether or not the liability should be classified as non-current and should be assessed whether or not the Group is entitled to defer the settlement period to at least 12 months after the reporting period at the end of the current reporting period. Where the Group is entitled to such right at the end of the reporting period, regardless of whether or not the Group is expected to exercise such right, the liability is classified as non-current. That amendment further clarified that if the Group is required to comply with certain conditions before being entitled to defer payment of liabilities, the Group should have complied with the specified conditions at the end of the reporting period, even if the lender tests at a later date whether or not the Group has complied with the conditions.

That amendment specifies that, for the purpose of classifying the liabilities, the aforementioned liquidation refers to transfer of cash, other economic resources or transaction of the equity instruments of the Group toward the counterparty of the transaction, leading to extinguishing the counterparty's liability. In the event that, nevertheless, the terms of the liability may be settled by means of the transfer of the equity instruments of the Group at the counterparty's discretion and where the provisions of the option IAS 32 "Financial Instruments: Presentation" are separately recognized in the equity, the aforementioned terms would not affect the classification of liabilities.

2) Annual Improvements to IFRS Standards 2018-2020

Amendment to certain standards/criteria in the 2018~2020 periodic annual improvement and amendment of which the amendment of IFRS 9 "Financial Instruments" is intended to assess whether or not there exists a significant difference between the exchange of financial liabilities and the modification of terms to compare the discounted cash flow value of the old and new contract terms (including the net amount of the fees received for signing new contracts or amending the contracts) with a 10% difference of not. The aforementioned fees paid include only the fees collected and paid between the loanee and the loaner.

3) Amendments to AS 1 "Disclosure of Accounting Policies"

That amendment expressly stipulates that based on the definition of materiality that the Group shall determine the material accounting policy information that should be disclosed. Where the accounting policy information can be reasonably expected to affect the decisions to be made by the main users of general-purpose financial statements based on these financial statements, that accounting policy information is deemed as material and significant. That amendment further clarifies:

- The accounting policy information relevant to non-significant transactions, other matters or circumstances are attributed as non-significant; the Group there would be no need to disclose such information.
- The Group might be judged that the relevant accounting policy information is significant because of the nature of the transaction, other matters or circumstances, even if the amount is insignificant.
- Not all accounting policy information related to major transactions, other matters or circumstances are deemed significant.

Besides, the amendment, as well, illustrates by example to explain that if the accounting policy information is related to major transactions, other matters or circumstances and the following circumstances, the information might be deemed significant：

(1) The Group changes in accounting policies during the reporting period and the changes lead to a significant changes in financial statement information.

(2)The Group chooses the applicable accounting policy from the options as allowed within the standard;

(3) in accordance with lack of specific standards, the accounting policies established by the Group in accordance with "IAS 8 Accounting Policies, Changes In Accounting Estimates And Errors";

(4) the Group discloses the relevant accounting policies that it must use significant judgments or assumptions to determine matters; or

(5) Where complicated accounting requirements are involved, the users of financial statements rely on such information to look into such major transactions, other matters or situations.

4) Amendments to AS 8 "Definition of Accounting Estimates"

That amendment expressly specifies that the accounting estimate refers to the monetary amount that has been affected by measurement uncertainty in the financial statements. At the moment while accounting policies apply, the Group might be required to measure financial statement items in monetary amounts that cannot be directly observed and must call for estimates. Therefore, measurement techniques and input values must be put into use to establish accounting estimates to achieve such purpose. Where the impact of changes in measurement technology or input values on accounting estimates is not a correction of previous errors, such a change is deemed as a change in accounting estimates.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

Current assets include:
1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:
1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period; and
3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries).Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Corporation. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 12 and 8 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslatedat the rates prevailing at that date. Exchange differences on monetary items arising from settlement or ranslation 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.Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's its foreign operations (including of the subsidiaries, associates, joint ventures or branches operations in other countries or currencies used different with the Corporation) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period;

and income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Corporation's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

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

g. Property, plant and equipment

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

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

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

h. Intangible assets

1) Acquired separately

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

2) Derecognition

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

i. Impairment of right-of-use assets, contract assets, intangible assets, property, plant and equipment

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

The Group perform impairment testing for intangible assets which have still not available for use, if any indication of impairment exists, or at least once a year.

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

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

j. Financial instruments

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

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

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

i. Financial assets at FVTPL
Financial assets are classified as at FVTPL when such a financial asset is designated as at FVTPL. A mandatory financial asset measured at fair value through profit and loss includes such equity instrument investments that are not specified at fair value through other comprehensive gains and losses not designated by the Group and such investment into liability instruments inconsistent with the classification as measured at amortized costs or measured at fair value through other comprehensive gains and losses.

The net gain or loss recognized in profit or loss on such a financial asset. Fair value is determined in the manner described in Note 26.

ii. Financial assets at amortized cost

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

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

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and note receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

The term “credit-impaired financial assets" as set forth herein denotes that where the issuer or debtor who has experienced major financial difficulties, defaults and where the debtor is likely to apply for bankruptcy or other financial reorganization, or where the active market for financial assets disappears due to financial difficulties. The term “cash equivalents" herein includes time deposits that are highly liquid within three months from the date of acquisition and could be converted into cash of a fixed amount at any time with little risk of value changes, as used to satisfy short-term cash commitments.

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

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

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

b) Impairment of financial assets

The Group recognizes allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

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

i. Internal or external information shows that the debtor is unlikely to pay its creditors.
ii. When a financial asset is more than 90 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The 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.

The allowance loss of debt instrument investment measured at fair value through other comprehensive income is, nevertheless, recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

3) Financial liabilities

c)Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

d)Derecognition of financial liabilities

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

k. Revenue recognition

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

<u>Revenue from the sale of goods</u>

Revenue from the sale of goods is recognized when the goods are delivered to the customer's designated destination, once the goods are shipped, or once the goods at delivery. In either case, the group has transferred to the customer the significant risks and rewards of ownership of the goods. The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

l. Leases

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

<u>The Group as lessee</u>

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 which are accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

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

Right-of-use assets are presented on a separate line in the consolidated balance sheets.
Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. 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.

m. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.
Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

n. Employee benefits

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

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

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

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

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

1)Current tax
The Group determines the current income (loss) in accordance with the regulations established by income tax authorities in each region, and calculates the payable (recoverable) income tax.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided in the year the shareholders approve to retain the earnings.

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

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards 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 and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable 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 assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become
probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current and deferred taxes for the year
Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively. Where current taxes or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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

The Group takes the economic impact of COVID-19 into consideration in significant accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31, 2020	December 31, 2019
Cash on hand and petty cash	$ 700	$ 482
Checking accounts and demand deposits	276,397	445,692
Cash equivalent (investments with original maturities of less than 3 months)		
Certificate deposit in bank	186,326	305,288
Repurchase bond	34,282	-
	$ 497,705	$ 751,462

The market rate intervals of cash in bank and certificate deposit in bank with original maturities of less than 3 months, at the end of the reporting period were as follows:

	December 31, 2020	December 31, 2019
Cash in bank	0.001%～1.71%	0.001%～1.71%
Certificate deposit in the bank with original maturities of less than 3 months	0.38%～3%	0.63%～4.7%
Repurchase bond with original maturities of less than 3 months	0.38%～0.4%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial Assets - current	December 31 2020	December 31 2019
Financial assets mandatorily classified as at FVTPL		
Beneficiary Certification for open ended fund	$ 1,122,014	$ 652,031
Non-derivative financial assets		
－Financial product denominated in Chinese Yen	930,571	223,946
	$ 2,052,585	$ 875,977

The Group has signed the contract with the bank for principal-guaranteed and non- principal-guaranteed financial product. The entire contract was designated as financial asset at fair value through profit or loss upon initial recognition.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31, 2020	December 31, 2019
Current		
Equity instrument at fair value through other comprehensive income	$ 214,942	$ 158,920

Equity instruments

	December 31, 2020	December 31, 2019
Current		
Domestic investments		
Listed shares and emerging market shares	$ 214,942	$ 158,920

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

The Group recognized dividend income of 6,985 thousand and 6,944 thousand in 2020 and 2019 respectivel, which from share investment held at the year end of 2020 and 2019 respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2020	December 31, 2019
Current		
Domestic investments		
Restricted assets－bank deposit	$ 593,196	$ 697,168
Certificate deposit in bank with original maturities of less than 3 months	845,460	491,178
Total	$ 1,438,656	$ 1,188,346

The market rate intervals of certificate deposit in bank with original maturities of more than 3 months, for the year ended December-31, 2020 and 2019 were 0.4%～4.9%and 0.55%～7%.

For pledge of financial assets at amortized cost, refer to Note 28.

