Stock Code: 1802

台湾玻璃工業公司

TAIWAN GLASS IND. CORP.

Annual Report 2019

Accessible at Website: https://mops.twse.com.tw/mops/web/index
http://www.taiwanglass.com

Prepared by TAIWAN GLASS IND. CORP.
Printed on May 6, 2020

I. Company Spokesperson:
1. Name: Lin, C M
2. Job Title: GM, Finance Dept.
3. Tel. No.: 02-27130333
4. E-mail：tgi@taiwanglass.com

Acting Spokesperson:
1. Name: Huang, Y H/Huang, C C
2. Job Title: Manager, Accounting Dept./Manager, Planning Dept.
3. Tel. No.: 02-27130333
4. E-mail：tgi@taiwanglass.com

II. Company and factories: (No subsidiaries)

Entity	Address	Tel. No.
Head Office	11F, Taiwan Glass Building, No. 261, Sec. 3, Nanking E. RD., Taipei City	(02) 2713-0333
Taichung Factory	No. 377, Ziqiang Rd., Wuqi Dist., Taichung City	(04) 2639-0333
Taoyuan Factory	No.1, Jingjian 5th Rd., Guanyin Industrial Park, Guanyin Township, Taoyuan County	(03) 483-7333
Lukang Factory	No.11, Lugong Rd., Changhua Coastal Industrial Park, Lukang Township, Changhua County	(04) 781-0333
Changpin Factory	Changhua Coastal Industrial Park, Lukang Township, Changhua County	(04) 781-2333
Hsinchu Factory	No. 470, Sec. 4, Zhonghua Rd., Hsinchu City	(03) 530-0333

III. Stock Transfer Registration:
1. Name: TGI Stock Affairs Div.
2. Address: 8F, Taiwan Glass Building, No. 261, Sec. 3, Nanjing E. RD., Taipei City
3. Tel. No.: 02-27130333, Ext. 1325
4. Website: www.taiwanglass.com

IV. Independent Accountants:
1. Name: Hsiao, Teresa ; Fuh, Andrew
2. CPA Firm: Ernst & Young
3. Address: 9F, No. 333, Keelung Road, Sec. 1, Taipei City
4. Tel. No.: 02-27578888
5. Website: www.ey.com/tw

V. Website: www.taiwanglass.com

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One. Letter to Shareholders

I. 2019 Business Operation

(I) Production Report:

Type	Territory	Contents	Yearly Output Thousand MT
Flat Glass	Taiwan	• 1 production line of flat glass in Taichung Factory • 1 production line of flat glass in Lukang Factory • 1 production line of ultra-thin glass in Taichung Factory • Subtotal 3 production lines of flat glass	275 (-1.5%)
	China	• 11 production lines of flat glass in Kunshan, Chengdu, Tianjin, Dongguan, Qingdao, Donghai, Xianyang and Anhui Factories	2,570 (-11.9%)
Fiberglass Fabric & Fiberglass Reinforced	Taiwan	• 2 production lines of fiber glass in Taoyuan Factory • 2 production lines of fabric glass in Lukang Factory • Subtotal 4 production lines	58 (-27.9%)
	China	• 4 production lines of fabric glass in Kunshan Factory • 1 production line of fabric glass in Chengdu Factory • 1 production line of fabric glass in Bengbu Factory • Subtotal 6 production lines	59 (+9.1%)
Container, Tableware Kitchenware	Taiwan	• 7 production lines of container, tableware and kitchenware glass in Hsinchu Factory	148 (+4.3%)
Autoglass	Taiwan	• Production line of automotive glass in Taichung Factory	6 (-25.6%)
	China	• Production line of automotive glass in Yancheng Factory	9 (-18.0%)
Total		-	3,125 (-10.5%)

(II) Sales Report:

Type	Territory	Sales Volume		Sales Amount	
		Thousand MT	Compared with 2018	NT$ Million	Compared with 2018
Flat Glass	Taiwan	259	(-5.1%)	3,884	(-3.8%)
	China	2,881	(-7.3%)	26,128	(-10.1%)
	Subtotal	3,140	(-7.2%)	30,012	(-9.4%)
				= US$ 971mil	**Percentage of group's turnover 67.7%**
Fiberglass Fabric & Fiberglass Reinforced	Taiwan	59	(-14.3%)	4,214	(-13.8%)
	China	102	(+46.6%)	5,840	(-7.1%)
	Subtotal	161	(+16.2%)	10,054	(-10.0%)
				= US$ 325mil	**Percentage of group's turnover 22.7%**
Container, Tableware and Kitchenware	Taiwan	145	(+0.0%)	3,453	(-0.4%)
				= US$ 112mil	**Percentage of group's turnover 7.8%**
Autoglass	Taiwan	6	(-27.8%)	488	(-14.1%)
	China	9	(-18.4%)	332	(-31.7%)
	Subtotal	15	(-22.3%)	820	(-22.2%)
				= US$ 26mil	**Percentage of group's turnover 1.8%**

Total	3,461	(-6.1%)	44,339 **= US$ 1,434mil**	(-9.2%) **Domestic 83%** **Export 17%**
Merge Reversal	-	-	(2,563)	
Total after offset	-	-	41,776 **= US$ 1,351mil**	(-9.4%)

(III) Financial report:

1. The increased supply of glass production lines in the first half of 2019 led to a decline in unit selling price. Production capacity adjustments and increase in production costs such as raw materials, fuels, etc. brought about a decline in gross profit margin of 2019, resulting in the Group′s loss.

2.

Unit: NT$ '000

Title	2019	2018	Comparison% 2019/2018
Operating Revenue	41,775,507	46,091,494	(9.4)%
Operating Income	(1,169,121)	2,323,574	(150.3)%
Net Income before Tax	(1,300,423)	1,554,665	(183.6)%
Net Income after Tax	(1,606,778)	1,031,980	(255.7)%
Net Income after Tax Attributable to Stockholders of the Parent	(1,448,450)	1,066,286	(235.8)%

(IV) Budget Execution:

Unit: NT$ '000

Title	2019 Budget (*)	2019 Amount	Proportion
Operating Revenue	41,847,000	41,775,507	99.8%
Net Income before Tax	(1,225,000)	(1,300,423)	-
Net Income after Tax Attributable to Stockholders of the Parent	(1,204,000)	(1,448,450)	-

*Note: it refers to inner budget with unpublished financial projections

(V) Profitability Analysis:

Title	2019	2018
Return on Total Assets (ROA)	-1.12 %	1.90 %
Return on Stockholder's Equity (ROE)	-3.53 %	2.12 %
Ratio of Operating Income to Paid-in Capital	-4.02 %	7.99 %
Ratio of Income before Tax to Paid-in Capital	-4.47 %	5.35 %
Profit margin	-3.85 %	2.24 %
EPS (adjusted retroactive)	NTD -0.5	NTD 0.37

2020 Annual Business Plan Outline:

Business Operation Strategy:

Looking ahead, the global economy is faced with a major recession as the COVID-19 pandemic develops and the trade war continues. In response to changes in the future, Taiwan Glass develops new products such as high-performance FRP S2 glass and low-dielectric Low DK fiberglass fabric to add value to products. For flat glass, we will re-examine product structure and reduce cost to improve operating performance while pursuing our primary goal of achieving profitable growth.

In terms of corporate governance, we are dedicated to implementing corporate social responsibility, cultivating outstanding talents, providing safe & healthy workplaces and innovative & optimized services, etc. We also intend to make adjustments to partial assets in China to improve overall profitability. Taiwan Glass will strive to create value for stockholders and employees and become a role model for sustainability.

Brief of Technology and R&D:

In 2019, Taiwan Glass has successfully developed ultra-thin glass with increased alumina content (from 2.3% to 3%), which has improved mechanical properties (such as better performance in ball drop tests) when compared with soda-lime glass, and it has increased ion exchange rate and depth during the chemical strengthening process to meet demand for thinness and robustness for display devices in the future. Glass processed by Taiwan Glass' own AR Coating technology allows lower rate of reflectance down to 0.5%~1%, which makes visual image clearer and reduces glare as well as ghost images. This kind of glass has been used in special medical equipment and also for display purposes such as art galleries, window display in department stores, etc.

In the production of raw flat glass, TGI is committed to improving quality, reducing color-change time to reduce costs. In the second half of 2019, we began to prepare for the temporary shutdown and repair of the 600-ton float glass furnace of the Lukang plant, where suspension-type top roller will be introduced and exhaust gas treatment system will be upgraded. The plant is expected to restart its production line in the second half of 2020. In addition, we have researched and adjusted the composition of glass to make glass more transparent and colorless, which can be applied to protective covers of display devices to reduce image/color distortion.

