China Motor Corporation and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2020 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 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,

CHINA MOTOR CORPORATION

By:

LI-LIEN CHEN YEN
Chairman

March 23, 2021

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
China Motor Corporation

Opinion

We have audited the accompanying consolidated financial statements of China Motor Corporation and its subsidiaries (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.

In our opinion, based on our audits and the reports of other auditors (refer to the Other Matter section), 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion based on our audits and the reports of other auditors.

Key Audit Matters

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

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

Revenue Recognition of Domestic Sales of Four-wheel Vehicles

Domestic sales of four-wheel vehicles is material to the Group's consolidated financial statements. Since the sale of four-wheel vehicles is strongly affected by the economy, revenue recognition has been identified as a key audit matter.

Our audit procedures performed in respect of revenue recognition included the followings:

- We discussed with management to find out whether the accounting methods for revenue recognition of domestic sales of four-wheel vehicles were appropriate and consistently applied;

- We understood the internal controls on revenue recognition of domestic sales of four-wheel vehicles, evaluated the design of the controls and tested the operating effectiveness of such controls; and also verified the authenticity of sales transaction-related documentary evidence;

- We selected samples of and checked the relevant receipts to ensure that revenue from the domestic sale of four-wheel vehicles was recognized when the customer has obtained control of the goods and the performance obligations have been satisfied.

Other Matter

We did not audit the financial statements as of and for the years ended December 31, 2020 and 2019 of some of the Group's investees accounted for using the equity method, namely Daimler Vans Hong Kong Ltd., Xiangyang NTN-Yulon Drivertrain Co., Ltd., Shung Ye Motors Corporation, Uni Auto Parts Manufacture Co., Ltd., Southeast-Motor Co., Ltd. and the financial statements as of and for the year ended December 31, 2019 of Guangzhou NTN-Yulon Drivertrain Co., Ltd., but such financial statements were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for these investees in the Group's consolidated financial statements, is based solely on the reports of the other auditors. The aforementioned investments accounted for using the equity method constituted 9.8% (NT$5,349,384 thousand) and 14.8% (NT$7,614,490 thousand) of the Group's total assets as of December 31, 2020 and 2019, respectively. The Group's share of comprehensive income of the aforementioned investments accounted for using the equity-method amounted to NT$247,158 thousand and NT$637,861 thousand for the years ended December 31, 2020 and 2019, respectively, which accounted for 6.7% and 24.5% of the Group's consolidated total comprehensive income, respectively.

We have also audited the parent company only financial statements of China Motor Corporation as of and for the years ended December 31, 2020 and 2019 on which we have issued an unmodified opinion with an other matter section.

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 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chih-Ming Shao and Ya-Ling Wong.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 30, 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.

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	2020		2019	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 10,403,769	19	$ 5,742,588	11
Financial assets at fair value through profit or loss (Notes 4 and 7)	1,059,429	2	339,731	1
Financial assets at amortized cost (Notes 4, 9 and 10)	185,970	-	8,556	-
Financial assets for hedging (Notes 4 and 11)	120,266	-	1,138,342	2
Notes and accounts receivable, net (Notes 4 and 12)	914,273	2	1,190,463	2
Trade receivables from related parties (Notes 4 and 31)	1,267,478	2	1,457,139	3
Other receivables	46,490	-	326,784	1
Inventories (Notes 4 and 13)	3,809,653	7	4,617,661	9
Prepayments (Note 31)	1,728,436	3	1,543,144	3
Non-current assets held for sale (Notes 4 and 15)	-	-	148,023	-
Other current assets (Notes 4, 26 and 32)	843,100	2	849,643	2
Total current assets	20,378,864	37	17,362,074	34
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Notes 4 and 7)	672,914	1	686,413	1
Financial assets at fair value through other comprehensive income (Notes 4 and 8)	178,873	-	207,342	-
Financial assets at amortized cost (Notes 4, 9 and 10)	540,716	1	776,473	2
Investments accounted for using the equity method (Notes 4 and 16)	23,632,945	43	23,348,925	45
Property, plant and equipment (Notes 4, 17, 25, 31 and 32)	6,527,229	12	6,419,254	12
Right-of-use assets (Notes 4 and 18)	356,732	1	442,921	1
Investment properties (Notes 4, 19 and 32)	1,355,015	2	1,366,049	3
Intangible assets under development (Notes 4 and 25)	373,697	1	484,360	1
Deferred tax assets (Notes 4 and 26)	307,145	1	253,394	1
Other non-current assets	273,563	1	119,263	-
Total non-current assets	34,218,829	63	34,104,394	66
TOTAL	$ 54,597,693	100	$ 51,466,468	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 32)	$ 215,000	-	$ 615,000	1
Short-term bills payable	149,963	-	183,939	-
Notes and accounts payable	2,586,431	5	2,702,267	5
Trade payables to related parties (Note 31)	907,237	2	983,750	2
Other payables (Notes 4 and 21)	2,641,821	5	2,426,690	5
Current tax liabilities (Notes 4 and 26)	284,692	-	312,774	1
Lease liabilities (Notes 4 and 18)	87,196	-	88,697	-
Current portion of long-term borrowings (Note 20)	37,500	-	6,250	-
Other current liabilities (Notes 4, 7, 11 and 31)	362,403	1	340,684	1
Total current liabilities	7,272,243	13	7,660,051	15
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 20)	56,250	-	43,750	-
Deferred tax liabilities (Notes 4 and 26)	578,310	1	480,280	1
Lease liabilities (Notes 4 and 18)	277,908	1	359,836	1
Net defined benefit liabilities (Notes 4 and 22)	651,430	1	735,400	1
Other non-current liabilities	54,908	-	22,212	-
Total non-current liabilities	1,618,806	3	1,641,478	3
Total liabilities	8,891,049	16	9,301,529	18
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 23)				
Ordinary shares	5,536,203	10	5,536,203	11
Capital surplus	6,411,778	12	6,414,118	12
Retained earnings				
Legal reserve	9,257,157	17	9,257,157	18
Special reserve	1,028,359	2	1,029,654	2
Unappropriated earnings	20,544,970	37	17,306,526	34
Total retained earnings	30,830,486	56	27,593,337	54
Other equity				
Exchange differences on translating foreign operations	(926,661)	(2)	(990,653)	(2)
Unrealized gain on investments in financial assets at fair value through other comprehensive income	264,666	1	216,562	-
Gain (loss) on the hedging instruments (Note 11)	6,918	-	(19,968)	-
Equity directly associated with non-current assets held for sale (Note 15)	-	-	(7,538)	-
Total other equity	(655,077)	(1)	(801,597)	(2)
Total equity attributable to owners of the Corporation	42,123,390	77	38,742,061	75
NON-CONTROLLING INTERESTS (Note 14)	3,583,254	7	3,422,878	7
Total equity	45,706,644	84	42,164,939	82
TOTAL	$ 54,597,693	100	$ 51,466,468	100

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

(With Deloitte & Touche auditors' report dated March 30, 2021)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	2020		2019	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 24 and 31)				
Net sales	$ 29,568,987	96	$ 30,671,399	96
Other operating revenue	1,305,613	4	1,396,573	4
Total operating revenue	30,874,600	100	32,067,972	100
OPERATING COSTS (Notes 13, 25 and 31)				
Cost of goods sold	25,187,401	82	26,072,063	81
Other operating costs	781,552	2	745,100	2
Total operating costs	25,968,953	84	26,817,163	83
GROSS PROFIT	4,905,647	16	5,250,809	17
REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES	1,432	-	47,583	-
REALIZED GROSS PROFIT	4,907,079	16	5,298,392	17
OPERATING EXPENSES (Notes 25 and 31)				
Selling and marketing expenses	636,315	2	696,315	2
General and administrative expenses	833,810	3	1,066,963	3
Research and development expenses	1,660,284	5	1,715,206	6
Total operating expenses	3,130,409	10	3,478,484	11
PROFIT FROM OPERATIONS	1,776,670	6	1,819,908	6
NON-OPERATING INCOME AND EXPENSES				
Share of profit (loss) of associates and joint ventures accounted for using the equity method (Notes 4 and 16)	1,719,635	5	(3,690,617)	(11)
Interest income	95,493	-	152,023	-
Dividend income (Note 8)	15,240	-	20,171	-
Other income (Note 31)	117,571	-	142,754	-
Gain on disposal of investments (Notes 4, 15, 16 and 28)	215,365	1	91,702	-
Net foreign exchange gain (loss)	25,233	-	(40,154)	-
Gain (loss) on financial instruments at fair value through profit or loss	4,359	-	(55,407)	-
Interest expense	(16,811)	-	(21,257)	-

(Continued)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	2020		2019	
	Amount	**%**	**Amount**	**%**
Other expense	$ (44,358)	-	$ (18,552)	-
Impairment loss (Notes 4, 17 and 25)	(101,725)	-	(51,830)	-
Expected credit loss (Notes 10 and 15)	(54,206)	-	(29,004)	-
Total non-operating income and expenses	1,975,796	6	(3,500,171)	(11)
PROFIT (LOSS) BEFORE INCOME TAX	3,752,466	12	(1,680,263)	(5)
INCOME TAX EXPENSE (Notes 4 and 26)	(211,918)	-	(628,110)	(2)
NET PROFIT (LOSS) FOR THE YEAR	3,540,548	12	(2,308,373)	(7)
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 22)	(17,775)	-	(11,146)	-
Unrealized loss on investments in equity instruments designated as fair value through other comprehensive income (Note 23)	(28,297)	-	(18,391)	-
Gain on hedging instruments (Notes 11 and 23)	19,378	-	1,898	-
Share of other comprehensive income (loss) of associates accounted for using the equity method (Notes 16 and 23)	45,318	-	168,584	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	(321)	-	1,849	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 23)	35,426	-	(27,518)	-
Share of the other comprehensive loss of associates and joint ventures accounted for using the equity method (Notes 16 and 23)	75,320	-	(411,450)	(1)
Other comprehensive income (loss) for the year, net of income tax	129,049	-	(296,174)	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 3,669,597	12	$ (2,604,547)	(8)

(Continued)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	2020		2019	
	Amount	**%**	**Amount**	**%**
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 3,277,320	11	$ (2,465,573)	(8)
Non-controlling interests	263,228	1	157,200	1
	$ 3,540,548	12	$ (2,308,373)	(7)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 3,382,531	11	$ (2,674,645)	(8)
Non-controlling interests	287,066	1	70,098	-
	$ 3,669,597	12	$ (2,604,547)	(8)
EARNINGS (LOSS) PER SHARE (Note 27)				
Basic	$ 6.01		$ (2.38)	
Diluted	$ 6.00		$ (2.38)	

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

(With Deloitte & Touche auditors' report dated March 30, 2021) (Concluded)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation												
	Ordinary Shares			Retained Earnings			Other Equity						
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Valuation Gain on Financial Assets at Fair Value Through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Equity Directly Associated with Non-current Assets Held for Sale	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	1,384,051	$ 13,840,508	$ 6,403,633	$ 8,897,857	$ 1,046,967	$ 22,486,952	$ (646,278)	$ 117,177	$ 20,997	$ (7,538)	$ 52,160,275	$ 3,613,814	$ 55,774,089
Effect of retrospective application	-	-	-	-	-	(19,503)	-	-	-	-	(19,503)	-	(19,503)
BALANCE AT JANUARY 1, 2019 AS ADJUSTED	1,384,051	13,840,508	6,403,633	8,897,857	1,046,967	22,467,449	(646,278)	117,177	20,997	(7,538)	52,140,772	3,613,814	55,754,586
Appropriation of the 2018 earnings													
Legal reserve	-	-	-	359,300	-	(359,300)	-	-	-	-	-	-	-
Cash dividends distributed by the Corporation	-	-	-	-	-	(2,352,886)	-	-	-	-	(2,352,886)	-	(2,352,886)
Reversal of special reserve	-	-	-	-	(17,313)	17,313	-	-	-	-	-	-	-
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	10,485	-	-	(35,639)	-	-	-	-	(25,154)	-	(25,154)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(112,397)	(112,397)
Net profit (loss) for the year ended December 31, 2019	-	-	-	-	-	(2,465,573)	-	-	-	-	(2,465,573)	157,200	(2,308,373)
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	(46,865)	(344,375)	181,412	756	-	(209,072)	(87,102)	(296,174)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	(2,512,438)	(344,375)	181,412	756	-	(2,674,645)	70,098	(2,604,547)
Capital reduction by cash	(830,431)	(8,304,305)	-	-	-	-	-	-	-	-	(8,304,305)	-	(8,304,305)
Disposals of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(148,637)	(148,637)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	82,010	-	(82,010)	-	-	-	-	-
Disposal of the investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	17	-	(17)	-	-	-	-	-
Basis adjustment to gain on hedging instruments	-	-	-	-	-	-	-	-	(41,721)	-	(41,721)	-	(41,721)
BALANCE AT DECEMBER 31, 2019	553,620	5,536,203	6,414,118	9,257,157	1,029,654	17,306,526	(990,653)	216,562	(19,968)	(7,538)	38,742,061	3,422,878	42,164,939
Reversal of special reserve	-	-	-	-	(1,295)	1,295	-	-	-	-	-	-	-
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	(2,340)	-	-	(7,532)	-	-	-	-	(9,872)	-	(9,872)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(126,690)	(126,690)
Net profit for the year ended December 31, 2020	-	-	-	-	-	3,277,320		-	-	-	3,277,320	263,228	3,540,548
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(27,221)	63,992	42,686	18,216	7,538	105,211	23,838	129,049
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	3,250,099	63,992	42,686	18,216	7,538	3,382,531	287,066	3,669,597
Disposal of the investments in equity instruments designated as at fair value through other comprehensive income by associates	-	-	-	-	-	(5,418)	-	5,418	-	-	-	-	-
Basis adjustment to gain on hedging instruments	-	-	-	-	-	-	-	-	8,670	-	8,670	-	8,670
BALANCE AT DECEMBER 31, 2020	553,620	$ 5,536,203	$ 6,411,778	$ 9,257,157	$ 1,028,359	$ 20,544,970	$ (926,661)	$ 264,666	$ 6,918	$ -	$ 42,123,390	$ 3,583,254	$ 45,706,644

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

(With Deloitte & Touche auditors' report dated March 30, 2021)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 3,752,466	$ (1,680,263)
Adjustments for:		
Depreciation expenses	905,853	1,037,274
Amortization expenses	122,164	114,837
Expected credit losses recognized	46,238	25,877
Net loss (gain) on fair value change of financial instruments at fair value through profit or loss	(4,359)	55,407
Interest expense	16,811	21,257
Interest income	(95,493)	(152,023)
Dividend income	(15,240)	(20,171)
Share of loss (profit) of associates and joint ventures accounted for using the equity method	(1,719,635)	3,690,617
Net loss on disposal of property, plant and equipment	2,095	5,837
Gain on disposal of investment	(215,365)	(91,702)
Impairment loss of non-financial assets	146,823	85,506
Realized gain on transactions with associates	(1,432)	(47,583)
Unrealized gain on foreign currency exchange	(36,955)	(1,323)
Gain on lease modifications	(1,835)	(63)
Changes in operating assets and liabilities		
Financial instruments at fair value through profit or loss	(810,374)	222,837
Notes and accounts receivable	284,551	(237,888)
Trade receivables from related parties	178,912	494,600
Other receivables	113,103	53,523
Inventories	774,328	(763,480)
Prepayments	(135,040)	(426,294)
Other current assets	10,260	(239,050)
Notes and accounts payable	(116,743)	78,551
Trade payables to related parties	(78,166)	43,779
Other payables	85,362	(233,925)
Other current liabilities	135,073	36,321
Net defined benefit liabilities	(101,745)	(175,186)
Cash generated from operations	3,241,657	1,897,272
Income tax paid	(249,305)	(193,869)
Net cash generated from operating activities	2,992,352	1,703,403
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of financial assets at fair value through other comprehensive income	-	17
Proceeds from refund of shares of financial assets at fair value through other comprehensive income	404	-
Acquisition of financial assets at amortized cost	(1,571,165)	(2,349,473)
Proceeds from repayment of principal of financial assets at amortized cost	1,707,707	2,620,640

(Continued)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

	2020	2019
Acquisition of investments accounted for using the equity method	$ (7,136)	$ -
Disposal of investments accounted for using the equity method	-	227,159
Disposal of subsidiaries	(2,196)	231,759
Acquisition of property, plant and equipment	(795,507)	(1,489,310)
Proceeds from disposal of property, plant and equipment	23,822	27,875
Acquisition of intangible assets	(58,887)	(237,959)
Increase in other non-current assets	(24,328)	(17,963)
Interest received	98,039	172,940
Dividends received	1,852,911	1,313,058
Net cash generated from investing activities	1,223,664	498,743
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(400,000)	300,000
Increase (decrease) in short-term bills payable	(33,976)	89,967
Proceeds from long-term borrowings	43,750	50,000
Repayment of the principal portion of lease liabilities	(93,450)	(97,564)
Increase (decrease) in other non-current liabilities	32,565	(8,440)
Cash dividends paid	-	(2,352,886)
Capital reduction by cash	-	(8,304,305)
Interest paid	(17,034)	(24,029)
Decrease in non-controlling interests	(126,690)	(112,397)
Net cash used in financing activities	(594,835)	(10,459,654)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	17,939	(34,765)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,639,120	(8,292,273)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	6,880,490	15,172,763
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 10,519,610	$ 6,880,490

(Continued)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets at December 31, 2020 and 2019:

	December 31	
	2020	2019
Cash and cash equivalents in the consolidated balance sheets	$ 10,403,769	$ 5,742,588
Cash and cash equivalents included in financial assets for hedging	115,841	1,137,902
Cash and cash equivalents in the consolidated statements of cash flows	$ 10,519,610	$ 6,880,490

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

(With Deloitte & Touche auditors' report dated March 30, 2021) (Concluded)

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

1. GENERAL INFORMATION

China Motor Corporation (the "Corporation") is principally engaged in the manufacture and sale of automobiles and its related parts and components, and has been listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation and its subsidiaries (collectively referred to as the "Group") were approved by the Corporation's board of directors on March 23, 2021.