10. NOTE RECEIVABLES AND ACCOUNT RECEIVABLES

	December 31, 2020	December 31, 2019
Note receivables		
At amortized cost		
Gross Carrying amount	$ 105,261	$ 103,942
Less: Allowance for impairment loss	-	-
	$ 105,261	$ 103,942
Account receivables		
At amortized cost		
Gross Carrying amount	$ 1,174,697	$ 1,311,982
Less: Allowance for impairment loss	(2,959)	(4,222)
	$ 1,171,738	$ 1,307,760

For the year 2020

The average credit period of account receivable was 120 days. No interest was charged on account receivables. In order to minimize credit risk, the management of the Corporation has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for account receivables at an amount equal to lifetime ECLs. The expected credit losses on account receivables are estimated using a provision matrix by reference to the past default experience of the debtor, an analysis of the debtor's current financial position, general economic conditions of the industry, considerations of GDP forecast and industry trend. As the Group's historical credit loss experience show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of account receivables based on the Group's provision matrix.

December 31, 2020

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%~0.84%	0%~13.36%	0%~25.38%	0%~56.91%	1.7%~100%	
Gross carrying amount	$1,226,572	$ 50,407	$ 1,364	$ 351	$ 1,264	$1,279,958
Loss allowance (Lifetime ECL)	(630)	(727)	(145)	(200)	(1,257)	(2,959)
Amortized cost	$1,225,942	$ 49,680	$ 1,219	$ 151	$ 7	$1,276,999

December 31, 2019

	Not Past Due	Less than 60 Days	61 to 90 Days	91 to 120 Days	Over 121 Days	Total
Expected credit loss rate	0%~0.15%	0%~5.34%	0%~6.98%	0%~44.94%	13.04%~100 %	
Gross carrying amount	$1,236,702	$ 171,100	$ 4,600	$ 906	$ 2,616	$1,415,924
Loss allowance (Lifetime ECL)	(531)	(2,070)	(102)	-	(1,519)	(4,222)
Amortized cost	$1,236,171	$ 169,030	$ 4,498	$ 906	$ 1,097	$1,411,702

The movements of the allowance for doubtful trade receivables were as follows:

	December 31, 2020	December 31, 2019
Balance at January 1, 2020	$ 4,222	$ 3,983
Add: Net remeasurement of loss allowance (1)	-	363
less: Reversal of loss allowance (1)	(1,306)	-
Foreign exchange gains and losses	43	(124)
Balance at December 31, 2020	$ 2,959	$ 4,222

(1) Compared with the balance at the beginning of the year, the carrying amount of account receivable on December 31, 2020 and 2019 decreased 135,966 thousand and increased 219,278 thousand respectively, the amount of allowance loss decrease 1,306 thousand and increase 363 thousand respectively.

11. INVENTORIES

	December 31, 2020	December 31, 2019
Merchandise	$ 106,501	$ 76,916
Finished goods	760,192	833,873
Work in progress	81,515	98,602
Raw materials and supplies	565,090	669,272
Leftover bits and pieces	63,196	57,977
Materials for subcontractor	18,080	31,951
Others	837	3,617
	$ 1,595,411	$ 1,772,208

The natures of cost of goods sold are as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Cost of good sold	$ 6,021,123	$ 6,937,725
Inventory write-downs	8,105	-
Loss of inventory scrapped	1,081	5,270
Impairment loss recognized (reversed) on non-financial assets	41,151	-
Unallocated manufacturing expenses	70,351	38,195
	$ 6,141,811	$ 6,981,190

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Main Businesses	% of Ownership December 31, 2020	% of Ownership December 31, 2019	Note
The Corporation	HAI HWA INVESTMENT CO.,LTD.	Investment	100%	100%	Significant subsidiary
The Corporation	GCM HOLDING CO., LTD.	Investment	100%	100%	
HAI HWA INVESTMENT CO.,LTD.	Shanghai United Can Co., Ltd	Aluminum pop can and lid	100%	100%	Significant subsidiary
HAI HWA INVESTMENT CO.,LTD.	Huatong United (Nantong) Plastic Industry Co., Ltd	Stretch films and other plastic product	100%	100%	
HAI HWA INVESTMENT CO.,LTD.	Chongqing United Can Co.Ltd	Steel pop can	25%	25%	Significant subsidiary
HAI HWA INVESTMENT CO.,LTD.	Jinan United Can Co., Ltd	Steel pop can	43%	43%	Significant subsidiary
GCM HOLDING CO., LTD.	GCM PACKAGING (VIETNAM) CO., LTD.	Aluminum lid of pop can	100%	100%	
Shanghai United Can Co., Ltd	Jinan United Can Co., Ltd	Steel pop can	43%	43%	Significant subsidiary
Shanghai United Can Co., Ltd	Chongqing United Can Co.Ltd	Steel pop can	75%	75%	Significant subsidiary
Huatong United (Nantong) Plastic Industry Co., Ltd	Jinan United Can Co., Ltd	Steel pop can	14%	14%	Significant subsidiary
Huatong United (Nantong) Plastic Industry Co., Ltd	Sunshui Changlee United Container Co Ltd	Stretch films and other plastic product	30%	30%	(1)

(1) The Group hold 30% of shares for Sunshui Changlee United Container Co Ltd. Because the Group occupies more than half of the board of directors of the company and has the substantive ability to lead the company’s vital activities, the company is classified as a subsidiary.

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

c. Information on subsidiaries with significant non-controlling interests

Subsidiarie	% of Ownership December 31, 2020	% of Ownership December 31, 2019
Sunshui Changlee United Container Co Ltd	70%	70%

The summary financial information of the following subsidiaries is compiled based on the amount before the elimination of inter-company transactions:

Subsidiarie	Profit and loss allocated to non-controlling interests For the year ended December 31, 2020	Profit and loss allocated to non-controlling interests For the year ended December 31, 2019	Non-controlling interests December 31, 2020	Non-controlling interests December 31, 2019
Sunshui Changlee United Container Co Ltd	($6,355)	($11,664)	$ 292,024	$ 293,848

Sunshui Changlee United Container Co Ltd

	December 31, 2020	December 31, 2019
Current assets	$ 148,607	$ 136,744
Non-current assets	255,488	267,597
Current liabilites	(9,608)	(7,716)
Equity	$ 394,487	$ 396,625
Equity attribute to:		
Owners of the Corporation	$ 102,463	$ 102,777
Non-controlling interests of Sunshui Changlee United Container Co Ltd	292,024	293,848
	$ 394,487	$ 396,625

	For the year ended December 31, 2020	For the year ended December 31, 2019
Ravenue	$ 69,330	$ 47,668
Net loss for the year	($ 9,078)	($ 16,663)
Comprehensive income(loss)	($ 2,606)	($ 32,157)

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	For the year ended December 31, 2020	For the year ended December 31, 2019
Net loss attribute to:		
Owners of the Corporation	($ 2,723)	($ 4,999)
Non-controlling interests of Sunshui Changlee United Container Co Ltd	(6,355)	(11,664)
	($ 9,078)	($ 16,663)
Comprehensive income(loss) attribute to:		
Owners of the Corporation	($ 782)	($ 9,647)
Non-controlling interests of Sunshui Changlee United Container Co Ltd	(1,824)	(22,510)
	($ 2,606)	($ 32,157)
Cash flows		
Operating activities	$ 28,611	$ 21,283
Investing activities	(31,570)	(19,990)
Financing activities	-	-
Net increase (decrease) in cash	($ 2,959)	$ 1,293