As the age of 5G is approaching, the demand for high-speed and high-frequency substrate has increased steadily. TGI continues to expand production lines of low dielectric constant fiberglass fabric and develop products with lower dielectric constant and low dielectric loss to meet customers' needs for high-frequency products in the future. To meet downstream need for thin FRP products, TGI developed flat CS fiberglass for high-fiberglass products, which helps to decrease warps substantially. TGI also adopts Roving products certified by DNV GL on the application of wind power generation in response to global environmental protection and energy saving & carbon reduction.

Operating Prospects:

In 2019, the global political and economic situation is turbulent; U.S.-China Trade War and Japan-South Korea trade dispute have slowed down economic growth significantly. In early 2020, Coronavirus (COVID-19) pandemic spread across the world, causing serious impacts on people's health, economic activities and national security. The pandemic also results in stagnation of investment, weak consumer market demand as well as increased uncertainty about global economy and trade, which leads to adjustment and transfer of supply chain in industries. The World Bank pointed out that key economic indicators, such as trade, investment, and consumption, are at their lowest since the Financial Crisis. Overall, 2020 will be a year full of economic challenges, and thus we must stay prudent.

In 2019, Taiwan Glass in 2019 fell short of expected profit due to the shrinking demand in the downstream market, which led to supply-demand imbalance and a fall in price.

In terms of flat glass, glass companies in China have established factories in Southeast Asian countries, where low costs of local labor and fuel are available. Products made there can be exported into Taiwan at relatively low prices, causing market prices to fall. Taiwan Glass, in response to this situation, has continued to strengthen management, quality assurance and after-sales service, while focusing on resource integration in the glass industry to maintain an orderly market.

The flat glass market in China has been slowed down due to U.S.-China Trade War. The economic growth rate has been revised downwards, and the oversupply would remain the same in the short term. Taiwan Glass' subsidiaries in China will continue to implement management, industrial safety and close control on COVID-19 pandemic while optimizing and upgrading production lines to maintain profitability.

As for fiber business, the technology and quality of Taiwan Glass's fiberglass products have always been the Company's core competency. For FRP, the new kiln, in cooperation with Owens Corning of the United States, started production this year, along with the most advanced fiberglass formulation and production technology. We are committed to reducing production costs and supplying customers with high performance and environmentally-friendly products.

In 2019, increased overall sales by 16% compared with 2018 can be attributed to the slightly increased demand for electronic-grade fiberglass fabric and the production of fiberglass fabric in Anhui Bengbu factory. In response to the market trends in the future, other than the ultra-thin fiberglass fabric #1017 which we have successfully developed and supplied, we have put continuous efforts into developing thinner fiberglass fabric. At the same time, with the vigorous development of 5G applications, we have also successfully developed low-dielectric (Low DK) fiberglass fabric, which has been certified and continuously adopted by international terminal manufacturers. The global target market share of 2020 is expected to be 20%.

As for container, tableware and kitchenware glass, the production capacity increased by 4.6%, and α33 high-quality heat-resistant feeding bottles have started production. Tableware and kitchenware glass continue to increase sales channels and diversify its products while working hard to establish our private brand, TG, to beat low price competition.

Shihlien Chemical Industrial Jiangsu Co., Ltd., reinvested by Taiwan Glass, has been profitable for three consecutive years as of 2019. The company has continued to optimize manufacturing process, improve production capacity, implement safety & hygiene management to maintain stable and continuous production as well as shipping. Shihlien Chemical Industrial Jiangsu Co., Ltd. is expected to generate profit in 2020.

Important Sales Policy:

1. Innovative Technology	2. Excellent Quality	3. Cost Efficiency
4. Reasonable Price	5. Product Development	6. Comprehensive Services