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

a. Initial application of the amendments to 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) did not have any material impact on the Group's accounting policies.

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

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

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of the aforementioned standards and interpretations did not have any significant impact on the Group's financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 4)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 5)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 6)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 7)

(Concluded)

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

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

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

Note 4: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 5: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 6: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 7: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs 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 which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

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

3) Level 3 inputs are unobservable inputs for 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 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

1) Principles for preparing the consolidated financial statements

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 date of acquisition up to the effective date of disposal, 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 the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Corporation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost and (ii) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group accounts for all amounts recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Group directly disposed of the related assets or liabilities.

2) Subsidiaries included in the consolidated financial statements

			Combined Shareholding Ratio (%)		
			December 31		
Investor	Investee	Main Business	2020	2019	Note
China-Motor Corporation (parent)	Kian Shen Corporation ("Kian Shen")	Production of frame of heavy-duty car and mold	43.87	43.87	a)
	Hwa Wei Holdings Corporation Ltd. ("Hwa Wei")	Overseas investment in production and service industries	100.00	100.00	
	China Engine Corporation ("China Engine")	Manufacture of automobile engine and parts	52.10	52.10	
	Sino Diamond Motors Corporation ("Sino Diamond Motors")	Sales and providing after-sales service of vehicle	100.00	100.00	
	Alliance Investment & Management Co., Ltd. ("Alliance Investment & Management")	Investment	100.00	100.00	
	Gatetech Technology Inc. ("Gatetech Technology")	Aluminum-magnesium alloy casting industry	-	-	d)
	China Motor Investment Co., Ltd. (CMI)	Investment	100.00	100.00	
	Hwa Chung Motors Corporation ("Hwa Chung Motors")	Sales of vehicle and parts	100.00	100.00	
	COC Tooling & Stamping Co., Ltd. (COC)	Production of mold, fixture and gauge of vehicle	49.76	49.76	b)
Kian Shen	Kian Shen Investment Co., Ltd. ("Kian Shen Investment")	Overseas investment in production and service industries	43.87	43.87	a)
China Engine	Advance Power Machinery Co., Ltd. ("Advance Power Machinery")	Manufacture of automobile engine and parts	-	52.10	f)
	Advance Power Investment Co., Ltd. ("Advance Power Investment")	Investment and sales	52.10	52.10	
Sino Diamond Motors	Hwa-Yu Corporation Ltd. ("Hwa-Yu")	Overseas investment in production and service industries	100.00	100.00	
	Brilliant Insight International Consultancy Service Co., Ltd. ("Brilliant Insight International")	Consulting and servicing business	100.00	100.00	
Gatetech Technology	Gatetech Holding Co., Ltd. (GH)	Investment	-	-	d)
Alliance Investment & Management	Greentrans Investment Co., Ltd. ("Greentrans Investment")	Investment	100.00	100.00	
Hwa Chung Motors	Greentrans Corporation ("Greentrans")	Sales of motorcycle, bicycle and parts	100.00	100.00	
	Ling Wei Motor Co., Ltd. ("Ling Wei")	Sales of second-hand vehicle	100.00	100.00	
COC	Y. M. Hi-Tech Industry Ltd. ("Y. M. Hi-Tech")	Steel cutting	42.30	42.30	b)
	Shye Shinn Corporation ("Shye Shinn")	Investment	-	49.76	b) and e)
Kian Shen Investment	Kian Shen Investment Hong Kong Co., Limited (KSIHK)	Investment	43.87	43.87	a)
Hwa-Yu	Hwa-Lin Investments Ltd. ("Hwa-Lin")	Overseas investment in production and service industries	100.00	100.00	
	Fujian Rui Hua Consulting Co., Ltd. ("Fujian Rui Hua")	Consulting and servicing business	100.00	100.00	
GH	Gatetech International Co., Ltd. (GI)	Investment	-	-	d)

(Continued)

Investor	Investee	Main Business	Combined Shareholding Ratio (%) December 31 2020	2019	Note
Greentrans Investment	Jiangsu Greentrans Automotive Parts Co., Ltd. ("Jiangsu Greentrans")	Production and sales of parts of electronic motorcycle	100.00	100.00	
GI	Gatetech (Suchou) Technology Co., Ltd. ("Gatetech Suchou Technology")	Aluminum-magnesium alloy casting industry	-	-	d)
Hwa-Lin	Dongguan Huayi Motor Maintenance Co., Ltd. ("Dongguan Huayi")	Sales and maintenance of vehicle and parts	100.00	100.00	g)
	Tianjin Hwarui Maintenance Co., Ltd. ("Tianjin Hwarui")	Sales and maintenance of vehicle and parts	100.00	100.00	
	Sichuan Huafeng Hanwei Cars Service and Maintenance Co., Ltd. ("Sichuan Huafeng Hanwei")	Sales and maintenance of vehicle and parts	-	100.00	c)
	Guangzhou Huayou Motor Maintenance Co., Ltd. ("Guangzhou Huayou Motor Maintenance")	Sales and maintenance of vehicle and parts	-	100.00	c)
Dongguan Huayi	Dongguan Huashun Motor Sales Co., Ltd. ("Dongguan Huashun")	Sales and maintenance of vehicle and parts	100.00	100.00	g)
Tianjin Hwarui	Tianjin Hwahong Sales Co., Ltd. ("Tianjin Hwahong")	Sales of vehicle and parts	100.00	100.00	
Guangzhou Huayou Motor Maintenance	Guangzhou Huayou Motor Sales Co., Ltd. ("Guangzhou Huayou Motor Sales")	Sales of vehicle and parts	-	100.00	c)

(Concluded)

a) The Group held 43.87% equity interest in Kian Shen. Kian Shen is a listed company and 56.13% of its shares were held by numerous shareholders unrelated to the Group. Owing to the Group's substantial influence on Kian Shen, an absolute number of voting rights and the relative size of other shareholdings, Kian Shen was deemed a subsidiary.

b) The Group held 49.76% equity in COC. However, since the Corporation controls more than half of the board members and holds relative majority of shares, COC was considered a subsidiary.

c) In November 2018, Sichuan Huafeng Hanwei, Sichuan Lingwei, Guangzhou Huayou Motor Maintenance and Guangzhou Huayou Motor Sales resolved to dissolve their respective companies. The annulment of Guangzhou Huayou Motor Maintenance, Guangzhou Huayou Motor Sales and Sichuan Huafeng Hanwei had been completed in December, June and February 2020, respectively.

d) In order to strengthen the Corporation's capital structure and focus on the development of its business, the Group fully disposed of 72.81% of its interest held in its subsidiary, Gatetech Technology, to a non-related party. The disposal was completed on November 30, 2019, on which date control of Gatetech Technology passed to the acquirer, refer to Note 28.

e) In May 2020, the board of directors of COC resolved to dissolve Shye Shinn. The annulment of Shye Shinn had been completed in December 2020.

f) The Group's board of directors approved to fully dispose of its interest held in its subsidiary, Advance Power Machinery, to Yulon on July 16, 2020. The disposal was completed on July 17, 2020, the date on which the control of Advance Power Machinery was transferred to the acquirer, refer to Note 28.

g) In December 2020, Dongguan Huayi and Dongguan Huashun resolved to dissolve their respective companies. As of December 31, 2020, the liquidation had not been completed.

For the relationship between the Corporation and its controlled entities as of December 31, 2020, refer to Table 11.

e. Business combinations

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

f. Foreign currencies

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

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

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the consolidated financial statements, the financial statements of the Corporation's foreign operations (including subsidiaries, associates and joint ventures in other countries) that are prepared using functional currencies which are different from the currency of the Corporation are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting year; and income and expense items are translated at the average exchange rates for the year. The resulting currency translation differences 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 Group's entire interest in a foreign operation, or a disposal involving loss of joint 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 Group 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.

g. Inventories

Inventories consist of merchandise, 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 weighted-average cost on the balance sheet date.

h. Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint venture attributable to the Group. The Group's equity in the investees' net income or net loss is calculated using the treasury share method when investees also have investments in the Group (reciprocal holding).

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

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

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture, the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

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

i. Property, plant and equipment

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

Property, plant and equipment in the course of construction 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 their intended use.

Depreciation of property, plant and equipment, except for tooling (included in machinery) which is amortized using the production unit method, is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimate 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.

j. Investment properties

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

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

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

k. Intangible assets

Expenditures on research activities are recognized as expenses in the period in which they are incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

1) The technical feasibility of completing the intangible asset so that it will be available for use or sale;

2) The intention to complete the intangible asset and use or sell it;

3) The ability to use or sell the intangible asset;

4) How the intangible asset will generate probable future economic benefits;

5) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

6) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditures incurred from the date when such an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, such intangible assets are measured at cost less accumulated amortization and accumulated impairment loss.

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.

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

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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 (less amortization expenses or depreciation expenses) that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale. However, such investment is still accounted for using the equity method.

When the Group is committed to a sale plan involving the disposal of an investment or a portion of an investment in an associate or a joint venture, only the investment or the portion of the investment that will be disposed of is classified as held for sale when the classification criteria are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. If the Group ceases to have significant influence or joint control over the investment after the disposal takes place, the Group accounts for any retained interest that has not been classified as held for sale in accordance with the accounting policies for financial instruments.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

When a subsidiary, joint venture, associate, or a portion of an interest in a joint venture or an associate previously classified as held for sale no longer meets the criteria to be so classified as such, it is measured at the carrying amount that would have been recognized had such interests not been classified as held for sale. The consolidated financial statements for the prior periods with interests classified as held for sale are amended accordingly.

n. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at 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 at FVTPL are financial assets mandatorily designated as at FVTPL, and include investments in equity instruments that do not meet the criteria of financial assets at amortized cost and financial assets at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30.

ii. Financial assets at amortized cost

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

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, debt instruments, notes receivable, trade receivables (including related parties), other receivables, other financial assets (included in other current assets) and guarantee deposits (included in other non-current assets) are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

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

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

ii) Breach of contract, such as a default; or

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

iii. Investments in equity instruments at FVTOCI

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity.

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 a loss 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 show that the debtor is unlikely to pay its creditors.

ii. When a financial asset pasts the expiration date of contract unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets which are held by the Group is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

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 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) Financial liabilities

a) Subsequent measurement

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

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading. Financial liabilities held for trading are stated at fair value, and any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses.

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

b) Derecognized 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.

3) Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

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

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

o. Hedge accounting

The Group designates certain hedging instruments as cash flow hedges.

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

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

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

p. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products at the best estimate by the management of the Group of the expenditures required to settle the Group's obligations.

q. Revenue recognition

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

For contracts where the period between the date on which the Group transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Group does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from sale of goods

Revenue from sale of goods is recognized when the goods are delivered to the customer's specific location because it is the time when the customer has control over the goods and performance obligations are satisfied. Accounts receivable are recognized concurrently.

2) Revenue from rendering of services

Revenue from rendering of services is recognized when services are rendered.

r. Leases

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

1) The Group as lessor

All leases are classified as operating leases.

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

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

2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. 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 and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

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

The Group negotiates with the lessor for rent concessions as a direct consequence of the Covid-19 to change the lease payments originally due by June 30, 2021, that results in the revised consideration for the lease substantially the same as the consideration for the lease immediately preceding the change. There is no substantive change to other terms and conditions. The Group elects to apply the practical expedient to all of these rent concessions and, therefore, does not assess whether the rent concessions are lease modifications. Instead, the Group recognizes the reduction in lease payment in profit or loss as a deduction of expenses of variable lease payments, in the period in which the events or conditions that trigger the concession occur, and makes a corresponding adjustment to the lease liability.

s. Government grants

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

Government grants related to income are recognized as a reduction of the related costs or in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants intend to compensate.

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 are received.

t. 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 service.

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

Net defined benefit liabilities represent the actual deficit in the Group’s defined benefit plans.

u. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, 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 recognized only to the extent that it is probable that there will be sufficient taxable profit against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable 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

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

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, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2020	**2019**
Cash		
Cash on hand	$ 1,338	$ 2,093
Checking accounts and demand deposits	3,473,411	1,979,620
	3,474,749	1,981,713
Cash equivalents		
Time deposits	6,558,227	3,760,875
Repurchase agreements collateralized by bonds	370,793	-
	6,929,020	3,760,875
	$ 10,403,769	$ 5,742,588

Cash equivalents consist of time deposits and repurchase agreements collateralized by bonds that are highly liquid, readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments.

The interest rate intervals of cash in banks and repurchase agreements collateralized by bonds at the end of the reporting period were as follows:

	December 31	
	2020	2019
Checking accounts and demand deposits	0.00%-1.30%	0.00%-2.14%
Time deposits	0.34%-2.85%	0.60%-3.60%
Repurchase agreements collateralized by bonds	0.27%-0.28%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2020	2019
Financial assets - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 1,056,288	$ 339,427
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	3,141	304
	$ 1,059,429	$ 339,731
Financial assets - non-current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted ordinary common shares	$ 672,914	$ 686,413
Financial liabilities (included in other current liabilities)		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ -	$ 2,483

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

December 31, 2020

Transaction	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	JPY/NTD	2021.02.25-2021.03.26	JPY300,000/NTD79,900
Sell	RMB/USD	2021.01.04-2021.01.29	RMB78,635/USD12,000

December 31, 2019

Transaction	Currency	Maturity Date	Notional Amount (In Thousands)
Buy	USD/NTD	2020.01.06-2020.03.16	USD11,000/NTD330,810
	JPY/NTD	2020.02.25-2020.09.25	JPY600,000/NTD165,910
Sell	RMB/USD	2020.01.13	RMB14,022/USD2,000

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2020	**2019**
Investments in equity instruments at FVTOCI		
Domestic investments		
Listed shares	$ 30,370	$ 29,083
Unlisted shares	24,145	25,395
	54,515	54,478
Foreign investments		
Unlisted shares	124,358	152,864
	$ 178,873	$ 207,342

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.

Dividends of $710 thousand and $675 thousand were recognized during 2020 and 2019, respectively. Those dividends are all related to investments held at the end of the reporting period.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2020	**2019**
Current		
Principal guaranteed notes	$ 136,540	$ 8,610
Segregated foreign exchange deposit account for offshore funds	50,017	-
	186,557	8,610
Less: Allowance for impairment loss	(587)	(54)
	$ 185,970	$ 8,556
Non-current		
Segregated foreign exchange deposit account for offshore funds	$ 434,841	$ -
Bonds	100,000	801,389
Preference shares	9,900	9,900
	544,741	811,289
Less: Allowance for impairment loss	(4,025)	(34,816)
	$ 540,716	$ 776,473

a. The coupon rates of principal guaranteed notes were ranged from 0.52%-2.50% and 3.00% per annum as of December 31, 2020 and 2019, respectively.

b. The National Taxation Bureau, Ministry of Finance had approved the repatriation of funds in accordance with “the Management, Utilization, and Taxation of Repatriated Offshore Funds Act” for the year ended December 31, 2020. The funds after tax were deposited into the segregated foreign exchange deposit account. The deposit was restricted under the Act, except that a portion of the funds could be withdrawn and freely utilized or engaged in financial investments or substantive investments. The funds could be withdrawn over a period of three years and five years from the date of depositing them into the segregated foreign exchange deposit account. The rates of offshore funds ranged from 0.10% to 1.50% per annum as of December 31, 2020.

c. The range of coupon rates of bonds were 0.86% and ranged from 0.86%-4.34% per annum as of December 31, 2020 and 2019, respectively.

d. The coupon rate of the preference shares was 1.50% per annum as of December 31, 2020 and 2019, respectively.

e. Refer to Note 10 for information relating to their credit risk management and impairment.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	December 31	
	2020	2019
Gross carrying amount	$ 731,298	$ 819,899
Less: Allowance for impairment loss	(4,612)	(34,870)
Amortized cost	$ 726,686	$ 785,029

The Group only invests in debt instruments that have higher credit ratings and low credit risk after impairment assessment. The credit ratings are provided by independent rating agencies. The Group’s exposures and its external credit ratings are continuously monitored. The Group reviews changes in bond yields and other public information of debtors to evaluate whether there has been a significant increase in the credit risk since initial recognition.

The Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. The Group’s current credit risk grading framework comprises the following categories:

Credit Rating	Description	Basis for Recognizing Expected Credit Losses
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECL
No rating	The preference shares and bonds do not have credit rating	Lifetime ECL - not credit-impaired

The gross carrying amounts of debt instrument investments by credit category and the corresponding expected loss rates were as follows:

December 31, 2020

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount At Amortized Cost
Performing	0.0000%-0.4300%	$ 721,398
No rating	39.9496%	9,900

December 31, 2019

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount At Amortized Cost
Performing	0.0769%-0.6221%	$ 659,999
No rating	20.6080%	159,900

The movements of the allowance for impairment loss of investments in debt instruments at amortized cost were as follows:

	Credit Rating	
	Performing (12-month ECL)	No Rating (Lifetime ECL - Not Credit-impaired)
Balance at January 1, 2020	$ 1,918	$ 32,952
Financial assets purchased (a)	4,628	3,955
Derecognition (b)	(5,916)	(32,952)
Change in exchange rates or others	27	-
Balance at December 31, 2020	$ 657	$ 3,955
Balance at January 1, 2019	$ 2,650	$ 3,216
Financial assets purchased (a)	14,616	-
Derecognition (b)	(15,346)	-
Change in model or risk parameters (c)	-	30,912
Change in exchange rates or others	(2)	(1,176)
Balance at December 31, 2019	$ 1,918	$ 32,952

a. During the year ended December 31, 2020, the Group purchased principal guaranteed notes in the amount of $1,076,407 thousand and preference shares in the amount of $9,900 thousand, respectively, and correspondingly increased the loss allowance for investments rated as performing by $4,628 thousand and lifetime ECLs by $3,955 thousand; and during the year ended December 31, 2019, the Group purchased principal guaranteed notes in the amount of $2,349,473 thousand, and correspondingly increased the loss allowance for investments rated as performing by $14,616 thousand.

b. The investments in principal guaranteed notes of $947,583 thousand, bonds of $750,224 thousand and preference shares of 9,900 thousand were redeemed during the year ended December 31, 2020, with consequential reductions in the loss allowance for investments rated as performing of $5,916 thousand and lifetime ECLs of $32,952 thousand; and the investments in principal guaranteed notes of $2,445,180 thousand and bonds of $175,460 thousand were redeemed during the year ended December 31, 2019, with a consequential reduction in the loss allowance for investments rated as performing of $15,346 thousand.

c. As the Group disposed of its subsidiary, Gatetech Technology, in November 2019, the Group assessed the lifetime ECLs of its debt investments held in Gatetech Technology and correspondingly increased the expected credit losses by $30,912 thousand.

11. FINANCIAL INSTRUMENTS FOR HEDGING

	December 31	
	2020	**2019**
Financial assets		
Cash flow hedges - spot rate	$ 115,841	$ 1,137,902
Cash flow hedges - foreign exchange forward contracts	4,425	440
	$ 120,266	$ 1,138,342
Financial liabilities (included in other current liabilities)		
Cash flow hedges - foreign exchange forward contracts	$ 79	$ 6,884

The Group's hedging strategy is to enter into foreign exchange forward contracts and to buy foreign currency banknote at the spot rate to avoid exchange rate exposure from its foreign currency receipts and payments and to manage exchange rate exposure of its forecasted foreign currency purchases. Those transactions are designated as cash flow hedges. The hedging effects are adjusted to the carrying amounts of non-financial hedging items when the forecasted purchases take place.

For the hedges of highly probable forecasted purchases, the critical terms (i.e., notional amount, duration and underlying) of the foreign exchange forward contracts are corresponded to their hedged items. The Group performs a qualitative assessment and expects that the value of the foreign exchange forward contracts and the corresponding hedged items will be systematically changed in the opposite direction when the underlying exchange rate changes.

The source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the foreign exchange forward contracts and foreign currency banknote, which is not reflected in the fair value of the hedged item attributable to changes in foreign exchange rates. No other sources of ineffectiveness is expected to emerge from these hedging relationships. During 2020 and 2019, hedging instruments at fair value and transferred to initial carrying amount of hedged items are detailed in Note 23(e).

The following tables summarize the information relating to the hedges of foreign currency risk.

December 31, 2020

Hedging Instruments	Currency	Notional Amount (In Thousands)	Maturity	Forward Rate (Note)	Line Item	Carrying Amount Asset	Carrying Amount Liabilities	Change in Value Used for Calculating Hedge Ineffectiveness
Cash flow hedge								
Forecast purchases - spot rate	JPY/NTD	JPY419,258/NTD113,979	2021.02.15-2021.03.14	0.2700-0.2794	Financial assets for hedging	$ 115,841	$ -	$ 1,489
Forecast purchases - foreign exchange forward contracts	JPY/NTD	JPY1,880,000/NTD503,630	2021.01.15-2021.03.22	0.2665-0.2692	Financial assets for hedging	4,425	-	3,540
Forecast purchases - foreign exchange forward contracts	JPY/NTD	JPY225,000/NTD60,975	2021.01.27	0.2710	Other current liabilities	-	(79)	(63)
						$ 120,266	$ (79)	$ 4,966

Note: JPY1:NTD, unless stated otherwise.

Hedged Item	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity Continuing Hedges
Cash flow hedges		
Forecast purchases	$ (4,966)	$ 4,966

December 31, 2019

Hedging Instruments	Currency	Notional Amount (In Thousands)	Maturity	Forward Rate (Note)	Line Item	Carrying Amount Asset	Carrying Amount Liabilities	Change in Value Used for Calculating Hedge Ineffectiveness
Cash flow hedge								
Forecast purchases - spot rate	JPY/NTD	JPY4,122,832/NTD1,155,466	2020.02.25-2020.12.15	0.2758-0.2828	Financial assets for hedging	$ 1,137,902	$ -	$ (14,051)
Forecast purchases - foreign exchange forward contracts	JPY/NTD	JPY1,664,000/NTD464,661	2020.01.15-2020.11.16	0.2752-0.2815	Other current liabilities	-	(6333)	(5,066)
Forecast purchases - foreign exchange forward contracts	USD/NTD	USD4,000/NTD120,415	2020.01.13	30.1000-30.1050 (USD1:NTD)	Other current liabilities	-	(551)	(441)
Forecast purchases - foreign exchange forward contracts	RMB/USD	RMB28,005/USD4,000	2020.01.13	6.9980-7.0110 (USD1:RMB)	Financial assets for hedging	440	-	352
						$ 1,138,342	$ (6,884)	$ (19,206)

Note: JPY1:NTD, unless stated otherwise.

Hedged Item	Change in Value Used for Calculating Hedge Ineffectiveness	Accumulated Gains or Losses on Hedging Instruments in Other Equity Continuing Hedges
Cash flow hedges		
Forecast purchases	$ 19,206	$ (19,206)

Comprehensive Income Impact	Hedging Gains Recognized in OCI	
	For the Year Ended December 31	
	2020	2019
Cash flow hedges		
Forecast purchases	$ 19,378	$ 1,898

The Group had signed component purchasing contracts with the suppliers in Japan and China, and also signed foreign exchange forward contracts with the banks and purchased foreign currency banknotes at the spot rate to avoid exchange rate risk associated with its forecasted purchases. When the forecasted purchases take place, the amount originally deferred and recognized in equity will be reclassified to the carrying amount of the materials purchased.

12. NOTES AND ACCOUNTS RECEIVABLE, NET

	December 31	
	2020	2019
At amortized cost		
Notes and accounts receivable	$ 922,742	$ 1,206,811
Less: Allowance for impairment loss	(8,469)	(16,348)
	$ 914,273	$ 1,190,463

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to the past default experience of the debtor and an analysis of the debtor's current financial position. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The aging of receivables was as follows:

	December 31	
	2020	2019
0 days	$ 917,086	$ 1,154,739
1-60 days	3,260	23,190
61-90 days	433	1,233
More than 90 days	1,963	27,649
Gross carrying amount	922,742	1,206,811
Loss allowance (Lifetime ECL)	(8,469)	(16,348)
Amortized cost	$ 914,273	$ 1,190,463

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

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 16,348	$ 19,771
Less: Net reversal of loss allowance	(7,968)	(3,127)
Disposal of subsidiaries	-	(86)
Foreign exchange gains and losses	89	(210)
Balance at December 31	$ 8,469	$ 16,348

13. INVENTORIES

	December 31	
	2020	2019
Merchandise	$ 128,537	$ 121,436
Finished goods	1,240,435	1,975,823
Work in progress	279,501	317,658
Raw materials	2,081,440	2,038,601
Materials in transit	79,740	164,143
	$ 3,809,653	$ 4,617,661

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2020 and 2019 were $25,187,401 thousand and $26,072,063 thousand, respectively. The costs of goods sold for the years ended December 31, 2020 and 2019 included inventory write-downs of $45,098 thousand and $33,676 thousand, respectively.

14. SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

The remaining 56.13% interest in Kian Shen is dispersed and held by shareholders unrelated to the Group as of December 31, 2020 and 2019.

Refer to Table 7 for the information on the place of incorporation and principal place of business.

The summarized financial information below represents amounts before intragroup eliminations of Kian Shen and Kian Shen's subsidiaries:

	December 31	
	2020	2019
Current assets	$ 1,242,835	$ 1,041,592
Non-current assets	4,041,897	3,998,786
Current liabilities	(573,234)	(592,399)
Non-current liabilities	(387,522)	(339,243)
Equity	$ 4,323,976	$ 4,108,736

(Continued)

	December 31	
	2020	2019
Equity attributable to:		
Owners of Kian Shen	$ 1,896,928	$ 1,802,502
Non-controlling interests of Kian Shen	2,427,048	2,306,234
	$ 4,323,976	$ 4,108,736

(Concluded)

	For the Year Ended December 31	
	2020	2019
Revenue	$ 1,052,991	$ 1,242,120
Profit for the year	$ 324,045	$ 289,942
Other comprehensive income (loss) for the year	37,995	(162,224)
Total comprehensive income for the year	$ 362,040	$ 127,718
Profit attributable to:		
Owners of Kian Shen	$ 142,159	$ 127,198
Non-controlling interests of Kian Shen	181,886	162,744
	$ 324,045	$ 289,942
Total comprehensive income attributable to:		
Owners of Kian Shen	$ 158,827	$ 56,030
Non-controlling interests of Kian Shen	203,213	71,688
	$ 362,040	$ 127,718
Net cash outflow from:		
Operating activities	$ (122,962)	$ (78,222)
Investing activities	593,505	36,807
Financing activities	(134,098)	(96,973)
Foreign exchange adjustments	8,915	(71)
Net cash inflow (outflow)	$ 345,360	$ (138,459)
Dividends paid to non-controlling interests	$ 82,399	$ 74,158

15. NON-CURRENT ASSETS HELD FOR SALE

	December 31	
	2020	2019
Investments accounted for using the equity method classified as held for sale	$ -	$ 148,023
Equity directly associated with non-current assets classified as held for sale	$ -	$ (7,538)

In August 2018, the Group entered into a contract for the transfer of its shares in Zhejiang Kanda to a non-related party and collected the proceeds from the contract in installments (discounted price after tax was $390,514 (RMB91,105 thousand)). The disposal was completed in May 2020, the date on which the Group recognized a gain on disposal of investments amounting to $234,953 thousand, and recognized an expected credit loss of $84,464 thousand after taking into consideration the debtor's current financial position and the value of assets pledged as collateral.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2020	**2019**
Investments in associates	$ 16,335,980	$ 15,586,288
Investments in joint ventures	7,296,965	7,762,637
	$ 23,632,945	$ 23,348,925

a. Investments in associates

	December 31	
Associate	**2020**	**2019**
Material associates		
Yulon	$ 7,561,633	$ 7,110,438
Associates that are not individually material	8,774,347	8,475,850
	$ 16,335,980	$ 15,586,288

1) Material associates

The Group held 16.80% interest in Yulon on December 31, 2020 and 2019, respectively.

The Group exercises significant influence over Yulon and applies the equity method of accounting because the Group had a representation on the board of directors of Yulon even though the Group holds less than 20% interest in Yulon.

The share of profit or loss and other comprehensive income of the associates accounted for using the equity method was recognized based on the associates' financial statements which have been audited for the same years.

Refer to Table 7 for the nature of activities, principal places of business and countries of incorporation of the aforementioned associates.

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	December 31	
Name of Associate	**2020**	**2019**
Yulon	$ 7,818,908	$ 5,126,561

The summarized financial information below represents amounts shown in the associates' consolidated financial statements prepared in accordance with IFRSs, and reflects the adjustments made when the equity method of accounting was applied.

Yulon

	December 31	
	2020	**2019**
Current assets	$ 215,186,668	$ 231,944,241
Non-current assets	86,136,078	81,947,302
Current liabilities	(201,009,483)	(230,603,249)
Non-current liabilities	(35,437,943)	(26,207,143)
Equity	64,875,320	57,081,151
Non-controlling interests	(16,136,852)	(11,244,743)
	$ 48,738,468	$ 45,836,408
Proportion of the Group's ownership	16.80%	16.80%
Equity attributable to the Group	$ 8,188,063	$ 7,700,516
Cross-shareholdings	(626,430)	(590,078)
Carrying amount	$ 7,561,633	$ 7,110,438

	For the Year Ended December 31	
	2020	**2019**
Operating revenue	$ 82,597,514	$ 85,578,910
Net profit (loss) for the year	$ 4,839,562	$ (24,533,477)
Other comprehensive income (loss)	240,989	(304,732)
Total comprehensive income (loss) for the year	$ 5,080,551	$ (24,838,209)
Dividends received from Yulon	$ -	$ 175,693

2) Aggregate information of associates that are not individually material

	For the Year Ended December 31	
	2020	**2019**
The Group's share of:		
Net profit (loss) for the year	$ 818,085	$ (358,800)
Other comprehensive income	25,670	69,661
Total comprehensive income (loss) for the year	$ 843,755	$ (289,139)

All the associates are accounted for using the equity method.

In May 2020, Hua-Chuang Automobile Information Technical Center reduced its capital for offsetting accumulated deficits, and issued ordinary shares for cash in August 2020 that the Group did not subscribe for additional new shares at the percentage of its existing ownership, which resulted in the Group's combined shareholding to be less than 0.01%. In addition, in September 2020, the Corporation has resigned from its position as member of the board of directors of Hua-Chuang Automobile Information Technical Center and consequently ceased to have significant influence over the latter and recognized a loss on disposal of the investment amounting to $2,522 thousand.

In January 2019, the Group disposed of 20.01% interest in Sin Jang to Sin Gan and recognized a gain on disposal of the investment amounting to $1,347 thousand (calculated as the disposal price of $103,475 thousand less the carrying amount of the disposed of equity investments of $102,206 thousand and the exchange differences on translating the financial statements of foreign operations of $78 thousand).

In March 2019, the Group disposed of 24.67% interest in Sin Gan to Taiwan Acceptance and recognized a loss on disposal of the investment amounting to $1,862 thousand (calculated as the disposal price of $105,824 thousand less the carrying amount of the disposed of equity investments of $105,860 thousand and exchange differences on translating the financial statements of foreign operations of $(1,826) thousand).

In June 2019, the Group disposed of 43.85% interest in Yulon IT to Yulon and recognized a loss on disposal of the investment amounting to $1,100 thousand (calculated as the disposal price of $17,860 thousand less the carrying amount of the disposed of equity investments of $18,960 thousand).

Investments in associates that are not individually material are accounted for using the equity method although the Group holds less than 20% interest because the Group exercises significant influence on their major transactions or has representations on their board of directors.

The Group is the single largest shareholder of several associates. The Group's holding is less than 50% of the voting rights in the investees but the Group considered its holding of voting rights relative to the size and dispersion of the other shareholdings, which are not widely dispersed, and concluded that it has neither the ability to direct the relevant activities of the investees nor the control over the investees. The management of the Group considered the Group as exercising significant influence over the investees and, therefore, classified them as associates accounted for using the equity method.

The share of profit or loss and other comprehensive income of these associates accounted for using the equity method was based on the associates' financial statements which have been audited for the same years.

b. Investments in joint ventures

	December 31	
	2020	**2019**
Joint ventures that are not individually material	$ 7,296,965	$ 7,762,637

Aggregate information of joint ventures that are not individually material:

	For the Year Ended December 31	
	2020	**2019**
The Group's share of:		
Net profit of the year	$ 478,366	$ 803,549
Other comprehensive income (loss)	47,036	(297,180)
Total comprehensive income for the year	$ 525,402	$ 506,369

All the joint ventures are accounted for using the equity method.

The share of profit or loss and other comprehensive income of these joint ventures accounted for using the equity method was based on the joint ventures' financial statements which have been audited for the same years.

17. PROPERTY, PLANT AND EQUIPMENT

	Land	Land Improvements	Buildings	Machinery	Other Equipment	Construction in Progress	Total
Cost							
Balance at January 1, 2020	$ 1,974,774	$ 126,428	$ 4,769,262	$ 24,099,766	$ 1,709,591	$ 897,340	$ 33,577,161
Additions	-	-	-	68,022	11,404	856,162	935,588
Disposals	-	-	-	(87,827)	(75,588)	-	(163,415)
Reclassifications	-	920	47,940	1,192,382	62,543	(1,300,495)	3,290
Effect of foreign currency exchange differences	-	-	2,917	722	353	-	3,992
Balance at December 31, 2020	$ 1,974,774	$ 127,348	$ 4,820,119	$ 25,273,065	$ 1,708,303	$ 453,007	$ 34,356,616
Accumulated depreciation and impairment							
Balance at January 1, 2020		$ 112,982	$ 3,907,415	$ 21,836,251	$ 1,301,259	$ -	$ 27,157,907
Disposals		-	-	(86,515)	(50,983)	-	(137,498)
Depreciation expenses		2,318	71,740	641,138	81,669	-	796,865
Reclassifications		-	158	3,132	-	-	3,290
Impairment losses		-	-	6,213	1,015	-	7,228
Effect of foreign currency exchange differences		-	820	459	316	-	1,595
Balance at December 31, 2020		$ 115,300	$ 3,980,133	$ 22,400,678	$ 1,333,276	$ -	$ 27,829,387
Carrying amounts at December 31, 2020	$ 1,974,774	$ 12,048	$ 839,986	$ 2,872,387	$ 375,027	$ 453,007	$ 6,527,229
Cost							
Balance at January 1, 2019	$ 2,127,397	$ 124,345	$ 4,983,226	$ 24,729,633	$ 1,790,580	$ 797,004	$ 34,552,185
Additions	-	-	1,105	109,015	51,180	1,328,010	1,489,310
Disposals	-	-	(16,964)	(1,279,309)	(159,297)	(4,419)	(1,459,989)
Reclassifications	-	2,083	151,760	996,820	70,384	(1,221,318)	(271)
Disposal of subsidiaries	(152,623)	-	(334,660)	(441,753)	(41,875)	(1,900)	(972,811)
Effect of foreign currency exchange differences	-	-	(15,205)	(14,640)	(1,381)	(37)	(31,263)
Balance at December 31, 2019	$ 1,974,774	$ 126,428	$ 4,769,262	$ 24,099,766	$ 1,709,591	$ 897,340	$ 33,577,161
Accumulated depreciation and impairment							
Balance at January 1, 2019		$ 110,727	$ 3,971,425	$ 22,699,041	$ 1,382,845	$ -	$ 28,164,038
Disposals		-	(16,867)	(1,276,555)	(132,855)	-	(1,426,277)
Depreciation expenses		2,255	117,362	712,984	87,179	-	919,780
Reclassifications		-	(106)	2,810	(2,810)	-	(106)
Impairment losses		-	-	51,740	90	-	51,830
Disposal of subsidiaries		-	(158,287)	(342,454)	(32,179)	-	(532,920)
Effect of foreign currency exchange differences		-	(6,112)	(11,315)	(1,011)	-	(18,438)
Balance at December 31, 2019		$ 112,982	$ 3,907,415	$ 21,836,251	$ 1,301,259	$ -	$ 27,157,907
Carrying amounts at December 31, 2019	$ 1,974,774	$ 13,446	$ 861,847	$ 2,263,515	$ 408,332	$ 897,340	$ 6,419,254

All the property, plant and equipment of the Group were for own use.