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Utility Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
Cost									
Balance at January 1, 2020	$59,074	$ 1,310,752	$ 6,791,990	$ 64,931	$ 52,093	$ 131,511	$ 118,440	$ 122,497	$ 8,651,288
Additions	-	3,476	41,205	2,440	1,116	990	11,995	24,800	86,022
Disposals	-	-	(12,875)	-	(3,928)	(444)	(1,617)	-	(18,864)
Reclassification	-	796	118,097	-	2,386	-	-	(121,279)	-
Effect of foreign currency exchange differences	-	12,425	73,586	-	544	1,341	1,149	(841)	88,204
Balance at December 31, 2020	$59,074	$ 1,327,449	$ 7,012,003	$ 67,371	$ 52,211	$ 133,398	$ 129,967	$ 25,177	$ 8,806,650
Accumulated depreciation									
Balance at January 1, 2020	$ -	$ 662,375	$ 4,496,974	$ 53,873	$ 43,999	$ 122,717	$ 103,222	$ -	$ 5,483,160
Disposals	-	-	(8,568)	-	(3,885)	(296)	(115)	-	(12,864)
Depreciation expense	-	41,173	436,309	1,703	2,074	1,834	13,979	-	497,072
Effect of foreign currency exchange differences	-	6,287	53,479	-	426	1,240	992	-	62,424
Balance at December 31, 2020	$ -	$ 709,835	$ 4,978,194	$ 55,576	$ 42,614	$ 125,495	$ 118,078	$ -	$ 6,029,792
Accumulated impairment									
Balance at January 1, 2020	$ -	$ -	$ 10,221	$ -	$ -	$ -	$ -	$ -	$ 10,221
Impairment loss	-	-	41,151	-	-	-	-	-	41,151
Effect of foreign currency exchange differences	-	-	916	-	-	-	-	-	916
Balance at December 31, 2020	$ -	$ -	$ 52,288	$ -	$ -	$ -	$ -	$ -	$ 52,288
Carrying amounts at December 31, 2020	$59,074	$ 617,614	$ 1,981,521	$ 11,795	$ 9,597	$ 7,903	$ 11,889	$ 25,177	$ 2,724,570
Cost									
Balance at January 1, 2019	$59,074	$ 1,329,292	$ 6,742,482	$ 64,931	$ 54,956	$ 131,864	$ 128,964	$ 217,052	$ 8,728,615
Additions	-	1,590	136,294	-	3,485	3,353	16,811	9,998	171,531
Disposals	-	(3,918)	(47,365)	-	(5,751)	(579)	(26,537)	-	(84,150)
Reclassification	-	15,954	118,703	-	752	-	1,339	(100,011)	36,737
Effect of foreign currency exchange differences	-	(32,166)	(158,124)	-	(1,349)	(3,127)	(2,137)	(4,542)	(201,445)
Balance at December 31, 2019	$59,074	$ 1,310,752	$ 6,791,990	$ 64,931	$ 52,093	$ 131,511	$ 118,440	$ 122,497	$ 8,651,288
Accumulated depreciation									
Balance at January 1, 2019	$ -	$ 636,496	$ 4,209,037	$ 52,188	$ 47,431	$ 124,182	$ 109,011	$ -	$ 5,178,345
Disposals	-	(2,522)	(41,281)	-	(5,011)	(543)	(22,513)	-	(71,870)
Depreciation expense	-	42,974	430,059	1,685	2,694	1,957	18,352	-	497,721
Effect of foreign currency exchange differences	-	(14,573)	(100,841)	-	(1,115)	(2,879)	(1,628)	-	(121,036)
Balance at December 31, 2019	$ -	$ 662,375	$ 4,496,974	$ 53,873	$ 43,999	$ 122,717	$ 103,222	$ -	$ 5,483,160
Accumulated impairment									
Balance at January 1, 2019	$ -	$ -	$ 10,221	$ -	$ -	$ -	$ -	$ -	$ 10,221
Impairment loss	-	-	-	-	-	-	-	-	-
Balance at December 31, 2019	$ -	$ -	$ 10,221	$ -	$ -	$ -	$ -	$ -	$ 10,221
Carrying amounts at December 31, 2019	$59,074	$ 648,377	$ 2,284,795	$ 11,058	$ 8,094	$ 8,794	$ 15,218	$ 122,497	$ 3,157,907

The Group considers future operation plans and current capacity requirements, or some plants and equipment do not meet the company's production requirements. The Group measure the value in use of these assets and expects that there is no future cash flow generated. The amount of impairment loss was 41,151 thousand in 2020. The discount rate used to assess the value in use is 2.43%. The impairment loss has been included under the operating cost of the consolidated comprehensive profit and loss.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful life of the asset:

Building	
Main buildings	10 - 42 years
Engineering system	2 - 17 years
Machinery and Equipment	2 - 15 years
Utility Equipment	
Air conditioner pipe	35 years
Other power equipment	2 - 15 years
Transportation Equipment	2 - 10 years
Office Equipment	1 - 10 years
Other Equipment	2 - 10 years

Refer to Note 28 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings granted to the Group.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2020	December 31, 2019
Carrying amounts		
Land	$ 184,580	$ 187,620
Buildings	32,324	38,168
Transportation Equipment	1,764	3,473
	$ 218,668	$ 229,261

	For the year ended December 31, 2020	For the year ended December 31, 2019
Additions to right-of-use assets	$ 490	$ 1,854
Depreciation charge for right-of-use assets		
Land	$ 4,839	$ 5,057
Buildings	5,843	5,845
Transportation Equipment	1,636	1,689
	$ 12,318	$ 12,591

b. Lease liabilities

	December 31, 2020	December 31, 2019
Carrying amounts		
Current	$ 6,985	$ 7,646
Non-current	$ 27,471	$ 34,219

Range of discount rate for lease liabilities was as follows:

	December 31, 2020	December 31, 2019
Buildings	1.1%	1.1%
Transportation Equipment	1.1%	1.1%

c. Other lease information

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

	For the year ended December 31, 2020	For the year ended December 31, 2019
Expenses relating to short-term leases	$ 4,290	$ 2,669
Expenses relating to low-value asset leases	$ 1,395	$ 91
Total cash (outflow) for leases	($ 13,015)	($ 10,070)

15. PREPAYMENTS

	December 31, 2020	December 31, 2019
Current		
Raw materials	$ 82,997	$ 85,864
Overpaid tax	34,095	53,339
Other	12,680	8,024
	$ 129,772	$ 147,227

16. SHORT-TERM BORROWINGS

	December 31, 2020	December 31, 2019
Unsecured borrowings		
－Bank loans for working capital	$ 101,022	$ 38,627

The rate intervals of bank revolving loan at December 31,2020 and 2019 were 0.56%～0.65% and 2.21%～2.72% respectively.

17. NOTE PAYABLES AND ACCOUNT PAYABLES

The average credit period of the Group is 3 months. The Group has a financial risk management policy to ensure that all payables are paid within the credit period agreed previously.

18. OTHER PAYABLES

	December 31, 2020	December 31, 2019
Payables for salaries and bonuses	$ 103,166	$ 100,172
Payables for purchases of equipment	48,853	63,402
Freight payable	69,221	50,010
Payable for annual leave	7,779	7,593
Other	76,749	66,871
	$ 305,768	$ 288,048

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Group 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 employees of the Group's subsidiary in China and Vietnam are members of a state-managed retirement benefit plan operated by the government of China and Vietnam. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plans adopted by the Group in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Group contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligation	$ 108,467	$ 111,194
Fair value of plan assets	(32,509)	(35,919)
Net defined benefit liability	$ 75,958	$ 75,275

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2019	$ 158,944	($ 62,068)	$ 96,876
Service cost			
Current service cost	685	-	685
Net interest expense (income)	1,580	(623)	957
Recognized in profit or loss	2,265	(623)	1,642
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,101)	(2,101)
Actuarial loss - experience adjustments	(684)	-	(684)
Recognized in other comprehensive income	(684)	(2,101)	(2,785)
Contributions from the employer	-	(20,458)	(20,458)
Benefits paid－from carrying value	-	-	-
Benefits paid－from plan assets	(49,331)	49,331	-
Balance at December 31, 2019	$ 111,194	($ 35,919)	$ 75,275
Balance at January 1, 2020	$ 111,194	($ 35,919)	$ 75,275
Service cost			
Current service cost	453	-	453
Net interest expense (income)	1,112	(363)	749
Recognized in profit or loss	1,565	(363)	1,202
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(646)	(646)
Actuarial loss - experience adjustments	747	-	747
Recognized in other comprehensive income	747	(646)	101
Contributions from the employer	-	(620)	(620)
Benefits paid－from carrying value	-	-	-
Benefits paid－from plan assets	(5,039)	5,039	-
Balance at December 31, 2020	$ 108,467	($ 32,509)	$ 75,958

The amount recognized in the profit and loss of the defined benefit plans is summarized by function as follows:

	For the year ended December 31, 2020	For the year ended December 31, 2019
Operating cost	$ 662	$ 964
Selling and marketing expenses	64	71
General and administrative expenses	476	607
	$ 1,202	$ 1,642

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

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

2) Interest risk: A decrease in the corporate 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 plans' debt investments.

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

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

	December 31, 2020	December 31, 2019
Discount rate	0.8%	1.00%
Expected rate of salary increase	2.75%	2.75%

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

	December 31, 2020	December 31, 2019
Discount rate(s)		
0.25% increase	($ 1,008)	($ 1,159)
0.25% decrease	$ 1,043	$ 1,202
Expected rate(s) of salary increase		
1% increase	$ 4,437	$ 5,110
1% decrease	($ 3,967)	($ 4,538)

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

	December 31, 2020	December 31, 2019
Expected contributions to the plans for the next year	$ 575	$ 585
Average duration of the defined benefit obligation	8.7 years	9.6 years

20. EQUITY

a. Share capital

Common shares

	December 31, 2020	December 31, 2019
Number of shares authorized (in thousands)	330,000	330,000
Shares authorized	$3,300,000	$3,300,000
Number of shares issued and fully paid (in thousands)	305,000	305,000
Shares issued	$3,050,000	$3,050,000

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares) and donations may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Corporation's paid-in capital and to once a year).

c. Retained earnings and dividends policy

Under the dividend policy as set forth in the amended Articles, where the Group made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Group's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to "Employees' compensation and remuneration of directors and supervisors" in Note 22-g.

The dividends policy of the Group shall be made according to the Group's current and future plan, considering investment environment, fund requirements, overall competition and taking into account the interests of shareholders. The Group is growth steadily. Consider in future operating expansion plans, dividends are distributed in a coordinated manner with cash dividends and share dividends. The cash dividend is about 50% to 100% and the share dividend is about 50% to 0%. The company may adjust the distribution ratio of cash dividends and share dividends if necessary, which depending on factors such as economic conditions, industrial development and capital needs.