Two. Profile

I. Company Profile

(I) Date of Establishment: August 25, 1964

(II) Organization and Operations

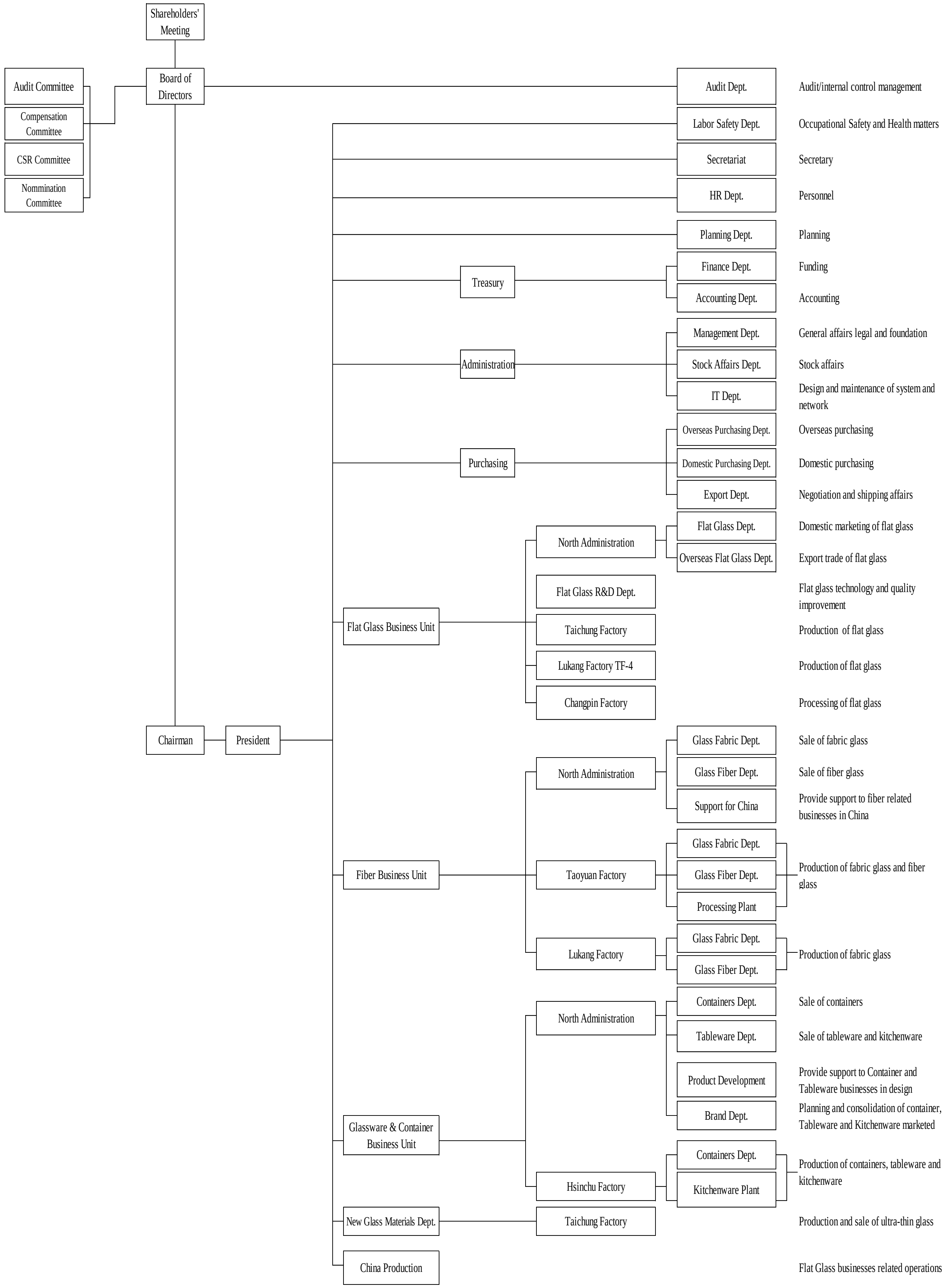
Year	Milestones
1964	Company was established with a capital of NT$150 million
1965	Cooperated with Asahi, Japan for sheet glass TAA
1967	Hsinchu TS Factory sheet glass plant launched into production
1970	Cooperation with U.S. WHEATON GLASS for glass containers TAA
1972	TGI Building inaugurated
1973	TGI stock listed on Taiwan Stock Exchange
1974	Cooperated with Pilkington PLC. UK for tinted glass TAA
1977	Cooperated with Veba Glass Ag. Germany for tableware glass TAA
1980	Cooperated with Pilkington PLC. UK for float glass TAA
1983	Taichung TF Factory float glass plant production
1987	Cooperated with OWENS CORNING FIBERGLAS CORP. for fiberglass reinforced TAA Cooperated with Sibata Hario, Ltd. Japan for heat-resistant glass TAA
1988	Work with Kanebo, Ltd. Japan for fiberglass fabric glass TAA
1989	25th Anniversary of Taiwan Glass Group
1990	Taoyuan TT Factory fiberglass fabric & fiberglass reinforced plant production
1992	Founder took the business trip to Mainland China.
1993	Taiwan Glass China Holding Ltd. established
1994	Cooperated with HERMANN HEYE for container glass TAA 30th Anniversary of Taiwan Glass Group Establishment of TG Qingdao Factory
1995	Cooperated with Ishizuka Glass Co., Ltd. Japan for tableware TAA Taichung, Taoyuan and Hsinchu Factories ISO-9002 Certification TG Qingdao Glass Co., Ltd. plant production Founder paid the visit to Beijing
1997	TG Changjiang Glass Co., Ltd. plant production
1998	Lukang Factory TL factory fiberglass fabric plant production
2001	Taichia Glass Fiber Co., Ltd. established and groundbreaking Taoyuan, Hsinchu, Taichung and Lukang Factories ISO-14001 Certification
2002	Chairman Lin awarded with the Phoenix Award (USA) of 32nd term TG Changjiang Glass Co., Ltd. CFG-2 plant production
2004	Taichia Glass Fiber Co. Ltd. plant production TG Donghai Glass Co. Ltd. plant production TG Chengdu Glass Co. Ltd. plant production 40th Anniversary of Taiwan Glass Group
2005	TG Huanan Glass Co., Ltd. plant production Taichia Glass Fiber Co. Ltd. TFG-2 plant production
2006	TG Kunshan Glass Co., Ltd. CFG-3 plant production TG Tianjin Glass Co., Ltd. plant production Lukang Factory TF-4 float glass plant production
2007	Taichia Glass Fiber Co. Ltd. TFG-3 plant production