As a result of the declining sales in the market for several types of vehicles, the estimated future cash flows expected to arise from related equipment had decreased. Thus, the Group recognized impairment losses of $7,228 thousand and $51,830 thousand for the years ended December 31, 2020 and 2019, respectively. The Group determined the recoverable amount of the relevant assets on the basis of their value in use. The estimated future cash flows expected to arise from the related equipment had decreased to zero for the year ended December 31, 2020. The discount rates used in measuring value in use were 3.47%-4.44% per annum for the year ended December 31, 2019.

Except for tooling (included in machinery), which is depreciated on an expected production quantity basis, the above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Category	Year
Land improvements	3-20 years
Buildings	2-60 years
Machinery	2-24 years
Other equipment	2-20 years

Acquisition of property, plant and equipment includes the increase in payables for equipment of $140,081 thousands for the year ended December 31, 2020, refer to Note 21 for the details.

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 32.

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2020	2019
Carrying amount		
Land	$ 54,807	$ 82,312
Buildings	292,648	352,877
Other equipment	9,277	7,732
	$ 356,732	$ 442,921

	For the Year Ended December 31	
	2020	2019
Additions to right-of-use assets	$ 28,180	$ 22,249
Depreciation charge for right-of-use assets		
Land	$ 28,297	$ 29,853
Buildings	63,120	66,868
Other equipment	6,537	6,655
	$ 97,954	$ 103,376

b. Lease liabilities

	December 31	
	2020	2019
Carrying amount		
Current	$ 87,196	$ 88,697
Non-current	$ 277,908	$ 359,836

Range of discount rate for lease liabilities was as follows:

	December 31	
	2020	2019
Land	1.20%-1.94%	1.20%-1.94%
Buildings	1.20%-4.35%	1.20%-4.35%
Other equipment	0.95%-1.37%	0.98%-1.37%

c. Material lease-in activities and terms

The Group leases land and buildings for the use of plants, and offices with lease terms of 2 to 10 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2020	2019
Expenses relating to short-term leases	$ 18,436	$ 20,121
Expenses relating to low-value asset leases	$ 1,668	$ 2,688
Total cash outflow for leases	$ 123,575	$ 132,901

The Group's leases of certain equipment qualify as short-term leases and low-value asset 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.

19. INVESTMENT PROPERTIES

Cost	
Balance at January 1, 2020 and December 31, 2020	$ 1,821,158
Accumulated depreciation and impairment	
Balance at January 1, 2020	$ 455,109
Depreciation expenses	11,034
Balance at December 31, 2020	$ 466,143
Carrying amount at December 31, 2020	$ 1,355,015
Cost	
Balance at January 1, 2019	$ 1,820,887
Reclassification	271
Balance at December 31, 2019	$ 1,821,158

(Continued)

Accumulated depreciation and impairment

Balance at January 1, 2019	$ 440,885
Reclassification	106
Depreciation expenses	14,118
Balance at December 31, 2019	$ 455,109
Carrying amount at December 31, 2019	$ 1,366,049

(Concluded)

The investment properties were leased out for 2 to 10 years, with an option to extend the lease periods. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable from the leasing of investment properties under operating leases as of December 31, 2020 and 2019 was as follows:

	December 31	
	2020	2019
Year 1	$ 58,895	$ 69,039
Year 2	47,270	59,481
Year 3	22,178	49,816
Year 4	16,020	17,979
Year 5	16,020	13,920
Later than 5 years	-	13,920
	$ 160,383	$ 224,155

The investment properties held by the Group are depreciated over their estimated 10 to 60 years of useful lives, using the straight-line method.

The fair values of investment properties of the Group were $2,278,789 thousand and $2,273,093 thousand as of December 31, 2020 and 2019, respectively.

Investment properties as of December 31, 2020 and 2019 were appraised by the Group’s management using the valuation model in which other market participants frequently used. The valuation from management was arrived at by reference to market evidence of transaction prices for similar properties.

The Group has freehold interests in all of its investment properties. The investment properties pledged as deposits for certain projects are set out in Note 32.

20. BORROWINGS

a. Short-term borrowings

	December 31	
	2020	2019
Line of credit borrowings	$ 215,000	$ 615,000

The ranges of interest rate on credit borrowings were 0.36%-0.96% and 0.95%-1.00% per annum as of December 31, 2020 and 2019, respectively.

b. Long-term borrowings

	December 31	
	2020	**2019**
Unsecured borrowings		
Line of credit borrowings	$ 93,750	$ 50,000
Less: Current portions	(37,500)	(6,250)
Long-term borrowings	$ 56,250	$ 43,750

The aforementioned long-term borrowings are repayable in installments at varying amounts before April 15, 2023. The Group had signed medium-term loan contracts with banks for non-revolving credit facilities. As of December 31, 2020 and 2019, the annual interest rates were 0.725% and 0.975%, respectively.

21. OTHER PAYABLES

	December 31	
	2020	**2019**
Payables for salaries or bonuses	$ 1,081,979	$ 988,243
Payables for equipment	214,382	74,301
Payables for warranties	206,309	208,694
Payables for taxes	183,287	222,322
Payables for advertisement	171,646	126,738
Provisions for employee benefits	138,475	137,121
Others	645,743	669,271
	$ 2,641,821	$ 2,426,690

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and Kian Shen, China Engine, Sino Diamond Motors, Brilliant Insight International, COC, Y.M. Hi-Tech, and Ling Wei of the Group adopted a pension plan under the Labor Pension Act (the “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 subsidiaries in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs per month to the retirement benefit scheme to fund the benefits.

b. Defined benefit plans

The defined benefit plan adopted by the Corporation and Kian Shen, China Engine, Sino Diamond Motors, COC and Y.M. Hi-Tech of the Group in accordance with the Labor Standards Act 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 6 months before retirement. The Group contributes 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	**2019**
Present value of defined benefit obligation	$ 2,384,534	$ 2,436,206
Fair value of plan assets	(1,733,104)	(1,700,806)
Net defined benefit liabilities	$ 651,430	$ 735,400

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2019	$ 2,578,708	$ (1,668,380)	$ 910,328
Service cost			
Current service cost	40,507	-	40,507
Past service cost	43,118	-	43,118
Net interest expense (income)	28,381	(18,522)	9,859
Recognized in profit or loss	112,006	(18,522)	93,484
Remeasurement			
Return on plan assets	-	(55,335)	(55,335)
Actuarial (gain) loss			
Changes in demographic assumptions	565	-	565
Changes in financial assumptions	86,335	-	86,335
Experience adjustments	(20,419)	-	(20,419)
Recognized in other comprehensive income (loss)	66,481	(55,335)	11,146
Contributions from the employer	-	(184,023)	(184,023)
Benefits paid	(214,650)	214,650	-
Portion of benefits paid by the Corporation	(84,647)	-	(84,647)
Disposal of subsidiaries	(21,692)	10,804	(10,888)
Balance at December 31, 2019	2,436,206	(1,700,806)	735,400

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Service cost			
Current service cost	$ 32,943	$ -	$ 32,943
Past service cost	65,263	-	65,263
Net interest expense (income)	18,588	(13,078)	5,510
Recognized in profit or loss	116,794	(13,078)	103,716
Remeasurement			
Return on plan assets	-	(58,653)	(58,653)
Actuarial (gain) loss			
Changes in demographic assumptions	328	-	328
Changes in financial assumptions	57,463	-	57,463
Experience adjustments	18,637	-	18,637
Recognized in other comprehensive income (loss)	76,428	(58,653)	17,775
Contributions from the employer	-	(115,957)	(115,957)
Benefits paid	(155,390)	155,390	-
Portion of benefits paid by the Corporation	(89,504)	-	(89,504)
Balance at December 31, 2020	$ 2,384,534	$ (1,733,104)	$ 651,430

(Concluded)

The disbursement amounts of defined benefit plans of associates were $520 thousand and $447 thousand in 2020 and 2019, respectively.

Through the defined benefit plans under the Labor Standards Act, 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 plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the 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 plan's 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	2019
Discount rate	0.375%-1%	0.75%-1.1%
Expected rate of salary increase	1.25%-2.5%	1.25%-2.5%

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	2019
Discount rate		
0.25% increase	$ (58,234)	$ (61,242)
0.25% decrease	$ 60,329	$ 63,520
Expected rate of salary increase/decrease		
0.25% increase	$ 58,787	$ 62,062
0.25% decrease	$ (57,040)	$ (60,141)

The sensitivity analysis 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	2019
Expected contributions to the plans for the next year	$ 36,253	$ 124,423
Average duration of the defined benefit obligation	7.6-11.6 years	8.2-13 years

23. EQUITY

a. Share capital

1) Ordinary shares

	December 31	
	2020	2019
Number of shares authorized (in thousands)	1,800,000	1,800,000
Amount of shares authorized	$ 18,000,000	$ 18,000,000
Number of shares issued and fully paid (in thousands)	553,620	553,620
Shares issued	$ 5,536,203	$ 5,536,203

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

2) Capital reduction in cash

For the purposes of adjusting its capital structure and enhancing the return on shareholders' equity, the Corporation resolved in its board of directors' meeting on March 27, 2019 and subsequently in the shareholders' meeting in June 2019 to implement a capital reduction in cash through the return of share proceeds to shareholders. The total capital reduction amounted to $8,304,305 thousand, which represented the cancellation of 830,431 thousand shares (capital reduction ratio was 60%). After the capital reduction, the amount of paid-in capital was $5,536,203 thousand. The capital reduction was approved by the FSC on July 23, 2019. In addition, the record date of the capital reduction, which was set as August 8, 2019, had been approved by the board of directors in August 2019 and the change in registration was completed on August 19, 2019.

b. Capital surplus

	December 31	
	2020	2019
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
Conversion of bonds	$ 5,183,923	$ 5,183,923
Issuance of ordinary shares	1,184,920	1,184,920
Others	4,666	4,666
May be used to offset a deficit only		
Changes in percentage of ownership interest in subsidiaries (Note 2)	2,225	2,225
Share of changes in capital surplus of associates	36,044	38,384
	$ 6,411,778	$ 6,414,118

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

Note 2: Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulting from equity transactions other than actual disposal or acquisition, or from changes in capital surplus subsidiaries accounted for using equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for offsetting losses of previous years and paying taxes, then for setting aside as legal reserve 10% of the remaining profit. If there is remaining profit, the profit shall be utilized for setting aside 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 Corporation’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for distribution. For the policies on distribution of employees’ compensation and remuneration of directors, refer to Note 25.

The operating environment of the Corporation is considered as a mature and steady industry. In determining dividend amounts, the Corporation takes its future capital expenditures and related factors into account and also seeks to uphold the shareholders’ interests while realizing the Corporation’s long-term financial plan. Dividends are distributed at no less than 40% of profits after tax, but dividends cannot be distributed if the Corporation has deficit. Dividends are paid in the form of cash or stock. The Corporation’s policy is that cash dividends should be at least 20% of total dividends.

The shareholders of the Corporation held their regular meeting in June 2020 and in that meeting, resolved the amendments to the dividend policy of the Corporation’s Articles of Incorporation, where the regulation of “dividends cannot be distributed if the Corporation has a deficit” has been deleted.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Corporation’s paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation’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 the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reserved from a special reserve by the Corporation.

Due to the net loss incurred in 2019, the Corporation's resolution to not distribute dividends was approved in the shareholders' meeting.

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

	For Year 2018
Legal reserve	$ 359,300
Cash dividends	$ 2,352,886
Dividends per share (NT$)	$1.7

Information on the appropriation of earnings in the shareholders' meetings is available on the Market Observation Post System website of the Taiwan Stock Exchange.

The appropriation of earnings for 2020 had been proposed by the Corporation's board of directors on March 23, 2021. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 323,844	
Cash dividends	3,875,342	$ 7.0

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

d. Special reserves

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 1,029,654	$ 1,046,967
Reversals		
Disposal of subsidiaries and associates	(1,185)	(17,308)
Disposal of property, plant and equipment	(110)	(5)
Balance at December 31	$ 1,028,359	$ 1,029,654

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2020	**2019**
Balance at January 1	$ (990,653)	$ (646,278)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	12,993	(52,779)
Share from associates and joint ventures accounted for using the equity method	30,165	(336,745)
Reclassification adjustments		
Disposal of associates accounted for using equity method	4,470	1,748
Disposal of foreign operations	16,364	43,401
Other comprehensive income (loss) recognized for the year	63,992	(344,375)
Balance at December 31	$ (926,661)	$ (990,653)

2) Unrealized gain on financial assets at FVTOCI

	For the Year Ended December 31	
	2020	**2019**
Balance at January 1	$ 216,562	$ 117,177
Recognized for the year		
Unrealized loss - equity instruments	(10,421)	(13,972)
Share from associates accounted for using the equity method	53,107	195,384
Other comprehensive income recognized for the year	42,686	181,412
Cumulative unrealized loss (gain) of equity instruments transferred to retain earning due to disposal by associates	5,418	(82,010)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	-	(17)
Balance at December 31	$ 264,666	$ 216,562

3) Cash flow hedges

	For the Year Ended December 31	
	2020	**2019**
Balance at January 1	$ (19,968)	$ 20,997
Recognized for the year		
Gain on changes in the fair value of hedging instruments		
Foreign currency risk - foreign exchange forward contracts	8,632	(5,155)
Foreign currency risk - spot rate	6,870	6,673
Share from joint ventures accounted for using the equity method	2,714	(762)
Other comprehensive income recognized for the year	18,216	756
Transferred to initial carrying amount of hedged items	8,670	(41,721)
Balance at December 31	$ 6,918	$ (19,968)

f. Non-controlling interests

	For the Year Ended December 31	
	2020	2019
Balance at January 1	$ 3,422,878	$ 3,613,814
Share of profit for the year	263,228	157,200
Other comprehensive income (loss) recognized for the year		
Unrealized loss on financial assets at FVTOCI	(17,876)	(4,419)
Exchange difference on translation the financial statements of foreign operations	6,069	(18,140)
Remeasurement on defined benefit plans	2,498	11,910
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	33,147	(76,453)
Other comprehensive income (loss) recognized for the year	23,838	(87,102)
Disposal of subsidiaries (Note 28)	-	(148,637)
Cash dividend distributed by subsidiaries	(126,690)	(112,397)
Balance at December 31	$ 3,583,254	$ 3,422,878

24. REVENUE

	For the Year Ended December 31	
	2020	2019
Revenue from contracts with customers		
Revenue from sale of goods		
Revenue from sale of vehicles	$ 23,722,821	$ 24,114,164
Revenue from sale of components	5,846,166	6,557,235
	29,568,987	30,671,399
Service revenue	1,152,760	1,243,630
Rental income	91,751	70,218
Other revenue	61,102	82,725
	$ 30,874,600	$ 32,067,972

Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes and accounts receivable (Note 12)	$ 914,273	$ 1,190,463	$ 1,177,454
Trade receivables from related parties (Note 31)	$ 1,267,478	$ 1,457,139	$ 1,952,469

25. NET PROFIT (LOSS)

Net profit (loss) is as follows:

a. Depreciation and amortization

	For the Year Ended December 31	
	2020	2019
An analysis of depreciation by function		
Operating costs	$ 726,088	$ 831,601
Operating expenses	179,765	205,673
	$ 905,853	$ 1,037,274
An analysis of amortization by function		
Operating costs	$ 5,469	$ 9,847
Operating expenses	41,642	47,228
	$ 47,111	$ 57,075
An analysis of amortization of intangible assets by function		
Research and development expenses	$ 75,053	$ 57,762

b. Rental income and operating expenses directly related to investment properties

	For the Year Ended December 31	
	2020	2019
Rental income from investment properties	$ 73,658	$ 67,467
Direct operating expenses from investment properties that generated rental income	$ 16,984	$ 20,543

c. Employee benefits expense

	For the Year Ended December 31	
	2020	2019
Post-employment benefits		
Defined contribution plans	$ 71,309	$ 88,643
Defined benefit plans	103,196	93,037
	174,505	181,680
Short-term benefits	3,236,995	3,558,956
	$ 3,411,500	$ 3,740,636
An analysis of employee benefits expenses by function		
Operating costs	$ 1,777,269	$ 2,032,004
Operating expenses	1,634,231	1,708,632
	$ 3,411,500	$ 3,740,636

d. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Corporation, the Corporation accrued employees' compensation and remuneration of directors of at rates of no less than 0.1% and no higher than 0.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the year ended December 31, 2020, which were approved by the Corporation's board of directors in March 2021, are as follows:

Amount

	For the Year Ended December 31, 2020
	Cash
Employees' compensation	$ 31,923
Remuneration of directors	17,130

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.