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2019 and 2018 approved in the shareholders' meetings on June 23, 2020 and June 25, 2019, respectively, were as follows:

	For the year ended December 31, 2019	For the year ended December 31, 2018
Legal reserve	$ 47,957	$ 44,808
Cash dividends	$ 305,000	$ 305,000
Cash dividends per share	$ 1.0	$ 1.0

The appropriation of earnings for 2020 had been proposed by the Corporation's board of directors on March 16, 2021. The appropriation and dividends per share were as follows:

	For the year ended December 31, 2020
Legal reserve	$ 55,930
Cash dividends	$ 457,500
Cash dividends per share	$ 1.5

The appropriation of earnings for 2020 are subject to the resolution of the shareholders' meeting to be held on June, 2021.

21. Revenue

	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenue from contracts with customers		
Sale of goods	$ 7,257,633	$ 8,060,828

f.Contracts with Customers

Revenue from sale of goods

Where a product is carried to the customer designated destination, the customer is entitled to set the price and use of such product and is obliged for resale and to bear the risk of obsolescence and outdating of the product. The Group acknowledges revenue and accounts receivable at that point in time.

At the moment while the material is provided for processing, the control of the ownership of the processed product has not been transferred so the income is not acknowledged when the material is provided.

g.Balance of contracts

	December 31, 2020	December 31, 2019
Notes receivable (Note 10)	$ 105,261	$ 103,942
Accounts receivable (Note 10)	$ 1,171,738	$ 1,307,760
Contract liability-current	$ 153,601	$ 145,802

h. Details of revenue from contracts with customers

Refer to Note 23 for details of revenue.

22. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Bank deposit	$ 23,259	$ 26,635

b. Other income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Dividend income	$ 6,985	$ 6,944
Others	54,437	31,704
	$ 61,422	$ 38,648

c. Other gains and losses

	For the year ended December 31, 2020	For the year ended December 31, 2019
(Loss) gain on disposal of property, plant and equipment	$ 2,511	($ 3,878)
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily at FVTPL	15,065	11,204
Financial assets at fair value through profit or loss	13,101	6,461
Net foreign exchange gains (losses)	(2,026)	(3,792)
Others	(20,145)	(15,010)
	$ 8,506	($ 5,015)

d. Finance costs

	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest on bank	$ 287	$ 2,946
Interest on lease liabilities	424	496
	$ 711	$ 3,442

e. Depreciation and amortization

	For the year ended December 31, 2020	For the year ended December 31, 2019
Depreciation expense by function		
Operating costs	$ 482,638	$ 482,321
Operating expenses	26,752	27,991
	$ 509,390	$ 510,312
Amortization expense by function		
Operating costs	$ 654	$ 706
Operating expenses	10,438	5,327
	$ 11,092	$ 6,033

f. Employee benefits expense

	For the year ended December 31, 2020	For the year ended December 31, 2019
Post-employment benefits(Note 19)		
Defined contribution plans	$ 16,844	$ 35,521
Defined benefit plans (Note 21)	1,202	1,642
	18,046	37,163
Other employee benefits	489,693	512,753
Total	$ 507,739	$ 549,916
An analysis of employee benefits expense by function		
Operating costs	$ 366,909	$ 401,781
Operating expenses	140,830	148,135
	$ 507,739	$ 549,916

g. Employees' compensation and remuneration of directors

The Corporation accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2020 and 2019 which have been approved by the Corporation's board of directors on March 16, 2021 and March 10, 2019, respectively, were as follows:

Percentage

	For the year ended December 31, 2020	For the year ended December 31, 2019
Employees' compensation	2%	2%
Remuneration of directors	2%	2%

Amount

	For the year ended December 31, 2020	For the year ended December 31, 2019
	Cash	Cash
Employees' compensation	$ 14,516	$ 12,402
Remuneration of directors	14,516	12,402

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

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

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

23. INCOME TAXES RELATING TO CONTINUING OPERATIONS

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

	For the year ended December 31, 2020	For the year ended December 31, 2019
Current tax		
In respect of the current year	$ 150,807	$ 111,486
Income tax expense of unappropriated earnings	6,110	2,647
Adjustment for prior periods	(256)	(93)
	156,661	114,040
Deferred tax		
In respect of the current year	13,504	28,207
Income tax expense recognized in profit or loss	$ 170,165	$ 142,247

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

	For the year ended December 31, 2020	For the year ended December 31, 2019
Net income before tax from continuing operations	$ 723,187	$ 607,928
Income tax expense calculated at the statutory rate	$ 144,637	$ 121,585
Nondeductible expenses in determining taxable income	120	56
Tax-exempt income	(10,147)	(3,880)
Unrecognized non-deductible temporary differences	17,705	22,828
Additional income tax on unappropriated earnings	6,110	2,647
Unrecognized deductible temporary differences	-	(89)
Unrecognized loss carryforwards	10,161	10,543
Effect of tax rate changes	1,835	(11,350)
Adjustments for prior year's tax	(256)	(93)
Income tax expense recognized in profit or loss	$ 170,165	$ 142,247

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When computing the income tax on unappropriated earnings, the Group only deducted occurred capital expenditures of reinvestment.

b. Income tax recognized in other comprehensive income

	For the year ended December 31, 2020	For the year ended December 31, 2019
Deferred tax		
In respect of current period		
- Remeasurement of defined benefit plans	$ 21	($ 557)

c. Income tax assets and liabilities

	December 31, 2020	December 31, 2019
Income tax liabilities		
Income tax payable	$ 124,537	$ 45,027

i.Deferred tax assets and liabilities

Movement for deferred tax assets and liabilities is as follow:

For the Year Ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				
Right of use asset	$ 45	($ 45)	$ -	$ -
Financial asset at fair value through comprehensive income	1,200	-	-	1,200
Unrealized gain (loss) on trading with subsidiary	717	(124)	-	593
Defined benefit obligation	15,054	116	21	15,191
Payable for annual leave	1,076	10	-	1,086
Unrealized exchange loss	162	274	-	436
Unrealized inventory write-downs	986	11	-	997
	$ 19,240	$ 242	$ 21	$ 19,503
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gain	$ 303	$ 225	$ -	$ 528
Unappropriated earnings from subsidiary	329,506	13,521	-	343,027
	$ 329,809	$ 13,746	$ -	$ 343,555

For the Year Ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				
Right of use asset	$ -	$ 45	$ -	$ 45
Financial asset at fair value through comprehensive income	1,200	-	-	1,200
Unrealized gain (loss) on trading with subsidiary	840	(123)	-	717
Defined benefit obligation	19,375	(3,764)	(557)	15,054
Payable for annual leave	1,181	(105)	-	1,076
Unrealized exchange loss	20	142	-	162
Unrealized inventory write-downs	2,409	(1,423)	-	986
	$ 25,025	($ 5,228)	($ 557)	$ 19,240

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	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gain	$ 152	$ 151	$ -	$ 303
Unappropriated earnings from subsidiary	306,678	22,828	-	329,506
	$ 306,830	$ 22,979	$ -	$ 329,809

j. Such deductible temporary difference amount and unused loss deduction for deferred income tax assets are not acknowledged into the balance sheet.

	December 31, 2020	December 31, 2019
Expires in 2020	$ -	$ 84,431
Expires in 2021	82,954	82,954
Expires in 2022	90,004	90,004
Expires in 2023	111,790	111,790
Expires in 2024	65,326	65,326
Expires in 2025	50,483	-
	$ 400,557	$ 434,505

k. Income tax assessments

Income tax returns of the Corporation through 2018 have been examined and cleared by the tax authorities.

24. EARNINGS PER SHARE

Net Profit for Current year

	For the year ended December 31, 2020	For the year ended December 31, 2019
Net Profit Attributable to Owners of the Corporation	$ 559,377	$ 477,345

Number of Shares (In Thousands)

	For the year ended December 31, 2020	For the year ended December 31, 2019
Weighted average number of ordinary shares used in computation of basic loss per share	305,000	305,000
Dilutive effects		
-employees' compensation or bonus issue to employees	731	588
Weighted average number of ordinary shares used in computation of basic loss per share	305,731	305,588

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

25. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group's overall strategy remains unchanged since 2012. The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity attributable to owners of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Group is not subject to any externally imposed capital requirements.

26. FINANCIAL INSTRUMENTS

a. Fair value information—The relevant financial instruments not measured by fair value.

The Group management believes that the book value of financial assets and financial liabilities that are not measured by fair value is close to the fair value.