Year	Milestones
2008	TG Chengdu Glass Co. Ltd. CDG-2 plant production TG Huanan Glass Co., Ltd. HNG-2 plant production Taichia Glass Fiber Co. Ltd. TFG-4 plant production Hsinchu Factory TS-7 rolled glass furnace rebuilding to container glass furnace
2009	Taoyuan Factory TT-1 expansion FRP Lukang Factory TF-4 introduced Low-E glass coating technology. TG Fujian Photovoltaic Glass Co., Ltd. groundbreaking
2010	TG Yueda Autoglass Co., Ltd. established TG Taicang Architectural Glass Co., Ltd. established and groundbreaking TG Xianyang Glass Co., Ltd. established TG Anhui Glass Co., Ltd. established TG Wuhan Architectural Glass Co., Ltd. established TG Fujian Photovoltaic Glass Co., Ltd. plant production
2011	Changpin Factory plant production Hsinchu Factory ISO-22000 certification TG Yueda Solar Mirror Co., Ltd. established Taichia Chengdu Glass Fiber Co., Ltd. groundbreaking TG Anhui Glass Co., Ltd. groundbreaking TG Wuhan Architectural Glass Co., Ltd. groundbreaking TG TECO Vacuum Insulated Glass Corp.(TVIG) established TG Yueda Autoglass Co., Ltd. plant production
2012	TG Huanan Glass Co., Ltd. Low-E glass plant production TG Taicang Architectural Glass Co., Ltd. Low-E glass plant production TG Wuhan Architectural Glass Co., Ltd. Low-E glass plant production
2013	TG Xianyang Glass Co., Ltd. plant production TG Anhui Glass Co., Ltd. plant production Hsinchu Plant TS-10 heat-resistant container furnace plant production Hsinchu Plant TS-11 heat-resistant tableware furnace plant production TG Donghai Glass Co., Ltd. DHG-2 plant production Shihlien Chemical Industrial Jiangsu Co., Ltd. plant production
2014	Hsinchu Plant TS-4 container furnace plant production TG Donghai Glass Co., Ltd. DHG-3 plant production 50^{th} Anniversary of Taiwan Glass Group TG TECO Vacuum Insulated Glass Corp.(TVIG) plant production Taichung Plant TF-5 electronic-grade ultra-thin glass production
2015	Taichia Chengdu Glass Fiber Co., Ltd. plant production TG Yueda Solar Mirror Co., Ltd. Plant production The Company issued 130,000,000 new common shares, the aggregated amount was NT$1,300,000,000
2016	The Company issued 400,000,000 new common shares, the aggregated amount was NT$4,000,000,000
2017	TG (Qingdao) Photoelectric Technology Co., Ltd. established