Due to the net loss before income tax for the year ended December 31, 2019, the Corporation did not accrue employees' compensation and remuneration of directors.

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, 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.

e. Impairment loss recognized

	For the Year Ended December 31	
	2020	**2019**
Intangible assets under development	$ 94,497	$ -
Property, plant and equipment (Note 17)	7,228	51,830
	$ 101,725	$ 51,830

The Group intends to modify vehicle engines, and the future cash flows expected to arise from the related intangible assets of engines had decreased to zero. Therefore, the Group recognized impairment loss of $94,497 thousand for the year ended December 31, 2020.

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Year Ended December 31	
	2020	2019
Current tax		
In respect of the current year	$ 77,192	$ 401,312
Taxation for repatriated offshore funds	121,108	-
Adjustments for the prior years	(26,714)	(16,140)
	171,586	385,172
Deferred tax		
In respect of the current year	21,163	199,951
Adjustments for the prior years	19,169	42,987
	40,332	242,938
Income tax expense recognized in profit or loss	$ 211,918	$ 628,110

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

	For the Year Ended December 31	
	2020	2019
Profit (loss) before tax from continuing operations	$ 3,752,466	$ (1,680,263)
Income tax expense (benefit) calculated at the statutory rate (20%)	$ 750,494	$ (336,052)
Non-deductible expense	2,392	-
Tax-exempt income	(97,729)	1,015,899
Taxation for repatriated offshore funds	121,108	-
Income tax on unappropriated earnings	1,239	12,012
Unrecognized deductible temporary differences	(645,010)	(22,273)
Investment credits	-	(84,239)
Unrecognized loss carryforwards	89,213	9,608
Effect of different tax rates of group entities operating in other jurisdictions	(24,450)	2,773
Adjustments for prior years' tax	(7,545)	26,847
Others	22,206	3,535
Income tax expense recognized in profit or loss	$ 211,918	$ 628,110

The corporate tax rate applicable to subsidiaries in China is 25%. Tax rates applicable to other entities of the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

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

In July 2019, the president of the ROC announced the regulations on the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. Within two years from the date of enforcement of this Act, profit-seeking enterprises may be subject to taxation based on these regulations upon approval by the tax authorities. A tax rate of 8% applies to the first year's repatriation of funds, while a tax rate of 10% applies to the second year's repatriation of funds; the statutory rate of 20% is not applicable. If substantive investments are subsequently made, profit-seeking enterprises may apply for a refund of 50% of the tax paid for qualifying investment amounts.

As of December 31, 2020, the Group repatriated $685,351 thousand (RMB161,076 thousand and US$367 thousand) after approval was obtained from the National Taxation Bureau, Ministry of Finance. The total amount of withholding tax on income was $121,108 thousand, comprising $66,468 thousand based on the source of income and $54,640 thousand based on the preferential tax rate at 8%.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2020	**2019**
Deferred tax		
In respect of the current year		
Cash flow hedges	$ (3,876)	$ (380)
Remeasurement of defined benefit plans	3,555	2,229
	$ (321)	$ 1,849

c. Current tax assets and liabilities

	December 31	
	2020	**2019**
Current tax assets (included in other current assets)		
Tax refund receivable and prepaid income tax	$ 144,737	$ 94,452
Current tax liabilities		
Income tax payable	$ 284,692	$ 312,774

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2020

Deferred tax assets	**Opening Balance**	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Others**	**Closing Balance**
Temporary differences					
Defined benefit plans	$ 118,173	$ (20,339)	$ 3,555	$ -	$ 101,389
Other payables	60,674	(405)	-	-	60,269
Inventories	37,728	8,021	-	-	45,749
Others	36,253	36,137	(4,802)	-	67,588
	252,828	23,414	(1,247)	-	274,995
Loss carryforwards	566	31,584	-	-	32,150
	$ 253,394	$ 54,998	$ (1,247)	$ -	$ 307,145

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred tax liabilities					
Temporary differences					
Investments accounted for using the equity method	$ 410,481	$ 91,483	$ -	$ 1,459	$ 503,423
Reserve for land value increment tax	69,799	-	-	-	69,799
Others	-	3,847	(926)	2,167	5,088
	$ 480,280	$ 95,330	$ (926)	$ 3,626	$ 578,310

(Concluded)

For the year ended December 31, 2019

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred tax assets					
Temporary differences					
Defined benefit plans	$ 150,971	$ (35,027)	$ 2,229	$ -	$ 118,173
Other payables	72,585	(11,911)	-	-	60,674
Inventories	36,133	1,595	-	-	37,728
Others	26,471	4,980	(5,629)	10,431	36,253
	286,160	(40,363)	(3,400)	10,431	252,828
Loss carryforwards	50,551	(1,055)	-	(48,930)	566
	$ 336,711	$ (41,418)	$ (3,400)	$ (38,499)	$ 253,394
Deferred tax liabilities					
Temporary differences					
Investments accounted for using the equity method	$ 192,262	$ 202,371	$ -	$ 15,848	$ 410,481
Reserve for land value increment tax	69,799	-	-	-	69,799
Others	6,100	(851)	(5,249)	-	-
	$ 268,161	$ 201,520	$ (5,249)	$ 15,848	$ 480,280

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

	December 31 2020	December 31 2019
Loss carryforwards		
Expiry in 2020	$ -	$ 146,845
Expiry in 2021	263,312	263,312
Expiry in 2022	42,929	42,929
Expiry in 2023	12,368	12,368
Expiry in 2024	7,016	7,016
Expiry in 2025	8,836	9,644

(Continued)

	December 31	
	2020	2019
Expiry in 2027	$ 20,785	$ 20,785
Expiry in 2028	367,500	370,200
Expiry in 2029	180,862	180,862
Expiry in 2030	495,623	-
	$ 1,399,231	$ 1,053,961
Deductible temporary differences	$ 1,569,668	$ 1,630,359

(Concluded)

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2020 comprised:

Unused Amount	Expiry Year
$ 263,312	2021
42,929	2022
12,368	2023
7,016	2024
8,836	2025
20,785	2027
367,960	2028
183,231	2029
649,327	2030
$ 1,555,764	

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

As of December 31, 2020 and 2019, the taxable temporary differences associated with an investment in subsidiaries for which no deferred tax liabilities have been recognized were $516,342 thousand and $509,579 thousand, respectively.

h. Income tax assessments

The income tax returns of the Corporation through 2018 have been assessed by the tax authorities.

27. EARNINGS (LOSS) PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2020	2019
Basic earnings (loss) per share	$ 6.01	$ (2.38)
Diluted earnings (loss) per share	$ 6.00	$ (2.38)

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

Net Profit (Loss) for the Year

	For the Year Ended December 31	
	2020	**2019**
Profit (loss) of the Corporation	$ 3,277,320	$ (2,465,573)

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Year Ended December 31	
	2020	**2019**
Weighted average number of ordinary shares used in the computation of basic earnings per share		
Weighted average number of ordinary shares	553,620	1,051,879
Adjustment for associates holding shares	(8,239)	(15,655)
	545,381	1,036,224
Effect of potentially dilutive ordinary shares		
Employees' compensation	631	-
Weight average number of ordinary shares used in the computation of diluted earnings per share	546,012	1,036,224

When calculating earnings per share (EPS), the Group considers the shares which associates hold as the treasury shares to reduce the outstanding shares.

If the Corporation offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was 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. Due to the net loss after tax for the year ended December 31, 2019, the Corporation did not compute the diluted loss per share with anti-dilutive effects by assuming that employees' compensation would be distributed in the form of shares.

28. DISPOSAL OF SUBSIDIARY

The Corporation's board of directors approved to fully dispose of its interest held in its subsidiary, Advance Power Machinery, to Yulon on July 16, 2020. The disposal was completed on July 17, 2020, the date on which the control of Advance Power Machinery was transferred to the acquirer.

In order to strengthen the Group's capital structure and focus on the development of its business, the Group fully disposed of interest in its subsidiary, Gatetech Technology, to a non-related party. The disposal was completed on November 30, 2019, on which date control of Gatetech Technology passed to the acquirer.

a. Consideration received from disposal

	For the Year Ended December 31	
	2020	2019
	Advance Power Machinery	Gatetech Technology
Sales proceeds received	$ 10,787	$ 534,600

b. Analysis of assets and liabilities on the date control was lost

	For the Year Ended December 31	
	2020	2019
	Advance Power Machinery	Gatetech Technology
Current assets		
Cash and cash equivalents	$ 12,983	$ 302,841
Notes and accounts receivable, net	10,844	222,067
Other receivables	1,579	3,551
Inventories	-	114,124
Prepayments	-	15,819
Other current assets	30	102
Non-current assets		
Property, plant and equipment	-	439,891
Deferred tax assets	-	48,930
Other non-current assets	20	18,732
Current liabilities		
Short-term borrowings	-	(330,000)
Notes and accounts payable	-	(79,219)
Trade payable to related parties	-	(2,042)
Other payables	(14,311)	(44,991)
Current tax liabilities	(31)	-
Other current liabilities	(245)	(2,256)
Non-current liabilities		
Bonds payable	-	(150,000)
Net defined benefit liabilities	-	(10,888)
Net assets disposed of	$ 10,869	$ 546,661

c. Gain (loss) on disposal of subsidiaries

	For the Year Ended December 31	
	2020	2019
	Advance Power Machinery	Gatetech Technology
Consideration received	$ 10,787	$ 534,600
Net assets disposal of	(10,869)	(546,661)
Non-controlling interests	-	148,637
Reclassification of other comprehensive income in respect of subsidiaries	-	(43,259)
Gain (loss) on disposals	$ (82)	$ 93,317

d. Net cash inflow (outflow) on disposal of subsidiary

	For the Year Ended December 31	
	2020	2019
	Advance Power Machinery	Gatetech Technology
Proceeds of disposal	$ 10,787	$ 534,600
Less: Cash and cash equivalent balances disposal of	(12,983)	(302,841)
Net cash inflow (outflow) on disposal of subsidiaries	$ (2,196)	$ 231,759

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged in the future.

30. FINANCIAL INSTRUMENTS

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

The Group's management believes the carrying amounts of financial assets and financial liabilities that are not measured at fair value recognized in the consolidated financial statements approximate their fair values or their fair values cannot be reliably measured.

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

1) Fair value hierarchy

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Mutual funds	$ 1,056,288	$ -	$ -	$ 1,056,288
Domestic unlisted shares	-	-	672,914	672,914
Derivative financial instruments	-	-	3,141	3,141
	$ 1,056,288	$ -	$ 676,055	$ 1,732,343
Financial assets at FVTOCI				
Domestic listed shares	$ 30,370	$ -	$ -	$ 30,370
Domestic unlisted shares	-	-	24,145	24,145
Overseas unlisted shares	-	-	124,358	124,358
	$ 30,370	$ -	$ 148,504	$ 178,873

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets for hedging				
Non-derivative financial instruments	$ 115,841	$ -	$ -	$ 115,841
Derivative financial instruments	-	-	4,425	4,425
	$ 115,841	$ -	$ 4,425	$ 120,266
Financial liabilities				
Financial liabilities for hedging				
Derivative financial instruments (included in other current liabilities)	$ -	$ -	$ 79	$ 79

(Concluded)

December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Mutual funds	$ 339,427	$ -	$ -	$ 339,427
Domestic unlisted shares	-	-	686,413	686,413
Derivative financial instruments	-	-	304	304
	$ 339,427	$ -	$ 686,717	$ 1,026,144
Financial assets at FVTOCI				
Domestic listed shares	$ 29,083	$ -	$ -	$ 29,083
Domestic unlisted shares	-	-	25,395	25,395
Overseas unlisted shares	-	-	152,864	152,864
	$ 29,083	$ -	$ 178,259	$ 207,342
Financial assets for hedging				
Non-derivative financial instruments	$ 1,137,902	$ -	$ -	$ 1,137,902
Derivative financial instruments	-	-	440	440
	$ 1,137,902	$ -	$ 440	$ 1,138,342

(Continued)

	Level 1	Level 2	Level 3	Total
Financial liabilities				
Financial liabilities at FVTPL				
Derivative financial instruments (included in other current liabilities)	$ -	$ -	$ 2,483	$ 2,483
Financial liabilities for hedging				
Derivative financial instruments (included in other current liabilities)	$ -	$ -	$ 6,884	$ 6,884

(Concluded)

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

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2020

Financial Assets	Equity Instruments at FVTPL	Derivative Financial Instruments at FVTPL	Equity Instruments at FVTOCI	Derivative Financial Instruments for Hedging	Total
Balance at January 1	$ 686,413	$ 304	$ 178,259	$ 440	$ 865,416
Recognized in profit or loss	(13,499)	2,837	-	-	(10,662)
Recognized in other comprehensive income (loss)	-	-	(29,755)	3,985	(25,770)
Balance at December 31	$ 672,914	$ 3,141	$ 148,504	$ 4,425	$ 828,984

Financial Liabilities	Derivative Financial Instruments at FVTPL	Derivative Financial Instruments for Hedging	Total
Balance at January 1	$ 2,483	$ 6,884	$ 9,367
Recognized in profit or loss	(2,483)	-	(2,483)
Recognized in other comprehensive income (loss)	-	(6,805)	(6,805)
Balance at December 31	$ -	$ 79	$ 79

For the year ended December 31, 2019

Financial Assets	Equity Instruments at FVTPL	Derivative Financial Instruments at FVTPL	Equity Instruments at FVTOCI	Derivative Financial Instruments for Hedging	Total
Balance at January 1	$ 734,341	$ 23	$ 208,723	$ -	$ 943,087
Recognized in profit or loss	(47,928)	281	-	-	(47,647)
Recognized in other comprehensive income (loss)	-	-	(30,447)	440	(30,007)
Sales	-	-	(17)	-	(17)
Balance at December 31	$ 686,413	$ 304	$ 178,259	$ 440	$ 865,416

Financial Liabilities	Derivative Financial Instruments at FVTPL	Derivative Financial Instruments for Hedging	Total
Balance at January 1	$ 79	$ -	$ 79
Recognized in profit or loss	2,404	-	2,404
Recognized in other comprehensive loss	-	6,884	6,884
Balance at December 31	$ 2,483	$ 6,884	$ 9,367

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

a) Derivative financial instruments: The fair values of foreign exchange forward contracts of future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

b) Domestic unlisted securities to which the market approach was applied: The fair values of domestic unlisted shares were determined with reference to the share prices of listed companies with similar businesses as the Corporation. The material unobservable inputs were as follows:

	December 31	
	2020	2019
Operating income ratio	0.69-5.21 times	0.20-5.22 times
Gross profit ratio	-	2.23-17.18 times
EBITDA ratio	4.75-36.25 times	5.21-24.22 times
Post-tax profit ratio	-	13.24-71.17 times
P/B ratio	0.43-3.86 times	0.73-7.82 times
Discount rate for lack of marketability	32.28%	32.28%

If the inputs to the valuation model were changed to reflect reasonably possible alternative assumptions while all the other variables were held constant, the fair values of the shares would have increased (decreased) as follows:

	December 31	
	2020	2019
Operating income ratio		
0.1 time increase	$ 25,129	$ 36,573
0.1 time decrease	$ (25,129)	$ (36,573)
Gross profit ratio		
1 time increase	$ -	$ 5,384
1 time decrease	$ -	$ (5,384)
EBIT ratio		
1 time increase	$ -	$ -
1 time decrease	$ -	$ -
EBITDA ratio		
1 time increase	$ 8,984	$ 3,874
1 time decrease	$ (8,984)	$ (3,874)
Post-tax profit ratio		
1 time increase	$ -	$ 10,660
1 time decrease	$ -	$ (10,660)
P/B ratio		
0.1 time increase	$ 79,510	$ 72,633
0.1 time decrease	$ (79,510)	$ (72,633)

c. Categories of financial instruments

	December 31	
	2020	2019
Financial assets		
FVTPL		
Mandatorily at FVTPL	$ 1,732,343	$ 1,026,144
Financial assets for hedging	120,266	1,138,342
Financial assets at amortized cost (Note 1)	13,989,558	9,973,131
Financial assets at FVTOCI	178,873	207,342
Financial liabilities		
Amortized cost (Note 2)	6,612,232	6,978,997
FVTPL (included in other current liabilities)		
Held for trading	-	2,483
Financial liabilities for hedging (included in other current liabilities)	79	6,884

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes and accounts receivable (related parties included), other receivables, other financial assets (included in other current assets), guarantee deposits (included in other non-current assets) and long-term receivables (included in other non-current assets).

Note 2: The balances included financial liabilities measured at amortized cost which comprised short-term borrowings, short-term bills payable, notes and accounts payable (related parties included), other payables, long-term borrowing (current portion of long-term borrowing included) and deposits received (included in other non-current liabilities).

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, accounts payable, borrowings and lease liabilities. Financial risks include market risk, credit risk, and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

a) Foreign currency risk

Holding foreign currency-denominated assets and liabilities exposes the Group to adverse fluctuations of cash flows and the reduction of foreign currency assets due to the changes in foreign currency rate. The Group avoids cash flow risk resulting from the changes in adverse foreign currency rate by using derivative contracts.

Sensitivity analysis

The Group is mainly exposed to the U.S. dollar (USD), Japanese Yen (JPY) and Renminbi (RMB).