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

1) Fair value hierarchy

December 31,2020

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss (FVTPL)				
Financial product denominated in Chinese Yen	$ -	$ -	$ 930,571	$ 930,571
Beneficiary certification for fund	1,122,014	-	-	1,122,014
Total	$1,122,014	$ -	$ 930,571	$2,052,585
Financial assets at fair value through Other comprehensive income				
Equity instruments				
－Shares of publicly quoted entity	$ 214,942	$ -	$ -	$ 214,942

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss (FVTPL)				
Financial product denominated in Chinese Yen	$ -	$ -	$ 223,946	$ 223,946
Beneficiary certification for fund	652,031	-	-	652,031
Total	$ 652,031	$ -	$ 223,946	$ 875,977
Financial assets at fair value through Other comprehensive income				
Equity instruments				
－Shares of publicly quoted entity	$ 158,920	$ -	$ -	$ 158,920

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

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2020

Financial Assets	Financial instruments at fair value through profit or loss (FVTPL)
Beginning balance	$ 223,946
Recongnized in profit or loss（Other income and loss）	
－Unrealized	(6,108)
－Realized	19,346
Disposal/ Purchase	661,466
Effective on exchange rate	31,921
Ended balance	$ 930,571

For For the year ended December 31, 2019

Financial Assets	Financial instruments at fair value through profit or loss (FVTPL)
Beginning balance	$ 294,491
Recongnized in profit or loss（Other income and loss）	
－Unrealized	1,246
－Realized	5,264
Disposal/ Purchase	(70,314)
Effective on exchange rate	(6,741)
Ended balance	$ 223,946

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

The Group use counterparty quotations as the evaluation techniques and the significant unobservable inputs, which used to calculate the expected return form financial product denominated in Chinese Yen.

c. Categories of financial instruments

	December 31, 2020	December 31, 2019
Financial assets		
FVTPL		
Mandatorily at FVTPL	$ 2,052,585	$ 875,977
Financial assets at amortized cost (1)	3,243,681	3,382,752
Financial assets at fair value through other comprehensive income		
Equity instruments	214,942	158,920
Financial liabilities		
Financial liabilities at amortized cost (2)	1,792,253	1,776,248

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investment, note receivables, account receivables and other receivables.
2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowing, note payables, account payables and other payables.

d. Financial risk management objectives and policies

The Group’s major financial instruments included equity and debt investments, note receivables, account receivables, other receivables, note payables, account payables, borrowings and lease liabilities. The Group’s Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

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

2)Market risk

The Group's operating activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see a) below) and interest rates (see b) below).

d) Foreign currency risk

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

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Group was mainly exposed to the fluctuation of the U.S. dollar.

The following table details the Group's sensitivity to a 3% increase and decrease in New Taiwan dollars (the functional currency) against USD. The Group's sensitivity to a 3% increase and decrease in NTD (the functional currency) against the relevant foreign currencies represents management's assessment of the reasonably possible changein foreign exchange rates. The sensitivity analysis is for a 3% change in foreign currency rates and included only outstanding foreign currency denominated monetary items at the end of the reporting period. A positive number below indicates a decrease in pre-tax profit when New Taiwan dollars strengthen by 3% against USD. For a 3% weakening of New Taiwan dollars against USD, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact	
	For the year ended December 31, 2020	For the year ended December 31, 2019
Profit or loss	$ 1,425	$ 5

e) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixedand floating interest rates. The risk is managed by the Group by maintaining an appropriate mix offixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interestrate views and defined risk appetite ensuring the most cost-effective hedging strategies are applied.

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

	December 31, 2020	December 31, 2019
Fair value interest rate risk		
－Financial assets	$ 1,169,111	$ 816,027
－Financial liabilities	34,456	41,865
Cash flow interest rate risk		
－Financial assets	733,909	1,107,526
－Financial liabilities	101,022	38,627

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. 50 basis points increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been increase or decrease 50 basis points and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2020 and 2019 would increase or decrease by $3,164 thousand and $5,344 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities and beneficiary certification for fund. The management of theGroup manages risks by holding investment portfolios with different risk levels. The equity price risk of the Group is mainly from the equity instruments issued in Taiwan.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices increase/ decrease 5%, the profit before income tax for the year 2020 and 2019 would have increased/ decrease by $102,629 thousand and $43,799 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL. The pre-tax other comprehensive income for the year 2020 and 2019 would have increased/

decrease by $10,747 thousand and $7,946 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, is arising from the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

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

Since the counterparty of circulating capital and derivative financial instruments is the bank with a high credit rating given by the international credit rating agency, there is no significant credit risk.

Ongoing credit evaluation is performed on the financial condition of customers in view of trade receivables and, where appropriate, credit guarantee insurance cover is purchased.

Trade receivables consist of a large number of customers, which spread across diverse industries and geographical areas, thus, no other concentration of credit risk was observed.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. The Group had available unutilized short-term bank loan facilities set out in (b) below.

b) Liquidity and interest rate risk tables for non-derivative financial liabilities

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

December 31, 2020

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Non-interest bearing	$ 629,376	$ 558,211	$ 622,499	$ -
Lease liabilities	611	1,221	5,451	28,209
Variable interest rate instrument	49,946	51,076	-	-
	$ 679,933	$ 610,508	$ 627,950	$ 28,209

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	$ 7,283	$ 24,974	$ 3,235

December 31, 2019

	On Demand or Less than 1 Month	1 to 3 Month	3 Month to 1 Year	Over 1 Year
Non-derivative financial liabilities				
Non-interest bearing	$ 540,942	$ 585,556	$ 724,764	$ -
Lease liabilities	631	1,262	5,522	34,897
Variable interest rate instrument	25,542	13,085	-	-
	$ 567,115	$ 599,903	$ 730,286	$ 34,897

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	Over 5 Years
Lease liabilities	$ 7,415	$ 25,570	$ 9,327

The amount of floating interest rate instruments for the aforementioned non-derivative financial assets and liabilities would change amidst the difference between the floating interest rate and the interest rate estimated as of the balance sheet date.

b) Financing facilities

	December 31, 2020	December 31, 2019
Unsecured bank facilities:		
－Amount used	$ 257,322	$ 98,322
－Amount unused	1,439,798	1,646,048
	$ 1,697,120	$ 1,744,370
Secured bank facilities:		
－Amount used	$ 548,634	$ 605,517
－Amount unused	947,347	756,525
	$ 1,495,981	$ 1,362,042

27. RELATED-PARTY TRANSACTIONS

Balances and transactions between the Corporation and its subsidiaries, which were related parties of the Corporation, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties were disclosed below.

a. Related Party Categories / Names

Related Party	Relationship with the Consolidated Company
China Can Printing and Metal MFG. Co., Ltd.	Related party in substance
HuaDong United Can Co.,Ltd	Related party in substance
Anhui Fanchang Baifu Joint Tank Co., Ltd	Related party in substance

b. Operating Revenue

Item	Related Party	For the year ended December 31, 2020	For the year ended December 31, 2019
Sales of goods	Related party in substance		
	China Can Printing and Metal MFG. Co., Ltd.	$ 210,960	$ 217,002
	HuaDong United Can Co.,Ltd	116,053	161,659
	Other	118	128
		$ 327,131	$ 378,789

The price of sales to related parties approximated those for third parties. Collection terms are 60 to 150 days for third parties, 90 days for China Can Printing and Metal MFG. Co., Ltd., and T/T 60 days for HuaDong United Can Co., Ltd.

c. Trading transactions

Item	Related Party	For the year ended December 31, 2020	For the year ended December 31, 2019
Purchase of goods	Related party in substance		
	China Can Printing and Metal MFG. Co., Ltd.	$ 1,628	$ 4,856
	HuaDong United Can Co., Ltd	3,029	5,820
		$ 4,657	$ 10,676

The price of purchase to related parties approximated those for third parties.

d. Receivables from related parties

Item	Related Party	December 31, 2020	December 31, 2019
Accounts receivable	Related party in substance		
	China Can Printing and Metal MFG. Co., Ltd.	$ 36,000	$ 41,682
	HuaDong United Can Co., Ltd	879	14,599
	Other	66	-
		$ 36,945	$ 56,281

The outstanding account receivables from related parties are unsecured. The Group didn't recognize bad debt expenses for the account receivables from related parties in 2020 and 2019.

e. Payables from related parties

Item	Related Party	December 31, 2020	December 31, 2019
Accounts payable	Related party in substance		
	China Can Printing and Metal MFG. Co., Ltd.	$ 577	$ 2,864
	HuaDong United Can Co.,Ltd	-	3,750
		$ 577	$ 6,614

The payment term of purchase to related parties approximated those for third parties.
The outstanding payables to related parties are unsecured.

f. Purchase on property, plant and equipment

Related Party	December 31, 2020	December 31, 2019
Related party in substance		

HuaDong United Can Co.,Ltd		$ -	$ 203

g. Lease agreement

Item	Related Party	December 31, 2020	December 31, 2019
Lease Liabilitiy	Related party in substance China Can Printing and Metal MFG. Co., Ltd.	$ 30,483	$ 35,830

Related Party	For the year ended December 31, 2020	For the year ended December 31, 2019
Interest expense		
Related party in substance		
China Can Printing and Metal MFG. Co., Ltd.	$ 367	$ 426

The corporation leased an office building in Taishan District, New Taipei City, from China Can Printing and Metal MFG. Co., Ltd. with an area of approximately 1735.545 square meters. The lease term will end on June 30, 2022. The monthly rent will be $476 thousand, and the rent will be prepaid for 3 months at the beginning of every quarter. The rent in the lease contract was negotiated with the reference on market price, and pay according to the agreed method in the lease contract.

h. Other transactions with related parties

	Operationg expense and Manufacturing expense		
Related Party	For the year ended December 31, 2020	For the year ended December 31, 2019	Nature
Related party in substance			
China Can Printing and Metal MFG. Co., Ltd.	$ 493	$ 46	Processing expense and other expenses
Anhui Fanchang Baifu Joint Tank Co., Ltd	$ 2,217	$ 2,515	Rental income

i. Compensation of key management personnel

	For the year ended December 31, 2020	For the year ended December 31, 2019
Short-term benefits	$ 29,968	$ 27,639
Post-employment benefits	513	415
	$ 30,481	$ 28,054

The remuneration of directors and key executives was determined by the remuneration committee basedon the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31, 2020	December 31, 2019
Aaaets pledged（Financial assets at amortized cost）	$ 593,196	$ 697,168
Property, plant and equipment, net	176,805	197,203
	$ 770,001	$ 894,371

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

3)Significant commitment

a. Unused letters of credit for purchases of raw materials and machinery and equipment amounted as follow:

	December 31, 2020	December 31, 2019
USD	$ 2,806	$ 1,074
NTD	69,374	28,217

b. Commitments with equipment suppliers are as follow:

	December 31, 2020	December 31, 2019
Unpaid amount		
－USD	$ 92	$ 55
－NTD	2,862	2,721
－GBP	5	5

2) Significant contingent liabilities: None.