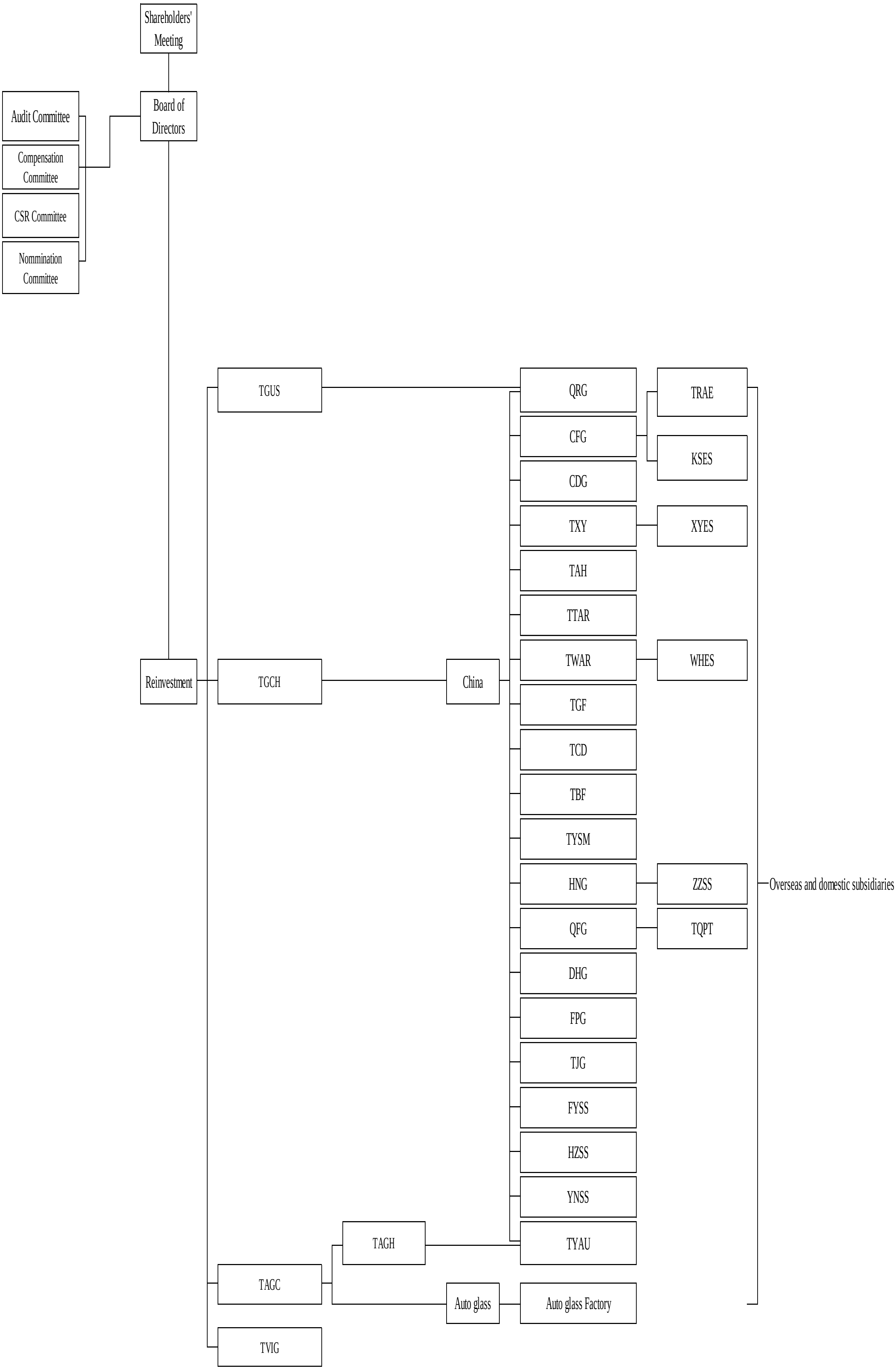
Year	Milestones
2018	Dissolution of Hario TG Glass Co.,Ltd
2019	Taichia Bengbu Glass Fiber Co., Ltd. plant production TG Changjing Glass Co., Ltd. merged with TG Kunshan Glass CO., Ltd.