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included outstanding foreign currency denominated monetary items and their translation at the end of the reporting period is adjusted for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and equity associated with a 1% strengthening of the New Taiwan dollar against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and equity, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2020	**2019**
Loss	$ (8,111)	$ (9,649)

	JPY Impact	
	For the Year Ended December 31	
	2020	**2019**
Gain	$ 134	$ 18
Equity	$ (6,974)	$ (15,972)

	RMB Impact	
	For the Year Ended December 31	
	2020	2019
Loss	$ (15,796)	$ (8,101)
Equity	$ -	$ (1,206)

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period were as follows:

	December 31	
	2020	2019
Cash flow interest rate risk		
Financial assets	$ 11,184,954	$ 7,060,429
Financial liabilities	458,713	848,939
Fair value interest rate risk		
Lease liabilities	365,104	448,533

Sensitivity analysis

The sensitivity analysis below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. The sensitivity rate of 0.25% 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 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2020 and 2019 would increase/decrease by $26,816 thousand and $15,529 thousand, respectively.

The Group's sensitivity to interest rates increased during the current year was mainly due to the increase in variable rate asset instruments.

c) Other price risk

The Group was exposed to equity price risk on its investments in listed securities and mutual funds.

Sensitivity analysis

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

If equity prices had been 5% higher/lower, pre-tax profit for the years ended December 31, 2020 and 2019 would have increased/decreased by $52,814 thousand and $16,971 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2020 and 2019 would have increased/decreased by $1,518 thousand and $1,454 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

The amounts of financial assets will be potentially impacted if the counter-parties of the Corporation or third parties fail to perform their obligations in financial instrument contracts. The impact includes the concentrated degrees, composition parts and contracts amounts of the financial instruments and other receivables. The Group believes the risk is low because the trading parties are creditworthy banks, brokers and dealers.

3) Liquidity risk

The Group has sufficient operating capital to meet cash requirements for settlement of derivative transactions. Thus, liquidity risk is low.

31. TRANSACTIONS WITH RELATED PARTIES

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

a. Names and categories of related parties

Related Party Name	Related Party Category
Mitsubishi Motors Corporation (Mitsubishi Motors Corp.)	Investors that have significant influence over the Group
Mitsubishi Corporation (Mitsubishi Corp.)	Investors that have significant influence over the Group
Tai Yuen Textile Co., Ltd.	Investors that have significant influence over the Group
Le Wen Investment Co., Ltd.	Investors that have significant influence over the Group
Yulon Management Company Ltd. (Yulon Management)	Subsidiary of investors that have significant influence over the Group
Mitsubishi Corporation (Taiwan) Ltd.	Subsidiary of investors that have significant influence over the Group
Mitsubishi Motors Philippines Corporation	Subsidiary of investors that have significant influence over the Group
Mitsubishi Motors Thailand	Subsidiary of investors that have significant influence over the Group
Mitsubishi Motors Europe B.V.	Subsidiary of investors that have significant influence over the Group
Mitsubishi Motors Middle East and Africa	Subsidiary of investors that has significant influence over the Group
Mitsubishi Corporation Technos	Subsidiary of investors that have significant influence over the Group
Shye Shyang Mechanical Industrial Co., Ltd.	The Group is its key management personnel
Fuzhou Samnel Mechanical and Electrical	The Group is its key management personnel
Uni-Calsonic Corp.	Associate
Yulon Motor Co., Ltd. (Yulon)	Associate

(Continued)

Related Party Name	Related Party Category
Fortune Motors Co., Ltd. (Fortune Motors)	Associate
ROC-Spicer Ltd. (ROC-Spicer)	Associate
Uni Auto Parts Manufacture Co., Ltd. (Uni Auto Parts Manufacture)	Associate
Shung Ye Motor Co., Ltd. (Shung Ye Motor)	Associate
Hua-Chuang Automobile Information Technical Center Co., Ltd. (Hua-Chuang Automobile Information Technical Center)	Associate
Yulon IT Solutions Inc. (Yulon IT)	Associate
Sinjang Co., Ltd. (Sin Jang)	Associate
Sin Gan Co., Ltd. (Sin Gan)	Associate
Tokio Marine Newa Insurance Co., Ltd.	Associate
Hong Shuo Cultural Enterprises, Co., Ltd.	Associate
Hsiang Shuo Enterprises	Associate
Sinqual Technology Co., Ltd.	Associate
Yufong Property Management Co., Ltd.	Associate
Taiwan Acceptance Corporation (Taiwan Acceptance)	Associate
Yue Sheng Industrial Co., Ltd.	Associate
Luxgen Motor Co., Ltd. (Luxgen)	Associate
Yulon Nissan Motor Co., Ltd.	Associate
Y-Teks Co., Ltd.	Associate
Yes-Energy Service Co., Ltd. (Yulon Energy Service Co., Ltd.)	Associate
Yue Ki Industrial Co., Ltd. (Yue Ki Industrial)	Associate
Carplus Auto Leasing Corporation	Associate
eCBO Information Services Co., Ltd.	Associate
Foretune HS Leasing Co., Ltd. (Hsieh-Shin Motors Co., Ltd.)	Associate
Yu Rich Financial Services Company	Associate
ROC-Keeper Industrial Ltd.	Associate
Shanghai Chiashun Motor Sales Co., Ltd.	Associate
Shanghai Hopeful Wheel Automobile Maintenance Co., Ltd.	Associate
Fujian Spicer Drivetrain System Co., Ltd. (Fujian Spicer)	Associate
Fuzhou Lianhong Motor Parts Co., Ltd.	Associate
Advance Power Machinery Co.	Change in relationship from subsidiary to associate since July 17, 2020
Guangzhou NTN-Yulon Drivertrain Co., Ltd.	Joint venture
Xiangyang NTN-Yulon Drivertrain Co., Ltd.	Joint venture
South East (Fujian) Motor Corporation Ltd.	Joint venture
Fujian Benz Automotive Co., Ltd.	Joint venture
Fuzhou Fushiang Motor Industrial Co., Ltd.	Joint venture
Xiamen King-Long Kian-Shen Frame	Joint venture
Hangzhou King-Long Kian-Shen Co., Ltd.	Joint venture
China Engine (Fujian)	Joint venture
Yuanchuang Industrial Investment Consulting Co., Ltd.	Substantive related party
Vivianwu Journalism Award Foundation	Substantive related party

(Concluded)

b. Operating transactions

1) Sales of goods

Line Items	Related Party Category/Name	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Sales	Associates		
	Fortune Motors	$ 19,179,923	$ 18,280,036
	Shung Ye Motor	5,259,792	5,969,642
	Others	858,480	855,331
		25,298,195	25,105,009
	Investors and subsidiaries of the investors that have significant influence over the Group	76,595	105,293
	Joint ventures	22,853	33,616
		$ 25,397,643	$ 25,243,918

2) Purchases of goods

Line Items	Related Party Category/Name	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Purchases	Associates	$ 2,031,488	$ 2,200,736
	Investors and subsidiaries of the investors that have significant influence over the Group		
	Mitsubishi Motors Corp.	1,161,785	387
	Mitsubishi Corp.	341,231	2,521,272
	Others	10,380	136,574
		1,513,396	2,658,233
	The Group is its key management personnel	304,317	331,044
	Joint ventures	111,511	237,309
		$ 3,960,712	$ 5,427,322

3) Technical services expense

Line Items	Related Party Category/Name	For the Year Ended December 31 2020	For the Year Ended December 31 2019
Cost of goods sold and selling and marketing expenses	Investors that have significant influence over the Group	$ 226,289	$ 214,652

4) Development expense

Line Items	**Related Party Category/Name**	**For the Year Ended December 31 2020**	**2019**
Research and development expense	Investors that have significant influence over the Group	$ 9,255	$ 1,549
	Others	1,374	38
		$ 10,629	$ 1,587

5) Other expense

Line Items	**Related Party Category/Name**	**For the Year Ended December 31 2020**	**2019**
Selling and marketing expenses and general and administrative expenses	Investors and subsidiaries of investors that have significant influence over the Group		
	Yulon Management	$ 91,156	$ 105,813
	Others	1,708	3,450
		92,864	109,263
	Associates	16,891	21,288
	Others	2,735	1,235
		$ 112,490	$ 131,786

6) Contract liabilities

Line Items	**Related Party Category/Name**	**December 31 2020**	**2019**
Other current liabilities	Associates		
	Luxgen	$ 58,585	$ 19,356
	Sin Jang	-	16,792
	Others	6,902	8,476
		65,487	44,624
	Investors that have significant influence over the Group		
	Mitsubishi Motors Corp.	16,393	-
	Others	-	273
		$ 81,880	$ 44,897

7) Receivables from related parties

Line Items	Related Party Category/Name	December 31 2020	December 31 2019
Trade receivables from related parties	Associates		
	Fortune Motors	$ 724,638	$ 903,195
	Shung Ye Motor	338,521	340,042
	Others	189,089	188,082
		1,252,248	1,431,319
	Joint ventures	11,270	18,235
	Others	3,960	7,585
		$ 1,267,478	$ 1,457,139

8) Payables to related parties

Line Items	Related Party Category/Name	December 31 2020	December 31 2019
Trade payables to related parties	Associates		
	Uni Auto Parts Manufacture	$ 148,010	$ 147,613
	Yue Ki Industrial	113,048	99,801
	ROC-Spicer	100,270	100,743
	Others	240,814	331,857
		602,142	680,014
	Investors and subsidiaries of investors that have significant influence over the Group		
	Mitsubishi Motors Corp.	127,147	92,215
	Yulon Management	93,243	94,522
	Others	7,786	39,110
		228,176	225,847
	The Group is its key management personnel	67,906	68,622
	Joint ventures	9,013	9,267
		$ 907,237	$ 983,750

9) Prepayments

Line Items	Related Party Category/Name	December 31 2020	December 31 2019
Prepayments	Joint ventures	$ 3,681	$ 12,426
	Investors and subsidiaries of investors that have significant influence over the Group		
	Mitsubishi Corp.	-	187,877
	Others	119	2,610
		119	190,487
	Others	75	-
		$ 3,875	$ 202,913

10) Acquisitions of property, plant and equipment

Line Items	Related Party Category/Name	For the Year Ended December 31 2020	2019
Property, plant and equipment	Associates	$ 104,894	$ 102,274
	Others	6,940	1,581
		$ 111,834	$ 103,855

11) Disposal of property, plant and equipment

Related Party Category/Name	Proceeds For the Year Ended December 31 2020	2019	Gain of Disposal (Included in Other Income) For the Year Ended December 31 2020	2019
Others	$ 596	$ -	$ 596	$ -

The outstanding payables to related parties were not guaranteed and would be paid in cash. The Group received guarantees from some of the receivables from related parties. For the years ended December 31, 2020 and 2019, no loss allowance was recognized for trade receivables from related parties.

The prices and payment terms for the Group's transactions with related parties are the same as that for third parties. For lease contracts entered into with related parties, rental prices were determined by reference to the market, and had general payment terms.

The Group signed a contract with Mitsubishi Motors Corporation, refer to Note 33 for the details.

c. Remuneration of key management personnel

The remuneration of directors and key executives for the years ended December 31, 2020 and 2019 was as follows:

	For the Year Ended December 31 2020	2019
Short-term employee benefits	$ 103,818	$ 97,595
Post-employment benefits	1,700	2,356
	$ 105,518	$ 99,951

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

32. ASSETS PLEDGED AS COLLATERAL

The following assets were provided as collateral for bank borrowings, the tariff of importing vehicle parts and materials, escrows and government tenders:

	December 31	
	2020	2019
Property, plant and equipment	$ 508,913	$ 510,304
Pledged deposits (included in other current assets)	180,486	179,939
Investment properties	52,323	52,323
	$ 741,722	$ 742,566

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group as of December 31, 2020 were as follows:

a. The Group issued guarantee notes amounting to $4,248,502 thousand which had been pledged to as collateral for loans from banks and other financial institutions and for government grants; unused letters of credit amounted to $53,151 thousand.

b. The Group entered into agreements with Mitsubishi Motors Corp. as stated below:

Project	Content	Date of Agreement/ Expiry Date	Agreement Price	Payment Method
Technical royalty	Technical cooperation and manufacture of Delica and other car models	2006.3.1-2025.4.8	Royalty was agreed to be the basis of the FOB price of automobiles sold and manufactured parts repaired	Paid every 6 months within 90 days
Technical royalty	Technical cooperation and manufacture of Outlander and other car models	2005.7.1-2025.9.7	Royalty was agreed to be the fixed amount of automobiles sold per unit and the basis of the FOB price of manufactured parts repaired	Paid every 6 months within 60-90 days

c. The status of endorsements/guarantees is listed in Table 2.

34. OTHER ITEMS

Due to the impact of the COVID-19 pandemic, the Group experienced a decline in its operating revenue for the year ended December 31, 2020. As the epidemic eases and policy restrictions are loosened, the Group expects that operations will gradually return to normal.

The Corporation has applied for subsidies for its research and development project from government of Taiwan. As of December 31, 2020, government funding in the amount of $9,200 thousand had been received.

In response to the impact of the epidemic, the Group’s subsidiaries have successively applied for various subsidies such as salary and working capital from the government of Taiwan and mainland China. As of December 31, 2020, the government funding in the amount of $17,991 thousand had been received.

Based on the information available as of the balance sheet date, the Group considered the economic implications of the epidemic when making its critical accounting estimates, refer to Note 5.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2020

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
RMB	$ 327,164	4.3770	$ 1,431,995
USD	19,214	28.4800	547,208
JPY	717,026	0.2763	198,114
Non-monetary items			
Investments accounted for using the equity method			
RMB	1,071,073	4.3770	4,688,087
EUR	86,458	35.0200	3,027,742
Foreign currency liabilities			
Monetary items			
RMB	44,915	4.3770	196,592
JPY	646,121	0.2763	178,523

December 31, 2019

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
JPY	$ 4,178,677	0.2760	$ 1,153,315
RMB	188,277	4.3050	810,532
USD	23,983	29.9800	718,997
Non-monetary items			
Investments accounted for using the equity method			
RMB	1,234,368	4.3050	5,313,955
EUR	84,261	33.5900	2,830,313
Foreign currency liabilities			
Monetary items			
JPY	662,503	0.2760	182,851

For the years ended December 31, 2020 and 2019, net foreign exchange gains (losses) were $25,233 thousand and $(40,154) thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

36. SEPARATELY DISCLOSED ITEMS

Other than those disclosed in Notes 7, 11 and 30, and Tables 1 to 11, there are no other separately disclosed items.

37. 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 were vehicle manufacturing, channel and others.

The following was an analysis of the Group's revenue and results by reportable segment.

	Segment Revenues		Segment Income or Loss	
	For the Year Ended December 31		For the Year Ended December 31	
	2020	2019	2020	2019
Vehicle manufacturing	$ 28,738,848	$ 28,797,343	$ 3,805,640	$ (1,591,615)
Channel	2,530,190	3,538,825	20,012	10,256
Others	53,825	83,451	(7,109)	(1,389)
Adjustment and eliminations	(448,263)	(351,647)	(828)	(839)
	$ 30,874,600	$ 32,067,972	3,817,715	(1,583,587)
Administration cost and remunerations to directors			(321,410)	(287,122)
Other non-operating income and expenses, net			256,161	190,446
Profit (loss) before income tax			$ 3,752,466	$ (1,680,263)

Intersegment transactions were accounted for according to market prices.

Segment profit represented the profit before tax earned by each segment without allocation of central administration costs and remunerations to directors, interest income, dividend income, other income, gain on disposal of investments, net foreign exchange gain (loss), gain (loss) on financial instruments at fair value through profit or loss, interest expense, other expense, impairment loss, expected credit loss and income tax expense. This was the measure reported to the chief operating decision maker for resource allocation and assessment of segment performance.

TABLE 1

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Year (Note 1)	Ending Balance (Note 1)	Actual Amount Borrowed (Notes 1 and 4)	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 2)	Aggregate Financing Limit (Note 3)
													Item	Value		
0	China Motor Corporation	Sino Diamond Motors	Other receivables	Yes	$ 600,000	$ 600,000	$ 600,000	0.9	Short-term financing	$ -	Working capital	$ -	-	$ -	$ 1,263,702	$ 8,424,678
1	Dongguan Huayi	Dongguan Huashun	Other receivables	Yes	87,540 (RMB 20,000 thousand)	87,540 (RMB 20,000 thousand)	-	-	Short-term financing	-	Working capital	-	-	-	1,263,702	8,424,678
2	Dongguan Huashun	Dongguan Huayi	Other receivables	Yes	87,540 (RMB 20,000 thousand)	87,540 (RMB 20,000 thousand)	-	-	Short-term financing	-	Working capital	-	-	-	1,263,702	8,424,678
3	Tianjin Hwarui	Tianjin Hwahong	Other receivables	Yes	43,770 (RMB 10,000 thousand)	43,770 (RMB 10,000 thousand)	-	-	Short-term financing	-	Working capital	-	-	-	1,263,702	8,424,678
		Dongguan Huayi	Other receivables	Yes	87,540 (RMB 20,000 thousand)	87,540 (RMB 20,000 thousand)	-	-	Short-term financing	-	Working capital	-	-	-	1,263,702	8,424,678
		Dongguan Huashun	Other receivables	Yes	87,540 (RMB 20,000 thousand)	87,540 (RMB 20,000 thousand)	-	-	Short-term financing	-	Working capital	-	-	-	1,263,702	8,424,678
4	Tianjin Hwahong	Tianjin Hwarui	Other receivables	Yes	87,540 (RMB 20,000 thousand)	87,540 (RMB 20,000 thousand)	-	-	Short-term financing	-	Working capital	-	-	-	1,263,702	8,424,678
		Dongguan Huayi	Other receivables	Yes	87,540 (RMB 20,000 thousand)	87,540 (RMB 20,000 thousand)	-	-	Short-term financing	-	Working capital	-	-	-	1,263,702	8,424,678
		Dongguan Huashun	Other receivables	Yes	87,540 (RMB 20,000 thousand)	87,540 (RMB 20,000 thousand)	-	-	Short-term financing	-	Working capital	-	-	-	1,263,702	8,424,678

Note 1: Converted at the exchange rate of RMB1:NT$4.377 as of December 31, 2020.