30. OTHER ITEMS

Starting from January, 2020, as a result of the spread of the coronavirus pandemic (COVID-19), a good number governments of various countries the world over have successively implemented various epidemic prevention controls which would naturally affect the revenue and profit of Mainland China subsidiaries of the Group in the first quarter of the year. In the second quarter, the pandemic slowed down in Mainland China where purchase orders subsequently returned to a normal level. Meanwhile, where the combined parent company's product sales market is primarily in Taiwan where the domestic pandemic slowed down and the government significantly loosened control, resulting in no major impact on the combined parent company's production and sales. Where the impact of the pandemic is still ambiguous. Nevertheless, the Group would continuously pay high attention to the development of the pandemic and take relevant response measures to alleviate the impact on the Group' s business operations.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2020

	Foreign Currencies	Exchange Rate	Carrying value
Assets in foreign currencies			
Monetary items			
USD	$ 4,453	28.48（USD：NTD）	$ 126,831
USD	266	6.5067（USD：CNY）	7,587
USD	921	25,658（USD：VND）	26,222
Non - monetary items			
USD	30	28.48（USD：NTD）	846
Liabilities in foreign currencies			
Monetary items			
USD	3,550	28.48（USD：NTD）	101,110
USD	348	6.5067（USD：CNY）	9,902
USD	75	25,658（USD：VND）	2,135

December 31, 2019

	Foreign Currencies	Exchange Rate	Carrying value
Assets in foreign currencies			
Monetary items			
USD	$ 1,881	29.98（USD：NTD）	$ 56,391
USD	772	6.964（USD：CNY）	23,137
USD	652	24,983（USD：VND）	19,543
Non - monetary items			
USD	55	29.98（USD：NTD）	1,662
Liabilities in foreign currencies			
Monetary items			
USD	2,515	29.98（USD：NTD）	75,389
USD	705	6.964（USD：CNY）	21,138
USD	79	24,983（USD：VND）	2,382

The following information was aggregated by the functional currencies of the group entities, and theexchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31, 2020		For the Year Ended December 31, 2019	
Functional currencies	Exchange Rate	Net Foreign Exchange Gain (Loss)- NTD	Exchange Rate	Net Foreign Exchange Gain (Loss)- NTD
VND	0.0012（VND：NTD）	($ 17)	0.0012（VND：NTD）	$ 76
NTD	1（NTD：NTD）	(1,452)	1（NTD：NTD）	(2,001)
CNY	4.282（CNY：NTD）	(557)	4.472（CNY：NTD）	(1,867)
		($ 2,026)		($ 3,792)

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint controlled entities. (Table 3)

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

5) Acquisition of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital. (None)

6) Disposal of individual real estate at prices of at least NT $300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT $100 million or 20% of the paid-in capital. (Table 5)

8) Receivables from related parties amounting to at least NT $100 million or 20% of the paid-in capital. (Table6)

9) Trading in derivative instruments. (None)

10) Intercompany relationships and significant intercompany transactions. (Table 7)

b. Information on investees. (Table 8)

c. Information on investments in mainland China

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

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on thefinancial position, such as the rendering or receiving of services.

d. Information on investors: Investors' name, holding shares and percentage for shareholding over 5%. (Table 10)

33. SEGMENT INFORMATION

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. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" were as follows:

Great China Metal Ind. Co., Ltd
Shanghai United Can Co., Ltd
Jinan United Can Co., Ltd
Chongqing United Can Co.Ltd
Huatong United (Nantong) Plastic Industry Co., Ltd

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment revenues		Segment profit or loss	
	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2020	For the year ended December 31, 2019
Great China Metal Ind. Co., Ltd	$ 2,557,779	$ 2,672,584	$ 549,872	$ 447,666
Shanghai United Can Co., Ltd	1,524,991	1,733,170	(49,636)	(37,798)
Jinan United Can Co., Ltd	1,590,763	1,741,246	66,598	50,370
Chongqing United Can Co., Ltd	1,529,850	1,800,132	52,734	75,243
Huatong United (Nantong) Plastic Industry Co., Ltd	386,974	532,086	42,298	46,514
Others	112,285	80,819	(24,409)	(30,522)
	7,702,642	8,560,037	637,457	551,473
Less: income or loss between operations	(445,009)	(499,209)	(6,746)	(371)
Form continuing operation	$ 7,257,633	$ 8,060,828	630,711	551,102
Interest income			23,259	26,635
Other income			61,422	38,648
Other gain and loss			8,506	(5,015)
Financial cost			(711)	(3,442)
Net income before tax			$ 723,187	$ 607,928

Segment profit represented the profit before tax earned by each segment without apportioned general and administrative expenses, remuneration of directors, other income, other gain and loss, financial cost and income tax expense. This was the measure reported to the chief operating decision maker for thepurpose of resource allocation and assessment of segment performance.

b. The Group had not reported segment assets and liabilities information to the chief operating decision maker. Thus, no disclosure is made.

c. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the year ended December 31, 2020	For the year ended December 31, 2019
Aluminum Cans	$ 4,515,664	$ 4,899,301
Aluminum/Steel lid and bottom	1,579,742	1,785,158
Stretch Film	429,000	547,759
Steel Cans	174,772	163,155
Others	558,455	665,455
	$ 7,257,633	$ 8,060,828

d. Geographical information

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

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

	Revenue from External Customers		**Non-current Assets**	
	For the year ended December 31, 2020	**For the year ended December 31, 2019**	**December 31, 2020**	**December 31, 2019**
Taiwan	$ 1,974,807	$ 2,076,689	$ 958,390	$ 1,107,079
China	4,575,989	4,850,363	1,970,972	2,231,367
Southeast Asia	346,372	272,224	58,458	70,412
Others	360,465	861,552	-	-
	$ 7,257,633	$ 8,060,828	$ 2,987,820	$ 3,408,858

Non-current assets exclude financial instruments and deferred tax assets.

e. Information on major customers

There is no single customers that contributing 10% or more to the Group's revenue in 2020 and 2019.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
FOR YEAR ENDED DECEMBER 31, 2020

Table 1

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

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amount (Note 4)	Reasons for Short-term Financing (Note 5)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Notes 6)	Aggregate Financing Limit (Notes 6)	Note
													Item	Value			
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	Other receivables	Yes	NTD284,635 (CNY 65,000)	NTD284,505 (CNY 65,000)	NTD170,703 (CNY 39,000)	-	b	$ -	Capital movement	$ -	—	—	NTD428,867 (1)	NTD428,867 (1)	
2	Huatong United (Nantong) Plastic Industry Co., Ltd	Jinan United Can Co., Ltd	Other receivables	Yes	NTD 43,790 (CNY 10,000)	NTD - (CNY -)	NTD - (CNY -)	3.5%	b	-	Capital movement	-	—	—	NTD365,213 (1)	NTD365,213 (1)	
2	Huatong United (Nantong) Plastic Industry Co., Ltd	Chongqing United Can Co., Ltd	Other receivables	Yes	NTD109,475 (CNY 25,000)	NTD - (CNY -)	NTD - (CNY -)	3.5%	b	-	Capital movement	-	—	—	NTD365,213 (1)	NTD365,213 (1)	
3	Sunshui Changlee United Container Co Ltd	Jinan United Can Co., Ltd	Other receivables	Yes	NTD 21,895 (CNY 5,000)	NTD - (CNY -)	NTD - (CNY -)	3.5%	b	-	Capital movement	-	—	—	NTD157,795	NTD157,795	

Note 1: The parent company and its subsidiaries are coded as follows:
- a. The parent company is coded “0”.
- b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: If the subjects such as accounts receivable from related parties, shareholder transactions, prepayments, suspense payment and other subjects, are of the nature of capital loans, must be filled in this form.