Note 2: The amount is 3% of the total shareholders' equity of China Motor Corporation based on their latest financial statements.

Note 3: The amount is 20% of the total shareholders' equity of China Motor Corporation based on their latest financial statements.

Note 4: Eliminated during the preparation of the consolidated financial statements.

TABLE 2

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

No.	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Year (Note)	Outstanding Endorsement/ Guarantee at the End of the Year (Note)	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiary	Endorsement/ Guarantee Given by Subsidiary on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Company in Mainland China
		Name	Relationship										
1	Sino Diamond Motors	Dongguan Huayi	Subsidiary	20% of the Corporation's issued capital, $1,107,241 thousand	$ 437,700 (RMB 100,000 thousand)	$ 87,540 (RMB 20,000 thousand)	$ -	$ -	0.21	50% of the Corporation's issued capital, $2,768,102 thousand	No	No	Yes
		Tianjin Hwarui	Subsidiary	20% of the Corporation's issued capital, $1,107,241 thousand	437,700 (RMB 100,000 thousand)	87,540 (RMB 20,000 thousand)	-	-	0.21	50% of the Corporation's issued capital, $2,768,102 thousand	No	No	Yes

Note: Converted at the exchange rate of RMB1:NT$4.377 as of December 31, 2020.

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

Holding Company Name	Type and Name/Issuer of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
China Motor Corporation	Beneficiary certificates							
	Franklin Templeton Sinoam Money Market Fund	-	Financial assets at fair value through profit or loss - current	23,121	$ 241,115	-	$ 241,115	
	Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	13,834	220,721	-	220,721	
	The RSIT Enhanced Money Market Fund	-	Financial assets at fair value through profit or loss - current	10,849	130,813	-	130,813	
	Fubon Chi Hsiang Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,277	130,810	-	130,810	
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	8,019	100,513	-	100,513	
	Fuh Hwa Yu Li Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,133	56,120	-	56,120	
	Allianz Global Investors Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,714	34,284	-	34,284	
	Hua Nan Phoenix Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,856	30,416	-	30,416	
	Paradigm Pion Money Market	-	Financial assets at fair value through profit or loss - current	2,610	30,389	-	30,389	
	Sinopac Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,167	30,387	-	30,387	
	UPAMC James Bond Money Market Fund	-	Financial assets at fair value through profit or loss - current	612	10,308	-	10,308	
	CTBC Hua Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	657	7,297	-	7,297	

(Continued)

Holding Company Name	Type and Name/Issuer of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	<u>Shares</u>							
	Shye Shyang Mechanical Industrial	Corporate director	Financial assets at fair value through profit or loss - non-current	9,009	$ 603,040	10.00	$ 603,040	
	Myson Century, Inc.	Corporate director	Financial assets at fair value through other comprehensive income - non-current	4,705	29,310	7.84	29,310	
	Taiwan Aerospace	-	Financial assets at fair value through other comprehensive income - non-current	811	11,372	0.60	11,372	
	NORM Pacific Automation Corp.	-	Financial assets at fair value through other comprehensive income - non-current	128	1,799	0.45	1,799	
	Carnival	-	Financial assets at fair value through other comprehensive income - non-current	95	1,059	0.05	1,059	
	Com2B (Cayman) Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,000	-	4.44	-	
	<u>Principal guaranteed notes</u>							
	President Securities 100% Principal Guaranteed Note	-	Financial assets at amortized cost - current	-	43,582	-	-	
	<u>Corporate bonds</u>							
	Evergreen Marine Corporation	-	Financial assets at amortized cost - non-current	-	99,930	-	-	
Greentrans	<u>Beneficiary certificates</u>							
	CTBC Hwa Win Money Market Fund	-	Financial assets at fair value through profit or loss - current	451	5,007	-	5,007	
KSIHK	<u>Shares</u>							
	Beijing NTN-SEOHAN Driveshaft	-	Financial assets at fair value through other comprehensive income - non-current	-	-	9.00	-	
Alliance Investment & Management	<u>Shares</u>							
	Samuel (Cayman) Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	6,327	97,312	15.07	97,312	
	CARPLUS Auto Leasing Corporation	-	Financial assets at fair value through profit or loss - non-current	3,248	69,874	3.45	69,874	
	T-Car Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,275	27,046	4.05	27,046	
	Solidlite Corporation	-	Financial assets at fair value through other comprehensive income - non-current	789	6,000	3.60	6,000	
	Site information service	-	Financial assets at fair value through other comprehensive income - non-current	65	2,713	0.54	2,713	
	Phalanx Biotech Group	-	Financial assets at fair value through other comprehensive income - non-current	696	2,262	0.85	2,262	
	<u>Preference shares</u>							
	Rock Financial Risk Service Co., Ltd.	-	Financial assets at amortized cost - non-current	-	5,945	-	-	

(Continued)

Holding Company Name	Type and Name/Issuer of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2020				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Hwa Lin	Principal guaranteed notes President Securities 100% Principal Guaranteed Note	-	Financial assets at amortized cost - current	-	$ 92,371	-	$ -	
Brilliant Insight International	Beneficiary certificates Taishin Ta-Chong Money Market Fund	-	Financial assets at fair value through profit or loss - current	354	5,072	-	5,072	
Ling Wei	Beneficiary certificates Prudential Financial Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,444	23,036	-	23,036	

Note: Refer to Tables 7 and 8 for the information of investments in subsidiaries and associates.

(Concluded)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR 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
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
Hwa-Lin	Shares Zhejiang Kangda Motor Industry And Trading	Non-current assets held for sale	Zhejiang Kangqiao Auto Industry And Trade Group	-	9,800	$ 148,023	-	$ -	9,800	$ 390,514 (RMB 91,105 thousand)	$ 155,561 (Note)	$ 234,953	-	$ -

Note: Comprises investments accounted for using the equity method classified as held for sale of $148,023 thousand and equity directly associated with non-current assets classified as held for sale of $7,538 thousand.

TABLE 5

CHINA MOTOR CORPORATION 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
(In Thousands of New Taiwan Dollars)

Seller/Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total (Note 2)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 2)	
China Motor Corporation	Fortune Motors	Investee accounted for using the equity method	Sale	$ (18,551,223)	(69)	Payment collected 15-90 working days after the goods have been delivered	$ -	-	$ 720,680	45	
	Shung Ye Motor	Investee accounted for using the equity method	Sale	(3,915,613)	(15)	Payment collected 15-75 working days after the goods have been delivered	-	-	263,123	16	
	Ling Wei (Note 1)	Subsidiary	Sale	(123,664)	-	Payment collected 20-120 working days after the goods have been delivered	-	-	53,224	3	
	Greentrans (Note 1)	Subsidiary	Sale	(103,101)	-	Net 30 days from the end of the month of when invoice is issued	-	-	22,802	1	Note 3
	Mitsubishi Motors Corp.	Director of CMC	Purchase	766,935	5	Payment made 7 working days after the goods are shipped	-	-	(126,910)	(4)	
	Uni Auto Parts Manufacture	Investee accounted for using the equity method	Purchase	641,603	4	Payment made within 45 days after the month of delivery	-	-	(148,010)	(5)	
	Kian Shen (Note 1)	Subsidiary	Purchase	604,754	4	Payment made within 45 days after the month of delivery	-	-	(163,369)	(5)	
	ROC-Spicer	Investee accounted for using the equity method	Purchase	465,967	3	Payment made within 45 days after the month of delivery	-	-	(100,270)	(3)	
	Shye Shyang Mechanical Industrial	Corporate director	Purchase	298,530	2	Payment made within 45 days after the month of delivery	-	-	(67,906)	(2)	
	COC (Note 1)	Subsidiary	Purchase	298,092	2	Payment made within 45 days after the month of delivery	-	-	(64,675)	(2)	
	Yue Ki Industrial	Investee accounted for using the equity method	Purchase	176,148	1	Payment made within 45 days after the month of delivery	-	-	(45,093)	(1)	
	Uni-Calsonic	Investee accounted for using the equity method	Purchase	142,638	1	Payment made within 45 days after the month of delivery	-	-	(30,643)	(1)	
	Mitsubishi Corp.	Director of CMC	Purchase	105,119	1	Payment made 7 working days after the goods are shipped	-	-	(1,486)	-	
Sino Diamond Motors	Shung Ye Motor	Investee accounted for using the equity method	Sale	(1,344,005)	(63)	Payment collected 7-45 days after goods have been delivered	-	-	65,851	84	
	Fortune Motors	Investee accounted for using the equity method	Sale	(628,299)	(29)	Payment collected 15-45 days after goods have been delivered	-	-	3,750	5	
	Mitsubishi Motors Corp.	Director of CMC	Purchase	394,851	38	Payment made 7 working days after the goods are shipped	-	-	(166)	-	
	Mitsubishi Corp.	Director of CMC	Purchase	236,111	23	Payment made 10 days before the goods are shipped	-	-	-	-	

(Continued)

Seller/Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total (Note 2)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total (Note 2)	
Kian Shen	China Motor Corporation (Note 1)	Parent company	Sale	$ (604,754)	(57)	Payment collected within 45 days after the month of delivery	$ -	-	$ 163,369	69	
	Yueki	Investee accounted for using the equity method	Purchase	148,145	18	Net 105 days from the end of the month of when invoice is issued	-	-	(67,954)	(25)	
COC	China Motor Corporation (Note 1)	Parent company	Sale	(298,092)	(22)	Payment collected within 45 days after the month of delivery	-	-	64,675	17	
	Yulon	Investee accounted for using the equity method	Sale	(283,961)	(21)	Payment collected within 45 days after the month of delivery	-	-	63,710	17	
Y. M. Hi-Tech	Yulon	Investee accounted for using the equity method	Sale	(114,144)	(32)	Payment collected within 45 days after the month of delivery	-	-	23,895	37	
China Engine	Hua-Chuang Automobile Information Technical Center	Associate	Sale	(108,794)	(41)	Net 90 days from the end of the month of when invoice is issued	-	-	1,602	4	
Ling Wei	China Motor Corporation (Note 1)	Parent company	Purchase	123,664	81	Payment collected 20-120 days after the goods have been delivered	-	-	(53,224)	(100)	
Greentrans	China Motor Corporation (Note 1)	Parent company	Purchase	103,101	100	Net 30 days from the end of the month of when invoice is issued	-	-	(22,802)	(100)	

Note 1: Eliminated during the preparation of the consolidated financial statements.

Note 2: The proportion of the individual company's total purchases (sales) or total receivables (payables).

Note 3: The deposit for customized products (goods manufactured based on clients' needs) was received in advance, and revenue was recognized after the goods have been delivered. The Corporation recognized revenue of $4,212 thousand for the year ended December 31, 2020.

(Concluded)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
China Motor Corporation	Fortune Motors	Investee accounted for using the equity method	$ 720,680	22.89	$ -	-	$ 720,680	$ -
	Shung Ye Motor	Investee accounted for using the equity method	263,123	15.06	-	-	263,123	-
Kian Shen	China Motor Corporation	Parent company	163,369	4.12	-	-	163,369	-

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares (In Thousands)	%	Carrying Amount			
China Motor Corporation	Yulon	Miaoli, Taiwan	Manufacture and sale of vehicles	$ 3,835,585	$ 3,835,585	166,714	16.80	$ 7,561,633	$ 2,739,210	$ 423,184	Investee accounted for using the equity method
	Kian Shen (Note 1)	Taoyuan, Taiwan	The production of frame of heavy duty car and mold	344,800	344,800	32,201	43.87	2,141,274	324,045	142,355	Subsidiary
	Fortune Motors	Taipei, Taiwan	Sales and provision of after-sales service of vehicle	2,132,826	2,132,826	132,117	41.93	4,720,074	1,313,376	550,705	Investee accounted for using the equity method
	Sino Diamond Motors (Note 1)	Taipei, Taiwan	Sales and provision of after-sales service of vehicle	2,192,724	2,192,724	151,067	100.00	1,341,218	148,047	149,103	Subsidiary
	Tokio Marine Newa Insurance (Note 2)	Taipei, Taiwan	Property insurance	955,941	955,941	61,511	20.57	2,089,779	860,719	177,061	Investee accounted for using the equity method
	Alliance Investment & Management (Note 1)	Taipei, Taiwan	Investment	1,200,030	1,200,030	183,000	100.00	1,288,292	4,039	4,039	Subsidiary
	Daimler Vans Hong Kong Ltd.	Hong Kong	Investment	2,011,363	2,011,363	46,566	32.45	3,027,742	2,583,351	838,297	Investee accounted for using the equity method
	ROC-Spicer	Taoyuan, Taiwan	Manufacture and sales of automobile parts	683,032	675,896	148	29.60	544,709	139,675	40,673	Investee accounted for using the equity method
	CMI (Note 1)	Samoa	Investment	1,402	1,402	40	100.00	414,190	(461,821)	(461,821)	Subsidiary
	COC (Note 1)	Taoyuan, Taiwan	The production of mold, fixture and gauge of vehicle	412,125	412,125	33,565	49.76	808,797	128,947	64,312	Subsidiary
	Hwa Wei (Note 1)	British Virgin Islands	Overseas investment on production and service industries	1,202	1,202	40	40.00	274,747	(769,574)	(307,830)	Subsidiary
	Hua-Chuang Automobile Information Technical Center (Note 5)	Taipei, Taiwan	Product design	-	1,028,013	-	-	-	-	-	
	Uni Auto Parts Manufacture	Miaoli, Taiwan	The production of mold, fixture and gauge of vehicle	109,813	109,813	13,032	15.00	354,938	(173,391)	(25,929)	Investee accounted for using the equity method
	Shung Ye Motor (Notes 3 and 5)	Taipei, Taiwan	Sales and provision of after-sales service of vehicle	391,142	391,142	29,668	39.98	399,797	28,499	11,394	Investee accounted for using the equity method
	China Engine (Note 1)	Taoyuan, Taiwan	Manufacture of automobile engine and parts	625,978	625,978	87,999	52.10	447,373	29,898	16,290	Subsidiary
	Uni-Calsonic	Miaoli, Taiwan	Manufacture and sale of automobile parts	105,806	105,806	6,084	31.20	129,633	(6,374)	(1,969)	Investee accounted for using the equity method
	Yue Ki Industrial Co., Ltd.	Hsinchu, Taiwan	Manufacture and sales of car components	109,396	109,396	2,936	15.08	101,311	(36,575)	(5,477)	Investee accounted for using the equity method
	Tai-Ya Investment	Hong Kong	Investment	79,505	79,505	2,242	29.00	67,952	(9,679)	(2,807)	Investee accounted for using the equity method
	Hwa Chung Motors (Note 1)	Taoyuan, Taiwan	Manufacture and sale of vehicles	328,900	328,900	8,790	100.00	78,695	7,016	7,016	Subsidiary
Kian Shen	Kian Shen Investment (Note 1)	British Virgin Islands	Investment	328,888	328,888	10,296	100.00	4,212,538	403,384	-	Subsidiary
Kian Shen Investment	KSIHK (Note 1)	Hong Kong	Investment	US$ 25,907 thousand	US$ 25,907 thousand	25,907	100.00	RMB 934,348 thousand	RMB 84,664 thousand	-	Subsidiary
Alliance Investment & Management	Hua-Chuang Automobile Information Technical Center (Note 5)	Taipei, Taiwan	Product design	-	473,760	-	-	-	-	-	
	Greentrans Investment (Note 1)	Samoa	Investment	344,369	344,369	11,200	100.00	217,825	(8,171)	-	Subsidiary
Sino Diamond Motors	Hua-Yu (Note 1)	Samoa	Overseas investment on production and service industries	1,489,334	1,489,334	36,943	100.00	813,562	110,077	-	Subsidiary
	Hua-Chuang Automobile Information Technical Center (Note 5)	Taipei, Taiwan	Product design	-	473,760	-	-	-	-	-	
	China Engine (Note 1)	Taoyuan, Taiwan	Manufacture of automobile engine and parts	11,000	11,000	1	-	5	29,898	-	Subsidiary
	Brilliant Insight International (Note 1)	Taoyuan, Taiwan	Consulting and service	22,000	22,000	2,200	100.00	16,046	(3,326)	-	Subsidiary
	Shung Ye Motor (Note 4)	Taipei, Taiwan	Sales and provision of after-sales service of vehicle	180	180	12	0.02	219	28,499	-	Investee accounted for using the equity method
	Fortune Motors	Taipei, Taiwan	Sales and provision of after-sales service of vehicle	24	24	1	-	20	1,313,376	-	Investee accounted for using the equity method

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2020	December 31, 2019	Number of Shares (In Thousands)	%	Carrying Amount			
Hua-Yu	Hwa-Lin (Note 1)	British Virgin Islands	Overseas investment on production and service industries	US$ 37,229 thousand	US$ 37,229 thousand	33,393	100.00	724,464	112,331	$ -	Subsidiary
China Engine	Advance Power Investment (Note 1)	Mauritius	Reinvestment and sales	59,456	59,456	3,750	100.00	84,347	(11,032)	-	Subsidiary
	Advance Power Machinery (Notes 1 and 7)	Miaoli, Taiwan	Manufacture of vehicle and parts	-	5,000	-	-	-	82	-	Subsidiary
CMI	Hwa Wei (Note 1)	British Virgin Island	Overseas investment on production and service industries	1,428,503	1,428,503	60	60.00	412,121	(769,574)	-	Subsidiary
Hwa Chung Motors	Ling Wei (Note 1)	Taipei, Taiwan	Sales of second-hand vehicle	31,000	31,000	3,608	100.00	39,534	6,585	-	Subsidiary
	Greentrans (Note 1)	Taipei, Taiwan	Sales of motorcycle and parts	10,000	10,000	1,000	100.00	10,792	416	-	Subsidiary
COC	Y. M. Hi-Tech (Note 1)	Taoyuan, Taiwan	Steel cutting	46,250	46,250	4,250	85.00	72,590	12,525	-	Subsidiary
	Shye Shinn (Notes 1 and 6)	British Virgin Islands	Investment	-	US$ 968 thousand	-	-	-	269	-	Subsidiary

Note 1: Eliminated during the preparation of the consolidated financial statements.