Note 3: Reasons for financing are as follows:
- a. Business relationship.
- b. The need for short-term financing.

Note 4: Where the fund loan is attributed as 1, the business transaction amount should be filled in.

Note 5: Where the fund loan is attributed as 2, the reasons for the necessary loans and funds and the use of funds for the loans and objects, e.g., repayment of loans, purchase of equipment, business turnover...... and the like should be definitely specified.

Note 6: (1) No. 1 calculation toward the individual target loanees shall not exceed the limit of 20% of CNY489,910; No. 2 calculation toward the individual target loanees shall not exceed the limit of 40% of the CNY208,598; No. 3 calculation toward the individual target loanees shall not exceed the limit of 40% of the CNY90,127.

(2) No. 1 calculation of capital loans and total limit is confined to 20% that does not exceed the net value of the most recent financial statement CNY489,910; No. 2 calculation of capital loans and total limit is confined to 40% that does not exceed the net value of the most recent financial statement CNY208,598; No. 3 calculation of the aggregate total limit is confined to 40% not exceeding the net value of the most recent financial statement CNY90,127.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 2

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

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Notes 3)	Endorsement / Guarantee Given by Parent on Behalf of Subsidiaries (Note 4)	Endorsement / Guarantee Given by Subsidiaries on Behalf of Parent (Note 4)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note4)	Note
		Name	Relationship (Note 2)											
0	Great China Metal Ind. Co., Ltd	Huatong United (Nantong) Plastic Industry Co., Ltd	2	$ 3,635,604	$ 92,715 (USD 3,000)	$ 85,440 (USD 3,000)	$ -	$ -	1.18	$ 7,271,208	Y	N	Y	—
0	Great China Metal Ind. Co., Ltd	Shanghai United Can Co., Ltd	2	3,635,604	289,981 (USD 9,490)	128,160 (USD 4,500)	40,000 (CNY 9,319)	-	1.76	7,271,208	Y	N	Y	—
0	Great China Metal Ind. Co., Ltd	Jinan United Can Co., Ltd	2	3,635,604	453,955 (USD 10,000) (CNY 35,000)	437,995 (USD 10,000) (CNY 35,000)	81,179 (CNY 18,587)	-	6.02	7,271,208	Y	N	Y	—
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	2	1,072,168 (CNY 244,955) (1)	137,940 (CNY 30,000)	131,310 (CNY 30,000)	70,557 (CNY 16,120)	131,310	6.12	2,144,336 (CNY 489,910) (2)	N	N	Y	—
2	Chongqing United Can Co.Ltd	Shanghai United Can Co., Ltd	3	295,130 (CNY 67,428)	249,480 (CNY 55,000)	240,735 (CNY 55,000)	151,047 (CNY 34,509)	-	40.78	590,260 (CNY 134,855)	N	N	Y	—

Note 1: The parent company and its subsidiaries are coded as follows:

a. The parent company is coded “0”.

b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Relationship between endorser/guarantor and endorsee/guarantee are as follows:

(1) Business relationship.

(2) A subsidiary in which the Company holds directly and indirectly over 50% of an equity interest.

(3) An investee in which the Company and its subsidiaries hold directly and indirectly over 50% of an equity interest.

(4) Among the companies where the Company holds voting shares more than 90% either directly or indirectly.

(5) A company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Those companies that are endorsed and guaranteed by all capital shareholders pursuant to their shareholding ratio under a joint investment relationship.

(7) The inter-industry companies that are engaged in the joint guarantee of the performance guarantee of the pre-construction house sales contract in accordance with the Consumer Protection Act.

Note 3: 1. No.0 the endorsement/guarantee limit for each entity is 7,271,208(Net value)×50%＝3,635,604.

No.1 the endorsement/guarantee limit for each entity is CNY489,910(Net value)×50%＝244,955.

No.2 the endorsement/guarantee limit for each entity is CNY134,855(Net value)×50%＝67,428.

1.No.0 the endorsement/guarantee limit for the total endorsement/guarantee limit is 7,271,208(Net value)×100%＝7,271,208.

No.1 the endorsement/guarantee limit for the total endorsement/guarantee limit is CNY489,910(Net value)×100%＝489,910.

No.2 the endorsement/guarantee limit for the total endorsement/guarantee limit is CNY134,855(Net value)×100%＝134,855.

Note 4: Those belong to an exchange-listed and/or over-the-counter listed parent company that endorses its subsidiary company and those where a subsidiary company renders guarantee toward its exchange-listed and/or over-the-counter listed parent company. In case of endorsement/guarantee toward Mainland China area, please fill in Y otherwise please fill in N.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
As of DECEMBER 31, 2020

Table 3

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	DECEMBER 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Great China Metal Ind. Co., Ltd	Ordinary shares							
	ASE Technology Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	47	$ 3,853	-	$ 3,853	
	Taiwan Semiconductor Manufacturing Company Limited	None	Financial assets at fair value through other comprehensive income – current	288	152,574	-	152,574	
	Sino Tactful Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	-	2	-	2	
	Xac Automation Corp.	None	Financial assets at fair value through other comprehensive income – current	-	10	-	10	
	Cathay Financial Holding Co., Ltd.	None	Financial assets at fair value through other comprehensive income – current	477	20,150	-	20,150	
	Mega Financial Holding Company Limited	None	Financial assets at fair value through other comprehensive income – current	1,287	38,353	-	38,353	
					$ 214,942		$ 214,942	
	Fund							
	Fubon No.1 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	1,500	$ 27,555	-	$ 27,555	
	Cathay No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	600	11,226	-	11,226	
	Fubon No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	2,000	34,220	-	34,220	
	Cathay No.2 Real Estate Investment Trust	None	Financial assets at fair value through profit or loss - current	370	7,363	-	7,363	
	Franklin Templeton Sinoam Money Market Fund	None	Financial assets at fair value through profit or loss - current	34,637	361,209	-	361,209	
	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,114	78,926	-	78,926	
	Shanghai Growth Fund	None	Financial assets at fair value through profit or loss - current	99	846	-	846	
	Capital Money Market Fund	None	Financial assets at fair value through profit or loss - current	1,723	28,019	-	28,019	
	Jih Sun Money Market Fund	None	Financial assets at fair value through profit or loss - current	20,906	312,541	-	312,541	
	Taishin 1699 Money Market Fund	None	Financial assets at fair value through profit or loss - current	12,873	175,656	-	175,656	

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Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	DECEMBER 31, 2020				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Prudential Financial Money Market Fund	None	Financial assets at fair value through profit or loss - current	5,293	$ 84,453		$ 84,453	
					$1,122,014		$1,122,014	
Shanghai United Can Co., Ltd	Financial investment							
	China Minsheng Bank - Extraordinary assets management currency fund for corporate on Monday	None	Financial assets at fair value through profit or loss - current		CNY 10,002		CNY 10,002	
	China Minsheng Bank - Extraordinary assets management increase profit daily currency fund for corporate	None	Financial assets at fair value through profit or loss - current		CNY 5,126		CNY 5,126	
	China Minsheng Bank, Minsheng increase profit daily currency fund for corporate(FGAF18168G)	None	Financial assets at fair value through profit or loss - current		CNY 85,281		CNY 85,281	
Jinan United Can Co., Ltd	Financial investment							
	Bank of China "accumulate day by day" currency fund(GSRJYL01)	None	Financial assets at fair value through profit or loss - current		CNY 1,850		CNY 1,850	
	Bank of China "accumulate day by day-enjoy everyday" wealth management product	None	Financial assets at fair value through profit or loss - current		CNY 11,409		CNY 11,409	
Huatong United (Nantong) Plastic Industry Co., Ltd	Financial investment							
	China Merchants Bank - Increase profit step by step financial plan No.8699	None	Financial assets at fair value through profit or loss - current		CNY 12,003		CNY 12,003	
	Bank of China "accumulate day by day" currency fund(GSRJYL01)	None	Financial assets at fair value through profit or loss - current		CNY 38,841		CNY 38,841	
	China Merchants Bank - Ri ri xin No.80008	None	Financial assets at fair value through profit or loss - current		CNY 36,093		CNY 36,093	
Sunshui Changlee United Container Co Ltd	Financial investment							
	“E-Lingtong” net value legal person’s RMB wealth management product with no fixed term	None	Financial assets at fair value through profit or loss - current		CNY 12,000		CNY 12,000	