Note 2: During preparation of the consolidated financial statements, price making of $75,455 thousand from intra-group transaction had been eliminated.

Note 3: During preparation of the consolidated financial statements, loss on disposal of $22,538 thousand from intra-group transaction had been eliminated.

Note 4: During preparation of the consolidated financial statements, gain on disposal of $31 thousand from intra-group transaction had been eliminated.

Note 5: In May 2020, Hua-Chuang Automobile Information Technical Center reduced its capital for offsetting accumulated deficits, and issued ordinary shares for cash in August 2020 that the Group did not subscribe for additional new shares at a percentage of its existing ownership. In addition, in September 2020, the Corporation has resigned from its position as member of the board of directors of Hua-Chuang Automobile Information Technical Center and consequently ceased to have significant influence over the latter. The remaining shares of Hua Chuang Automobile Information Technical Center has been fully disposed of in December 2020.

Note 6: In May 2020, the board of directors of Shye Shinn resolved to dissolve the company, and the dissolution was completed in December 2020.

Note 7: Advance Power Machinery had been disposed in July 2020.

(Concluded)

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1)	Net Income (Loss) of the Investee (Notes 2 and 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2020 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2020 (Note 1)
					Outward	Inward						
South East (Fujian) Motor (Note 4)	Manufacture and sales of industrial automation products	$ 3,930,240 (US$ 138,000 thousand)	Indirect investment in mainland China through a company registered in a third region	$ 982,560 (US$ 34,500 thousand)	$ -	$ -	$ 982,560 (US$ 34,500 thousand)	$ (2,927,420)	25.00	$ (731,855)	$ 599,667	$ 741,135 (US$ 26,023 thousand)
China Engine (Fujian)	Manufacture and sales of engines and engine parts	427,200 (US$ 15,000 thousand)	Indirect investment in mainland China through a company registered in a third region	213,600 (US$ 7,500 thousand)	-	-	213,600 (US$ 7,500 thousand)	(44,129)	38.03	(22,064)	168,671	-
Fujian Benz Automotive	Sales of industrial automation products	10,050,740 (EUR 287,000 thousand)	Indirect investment in mainland China through a company registered in a third region	1,630,741 (EUR 46,566 thousand)	-	-	1,630,741 (EUR 46,566 thousand)	5,156,652 (EUR 152,971 thousand)	16.23	836,648 (EUR 24,819 thousand)	3,084,597 (EUR 88,081 thousand)	1,140,286 (EUR 32,561 thousand)
Guangzhou NTN-YULON Drivetrain	Sales and manufacture of vehicles’ components	356,000 (US$ 12,500 thousand)	Indirect investment in mainland China through a company registered in a third region	142,400 (US$ 5,000 thousand)	-	-	142,400 (US$ 5,000 thousand)	643,006 (RMB 150,165 thousand)	17.55	257,202 (RMB 60,066 thousand)	1,839,604 (RMB 420,289 thousand)	701,944 (RMB 160,371 thousand)
Fuzhou Fushiang Motor Industrial	Sales and manufacture of vehicles’ components	506,374 (US$ 17,780 thousand)	Indirect investment in mainland China through a company registered in a third region	80,741 (US$ 2,835 thousand)	-	-	80,741 (US$ 2,835 thousand)	(23,594) (RMB -5,510 thousand)	15.35	(8,258) (RMB -1,929 thousand)	507,136 (RMB 115,864 thousand)	212,560 (RMB 48,563 thousand)
Xiangyang NTN-YULON Drivetrain	Sales and manufacture of vehicles’ components	968,320 (US$ 34,000 thousand)	Indirect investment in mainland China through a company registered in a third region	-	-	-	-	385,033 (RMB 89,919 thousand)	17.55	154,013 (RMB 35,968 thousand)	956,796 (RMB 218,596 thousand)	-
Xiamen King-Long Kian-Shen Frame	Sales and manufacture of vehicles’ components	420,192 (RMB 96,000 thousand)	Indirect investment in mainland China through a company registered in a third region	43,489 (US$ 1,527 thousand)	-	-	43,489 (US$ 1,527 thousand)	(17,939) (RMB -4,189 thousand)	21.94	(8,969) (RMB -2,095 thousand)	209,632 (RMB 47,894 thousand)	-
Beijing NTN-SEOHAN Driveshaft	The assembling and extra work of transmission shafts and other parts	170,880 (US$ 6,000 thousand)	Indirect investment in mainland China through a company registered in a third region	15,379 (US$ 540 thousand)	-	-	15,379 (US$ 540 thousand)	-	3.95	-	-	-
Jiangsu Greentrans Automotive Parts (Note 5)	Manufacture and sales of parts of electronic motorcycles	318,976 (US$ 11,200 thousand)	Indirect investment in mainland China through a company registered in a third region	318,976 (US$ 11,200 thousand)	-	-	318,976 (US$ 11,200 thousand)	(8,136)	100.00	(8,136)	217,812	-
Fujian Spicer	Manufacture of vehicles’ key components, drive axle assembly and engine parts series products	896,436 (RMB 204,806 thousand)	Direct investment in mainland China	307,726 (US$ 10,805 thousand)	-	-	307,726 (US$ 10,805 thousand)	256,635	29.00	74,424	418,864	45,223 (RMB 10,332 thousand)
Shenyang Spicer	Manufacture and sale of automobile transmission, shafts, mechanical transmission, shafts and components	376,102 (RMB 85,927 thousand)	Indirect investment in mainland China through a company registered in a third region	74,333 (US$ 2,610 thousand)	-	-	74,333 (US$ 2,610 thousand)	(12,413) (US$ -420 thousand)	20.25	(2,514) (US$ -85 thousand)	69,329 (US$ 2,434 thousand)	-

(Continued)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2020 (Note 1)	Net Income (Loss) of the Investee (Notes 2 and 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2020 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2020 (Note 1)
					Outward	Inward						
Zhejiang Kangda Motor Industry And Trading (Note 7)	Sales of vehicle and parts	$ 175,080 (RMB 40,000 thousand)	Indirect investment in mainland China through a company registered in a third region	$ 34,404 (US$ 1,208 thousand)	$ -	$ -	$ 34,404 (US$ 1,208 thousand)	$ -	-	$ -	$ -	$ -
Fujian Rui Hua (Note 5)	Consultation and services	96,832 (US$ 3,400 thousand)	Indirect investment in mainland China through a company registered in a third region	96,832 (US$ 3,400 thousand)	-	-	96,832 (US$ 3,400 thousand)	(2,252)	100.00	(2,252)	89,061	-
Guangzhou Huayou Motor Maintenance (Notes 5 and 6)	Sales and maintenance of vehicle and parts	364,829 (US$ 12,810 thousand)	Indirect investment in mainland China through a company registered in a third region	318,948 (US$ 11,199 thousand)	-	-	318,948 (US$ 11,199 thousand)	4,730	-	4,730	-	-
Sichuan Huafeng Hanwei (Notes 5 and 6)	Sales and maintenance of vehicle and parts	-	Indirect investment in mainland China through a company registered in a third region	379,638 (US$ 13,330 thousand)	-	-	379,638 (US$ 13,330 thousand)	25,022	-	25,022	-	-
Tianjin Hwarui (Note 5)	Sales and maintenance of vehicle and parts	228,410 (US$ 8,020 thousand)	Indirect investment in mainland China through a company registered in a third region	221,033 (US$ 7,761 thousand)	-	-	221,033 (US$ 7,761 thousand)	(3,755)	100.00	(3,755)	198,656	-
Dongguan Huayi (Note 5)	Sales and maintenance of vehicle and parts	126,736 (US$ 4,450 thousand)	Indirect investment in mainland China through a company registered in a third region	120,100 (US$ 4,217 thousand)	-	-	120,100 (US$ 4,217 thousand)	(66,030)	100.00	(66,030)	14,324	-
Dongguan Huashun (Note 5)	Sales of vehicle and parts	109,425 (RMB 25,000 thousand)	Indirect investment in mainland China through a company registered in a third region	-	-	-	-	(64,427) (RMB -15,046 thousand)	100.00	(64,427) (RMB -15,046 thousand)	13,289 (RMB 3,036 thousand)	-
Tianjin Hwahong (Note 5)	Sales of vehicle and parts	131,310 (RMB 30,000 thousand)	Indirect investment in mainland China through a company registered in a third region	-	-	-	-	557 (RMB 130 thousand)	100.00	557 (RMB 130 thousand)	129,848 (RMB 29,666 thousand)	-
Guangzhou Huayou Motor Sales (Notes 5 and 6)	Sales of vehicle and parts	-	Indirect investment in mainland China through a company registered in a third region	-	-	-	-	334 (RMB 78 thousand)	-	334 (RMB 78 thousand)	-	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2020 (Note 1)	Investment Amount Authorized by Investment Commission, MOEA (Note 1)	Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$5,120,737 (US$122,542 thousand and EUR46,566 thousand)	$5,993,744 (US$193,895 thousand and EUR13,467 thousand)	$25,274,034

Note 1: Converted at the exchange rates on December 31, 2020, US$1=NT$28.48, RMB1=NT$4.377, EUR1=NT$35.02.

Note 2: Converted at the average exchange rates for the year ended December 31, 2020, US$1= NT$29.549, RMB1=NT$4.282, EUR1=NT$33.71.

Note 3: The carrying amount and related investment income of the equity investment were calculated based on the audited financial statements of the corresponding year.

Note 4: During preparation of the consolidated financial statements, the unrealized profit of $12,283 thousand had been eliminated.

Note 5: Eliminated during the preparation of the consolidated financial statements.

(Continued)

Note 6: In November 2018, Sichuan Huafeng Hanwei, Guangzhou Huayou Motor Maintenance and Guangzhou Huayou Motor Sales resolved to dissolve their companies. The annulment of Guangzhou Huayou Motor Maintenance, Guangzhou Huayou Motor Sales and Sichuan Huafeng Hanwei which had been completed in December 2020, June 2020 and February 2020, respectively.

Note 7: In August 2018, the Group entered into a contract for the transfer of its shares in Zhejiang Kanda to a non-related party and collected the proceeds from the contract in installments (discounted price after tax was $390,514 (RMB91,105 thousand)). The disposal was completed in May 2020, the date on which the Group recognized a gain on disposal of investment amounting to $234,953 thousand, and recognized an expected credit loss of $84,464 thousand after taking into consideration the debtor’s current financial position and the value of assets pledged as collateral.

(Concluded)

TABLE 9

CHINA MOTOR CORPORATION AND SUBSIDIARIES

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

No.	Company Name	Related Party	Relationship	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets
0	China Motor Corporation	Sino Diamond Motors	Subsidiary	Other receivables	$ 600,000	The prices and payment terms were based on agreements.	1.10
				Other operating revenue	173,880	Transaction price was determined based on the market price, and the transaction terms are similar to that for transactions with non-related parties	0.56
		Kian Shen	Subsidiary	Cost of goods sold	604,754	Transaction price was determined based on the market price, and the transaction terms are similar to that for transactions with non-related parties	1.96
				Accounts payables	163,369	Transaction price was determined based on the market price, and the transaction terms are similar to that for transactions with non-related parties	0.30
		COC	Subsidiary	Cost of goods sold	298,092	Transaction price was determined based on the market price, and the transaction terms are similar to that for transactions with non-related parties	0.97
		Ling Wei	Subsidiary	Sales	123,664	Transaction price was determined based on the market price, and the transaction terms are similar to that for transactions with non-related parties	0.40
		Greentrans	Subsidiary	Sales	103,101	Transaction price was determined based on the market price, and the transaction terms are similar to that for transactions with non-related parties	0.33

Note 1: Eliminated during the preparation of the consolidated financial statements.

Note 2: This table includes transactions for amounts over one hundred million.

TABLE 10

CHINA MOTOR CORPORATION

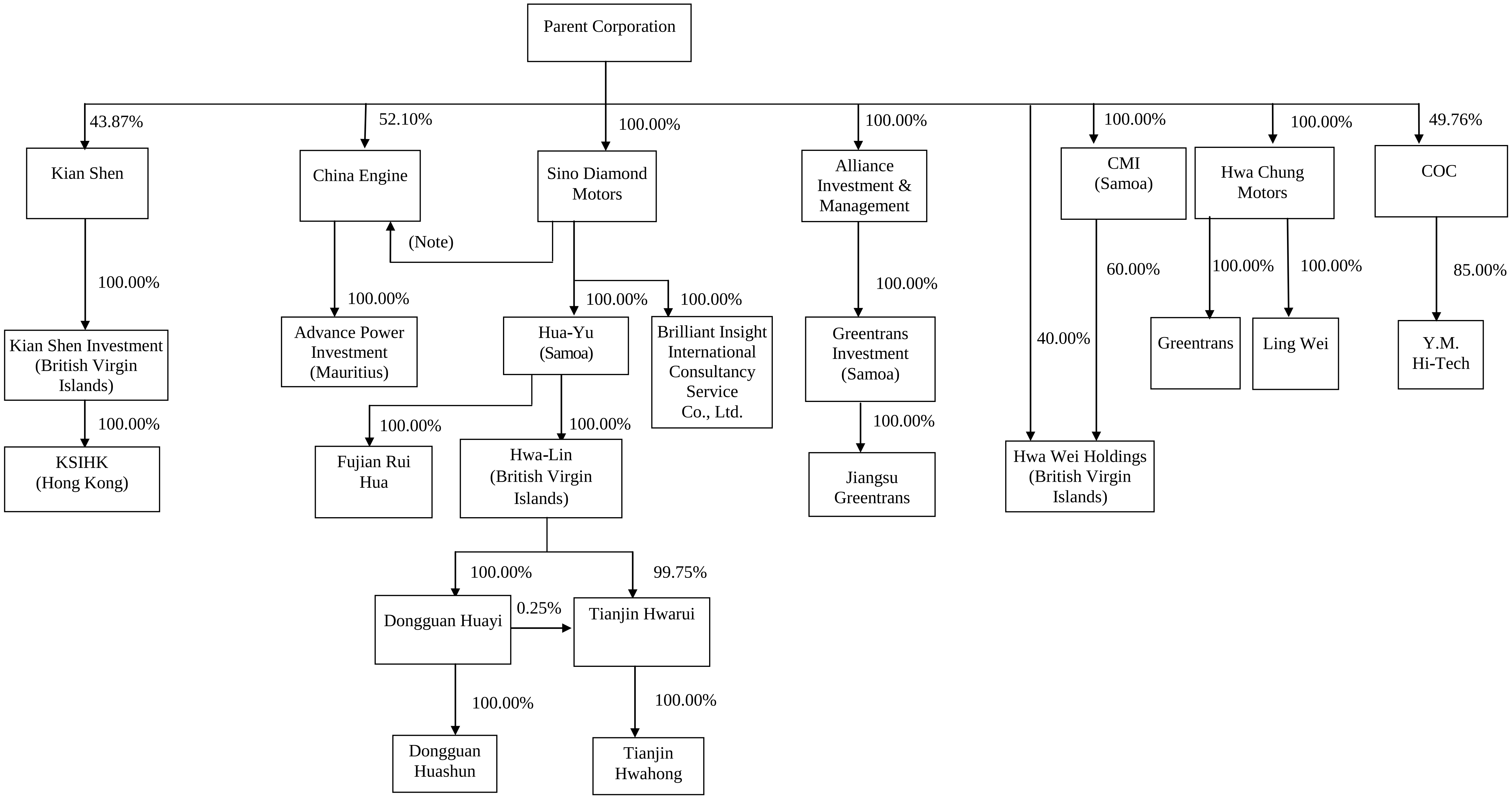
INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2020

Name of Major Shareholder	Shares	
	Number of Shares	Ownership Percentage (%)
Tai Yuen Textile., Ltd.	139,435,815	25.19
Mitsubishi Motors Corp.	77,507,309	14.00
Yulon Motor Co., Ltd.	44,592,177	8.05
Diamond Hosiery & Thread Co., Ltd.	37,438,652	6.76

Note: The table discloses shareholding information of shareholders whose shareholding percentage is 5% or above. The Taiwan Depository & Clearing Corporation calculates the total number of ordinary shares and special shares (including treasury shares) that have completed the dematerialized registration and delivery on the last business day of the quarter. The share capital reported in the consolidated financial statements and the actual number of shares that have completed the dematerialized registration and delivery may be different due to difference in the basis of calculation.

CHINA MOTOR CORPORATION AND SUBSIDIARIES

FRAMEWORK OF INTERCOMPANY INVESTMENT RELATIONSHIPS AND PERCENTAGE OF SHARES HELD
DECEMBER 31, 2020



Note: Since Sino Diamond Motors only holds 1 thousand shares of China Engine, the percentage of ownership is not disclosed.