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 4

(In Thousands of New Taiwan Dollars and Chinese Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares (Thousands)	Amount (Note)	Number of Shares (Thousands)	Amount (Note)	Number of Shares (Thousands)	Amount	Carrying Amount (Note)	Gain (Loss) on Disposal	Number of Shares (Thousands)	Amount (Note)
	Fund													
Great China Metal Ind. Co., Ltd	Taishin 1699 Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	7,045	$ 95,700	57,533	$ 783,959	51,705	$ 704,558	$ 704,010	$ 548	12,873	$ 175,649
Great China Metal Ind. Co., Ltd	FSITC Taiwan Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	6,213	95,445	53,055	817,239	54,154	834,439	833,758	681	5,114	78,926
Great China Metal Ind. Co., Ltd	Franklin Templeton Sinoam Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	14,904	154,680	124,381	1,295,276	104,648	1,089,900	1,088,759	1,141	34,637	361,197
Great China Metal Ind. Co., Ltd	Jih Sun Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	6,415	95,431	72,662	1,084,196	58,171	868,196	867,219	977	20,906	312,408
Great China Metal Ind. Co., Ltd	Prudential Financial Money Market Fund	Financial assets mandatorily measure at fair value - current	Centralized Order Market	None	6,517	103,491	28,833	459,195	30,057	478,695	478,234	461	5,293	84,452
	Financial investment													
Shanghai United Can Co., Ltd	China Minsheng Bank, Minsheng increase profit daily currency fund for corporate (FGAF18168G)	Financial assets at FVTPL - current	Financial institution	None	-	-	-	CNY108,000	-	CNY23,063	CNY 23,000	CNY 63	-	CNY85,000
	Financial investment													
Chongqing United Can Co., Ltd	China Minsheng Bank, Minsheng increase profit daily currency fund for corporate (FGAF18168G)	Financial assets at FVTPL - current	Financial institution	None	-	-	-	CNY 91,000	-	CNY 91,236	CNY 91,000	CNY 236	-	-
	Financial investment													
Jinan United Can Co., Ltd	Bank of China "accumulate day by day" currency fund (GSRJYL01)	Financial assets at FVTPL - current	Financial institution	None	-	CNY15,500	-	CNY111,000	-	CNY125,085	CNY124,650	CNY 435	-	CNY 1,850

Note: Initial cost

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 5

(In Thousands of New Taiwan Dollars and Chinese Dollars)

Buyer/ Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Great China Metal Ind. Co., Ltd	China Can Printing and Metal MFG. Co., Ltd.	Related party in substance	Sale	$ 210,960	8%	90days	No significant difference	No significant difference	Accounts payable $ 36,000	11%	
Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	Subsidiarie	Sale	CNY 72,403	20%	180 days	No significant difference	No significant difference	Accounts payable CNY 34,654	47%	
Shanghai United Can Co., Ltd	HuaDong United Can Co., Ltd	Related party in substance	Sale	CNY 27,086	8%	T/T 60 days	No significant difference	No significant difference	Accounts payable CNY 170	-	
Chongqing United Can Co., Ltd	Shanghai United Can Co., Ltd	Subsidiarie	Purchase	CNY 72,403	37%	180 days	No significant difference	No significant difference	Accounts payable CNY 34,654	40%	

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
As of DECEMBER 31, 2020

Table 6

(In Thousand Dollars)

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
			Account	Balance		Amount	Actions Taken		
Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	Subsidiary of the Company	Account receivable	CNY 34,654	2.09	—	—	CNY 21,119	—
Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	Subsidiary of the Company	Other receivables	CNY 40,072	—	—	—	CNY —	—

Note: All intercompany transactions have been eliminated upon consolidation.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 7

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Great China Metal Ind. Co., Ltd	GCM PACKAGING (VIETNAM) CO., LTD.	1	Sale	$ 11,353	No significant difference	-
0	Great China Metal Ind. Co., Ltd	Shanghai United Can Co., Ltd	1	Sale	1,720	No significant difference	-
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	3	Sale	308,949	No significant difference	4%
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	3	Account receivables	151,681	No significant difference	1%
1	Shanghai United Can Co., Ltd	Chongqing United Can Co., Ltd	3	Other receivables	175,395	—	2%
1	Shanghai United Can Co., Ltd	Jinan United Can Co., Ltd	3	Sale	73,440	No significant difference	1%
1	Shanghai United Can Co., Ltd	Jinan United Can Co., Ltd	3	Account receivables	7,785	No significant difference	-

Note 1: The parent company and its subsidiaries are coded as follows:
a. The parent company is coded “0”.
b. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Nature of relationship is as follows:
a. From the parent company to its subsidiary.
b. From a subsidiary to its parent company.
c. Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenues or total assets. For balance sheet items, each item's period-end balance is shown as a percentage to consolidated total assets as of December 31, 2020. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2020.

Note 4: The intercompany transactions have been eliminated upon consolidation.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 8

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Shares	%	Carrying Amount			
Great China Metal Ind. Co., Ltd	HAI HWA INVESTMENT CO.,LTD.	Bermuda	Makes investments	$ 1,047,893	$ 1,047,893	-	100%	$ 3,590,247	$ 93,783	$ 93,783	Subsidiarie
Great China Metal Ind. Co., Ltd	GCM HOLDING CO., LTD.	Samoa	Makes investments	229,247	229,247	-	100%	335,058	(5,260)	(5,260)	Subsidiarie
GCM HOLDING CO., LTD.	GCM PACKAGING (VIETNAM) CO., LTD.	Vietnam	Aluminum pop can lid	229,245	229,245	-	100%	240,654	(1,142)	N/A	Sub-subsidiary

Note 1: Information on investees in mainland China, refer to Table 9.
Note 2: All intercompany transactions have been eliminated upon consolidation.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2020

Table 9

(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2019	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of Decembet 31, 2020	Accumulated Repatriation of Investment Income as of December 31, 2020
					Outward	Inward						
Shanghai United Can Co., Ltd	Manufacture and sale 2-piece aluminum can and easy open end	Registered and contributed capital USD 49.2 million (Including capital increasing by earnings USD 27.05 million and capital increasing by cash from HAI HWA INVESTMENT CO., LTD. USD 2.15 million).	(2)	$ 522,642	$ -	$ -	$ 522,642	($ 48,531)	100%	($ 48,531) (2)B	$ 1,484,514	$ -
Huatong United (Nantong) Plastic Industry Co., Ltd	Manufacture and sale LLDPE film	Registered and contributed capital USD 9.45 million (Including capital increasing by earnings USD 2.45 million).	(2)	187,479	-	-	187,479	42,995	100%	42,995 (2)B	831,226	-
Chongqing United Can Co., Ltd	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 107,568 thousands.	(3)A.	-	-	-	-	53,962	100%	53,962 (2)B	590,260	-
Jinan United Can Co., Ltd	Manufacture and sale 2-piece aluminum can	Registered and contributed capital CNY 157,052 thousands.	(3)B.	317,000	-	-	317,000	48,080	100%	48,080 (2)B	702,638	-
Sunshui Changlee United Container Co Ltd	Manufacture and sale LLDPE film	Registered and contributed capital USD 6 million.	(3)C.	-	-	-	-	(9,080)	30%	(2,724) (2)B	125,153	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2019	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$1,027,121	USD74,190 thousands	$4,537,939 (Note 3)

Note 1: The investment methods are as follow:
(1)Direct investment in mainland China through the parent company.
(2)Invest in Mainland China through a third-region company (HAI HWA INVESTMENT CO.,LTD.).
(3)Other：
A. Invested by Shanghai United Can Co., Ltd and HAI HWA INVESTMENT CO., LTD.
B. Invested by HAI HWA INVESTMENT CO., LTD., Shanghai United Can Co., Ltd and Huatong United (Nantong) Plastic Industry Co., Ltd.
C. Invested by Huatong United (Nantong) Plastic Industry Co., Ltd

Note 2: Investment Gain (Loss)
(1)If it is under preparation and there is no investment gain or loss, it should be indicated.
(2)The recognition basis of investment gains or losses are as follow:
A. Financial statements were audited and certificated by International accounting firm which has a cooperative relationship with accounting firm in Taiwan.
B. Financial statements were audited and certificated by certified public accountant engaged by parent company in Taiwan.
C.Others.

Note 3: Consolidate net value of equity×60%＝7,563,232×60%＝4,537,939.

Note 4: All intercompany transactions have been eliminated upon consolidation.

GREAT CHINA METAL IND. CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTOR

AS OF DECEMBER 31, 2020

Table 10

Investor	Shares	
	Shares held	%
Glory Task Enterprise Co., Ltd.	22,059,503	7.23%
Jianda Investment Co., Ltd.	20,764,950	6.81%
Corning Investment Co., Ltd.	19,551,088	6.41%
Yuanta Investment Co., Ltd.	15,975,476	5.24%

Note 1: The key shareholder information covered within this table is based on the last business day at the end of each quarter and the total number of common shares and preferred shares held by such shareholders of the Company that have been completed the centralized securities depository company for the Company's disembodied (book entry) delivery (including treasury stocks) , as the data with total common shares and preferred shares up to 5%.The share capital recorded in the Company's consolidated financial statement might possibly differ from the actual number of shares delivered without physical registration because of different calculation bases.

Note 2: Among the aforementioned information, where a shareholder delivers his or her shares into the trust, it would be disclosed in the individual account of the trustor in the trust account opened by the trustee. In case of a shareholder's declaration of insider's shareholdings in accordance with the Securities and Exchange Act, the shareholdings would include his or her own shareholdings plus the shares delivered to the trust and the right to use the trust property and the like. For more details regarding the information of insider’s shareholdings, please refer to the Market Observation Post System (MOPS).

Great China Metal Ind. Co., Ltd.

Chairman: Chiang,Ching-Yee