Three. Corporate Governance

I. Organization, and Functions and Operations of Departments



I. Organization, and Functions and Operations of Departments



II .Profiles of Directors, Supervisors, President, Executive Vice Presidents, Asst. VP, and supervisors of the various departments and branches:

(I) Information about directors:

April 07, 2020

Job Title (Note 1)	Nationality/ Country of Origin	Name	Gender	Date when first elected (Note 2)	Date elected	Term	Shareholding when elected		Current shareholding		Current Shares Held by Spouse & Dependents		Shares held in another's name		Major (academic degree) experience (Note 3)		Current Company & Other positions	Other Chief, Supervisors or Directors with a Spousal or Other Immediate Relative			Note
							Shares	%	Shares	%	Shares	%	Shares	%				Job Title	Name	Relationship	
Chairman	R.O.C.	Lin, P F	Male	1967-09-16	From 2018-06-13 until 2021-06-12	3 years	20,603,512	0.71	20,603,512	0.71	2,690,233	0.09	-	-	TGI General Manager	Bachelor's	Chairman of Tai Hong Investment Co., Ltd./Tai Cheng Investment Co., Ltd. Chairman of TGF.TCD.TBF and TGCH Director of TGUS.QFG.QRG.CFG.CDG.HNG.TJG.DHG.FPG.TTAR.TXY.TAH TWAR.YNSS.FYSS.HZSS.SCH.SCJ and TVIG Supervisor of HSB and ZZSS.	Director Director	Lin, P S Lin, P C Lin, C H Lin, C Y	Brothers Father & son	
Director	〃	Lin, P S	Male	1967-09-16	〃	〃	14,897,934	0.51	14,897,934	0.51	1,403,202	0.05	-	-	TGI Executive Director	Bachelor's	TGI President & CEO General Manager of TVIG Chairman of Ho Ho Investment Co., Ltd./Tai Yu Investment Co., Ltd./Lim Ken Seng Kah Kih Co., Ltd/Tai Hong Golf Club Chairman of FPG. QFG. DHG. QRG. SCH. SCJ. TVIG and YNSS. Vice Chairman of TGCH Executive Director of HSB and QDG. Director of TGUS.CFG.TGF.CDG.HNG.TJG.TTAR.TXY.TAH. TWAR.TCD.TBF.FYSS and HZSS	Chairman Director	Lin, P F Lin, P C	Brothers Brothers	
Director	〃	Lin, P C	Male	1976-04-21	〃	〃	6,181,002	0.21	6,191,002	0.21	4,729,447	0.16	-	-	TGI Executive Director	Bachelor's	Chairman of Tai Chien Investment Co., Ltd. Chairman of Tai Chia Investment Co., Ltd. Chairman of TJG. TGUS.HNG.and ZZSS. Director of TGCH.QGF.QRG.CFG.TGF.CDG.DHG.FPG.TTAR. TXY.TAH.TWAR.TCD.TBF.YNSS.FYSS and HZSS General Manager of TGUS	Chairman Director Director	Lin, P F Lin, P S Lin, C M	Brothers Father & son	
Director	〃	Lim, H T	Male	2009-06-10	〃	〃	10,337,628	0.36	10,337,628	0.36	-	-	-	-	Director of Peck's Holding Ltd. Chairman of Paragon Investment Co., Ltd.	Bachelor's	Director of Ambassador Hotel Director of Chi-Ye Chemical Corp. Supervisor of FEATURE INTEGRATION TECHNOLOGY INC.	None			
Director	〃	Lim Ken Seng Kah Kih Co., Ltd.		2015-06-09	〃	〃	136,904,500	4.70	136,904,500	4.70	-	-	-	-							
		Hsu, L L	Female				1,202,157	0.04	1,202,157	0.04	15,098,979	0.52	-	-	G. MGR, Sunrise Department Store	Master's	Chairman of XUE XUE INSTITUTE Vice Chairman of XUE XUE FOUNDATION Director of SCH Supervisor of SCJ	Director	Lin, P S	Husband & wife	
Director	〃	Peng,C H	Male	2018-06-13	〃	〃	10,000	0.00	10,000	0.00	-	-	-	-	Member/counselor of the Importers and Exporters Association of Taipei Member of the Taipei Development Industry Trade Association Group President of Meifu's Affiliates Vice chairman of the World Baseball Softball Confederation Chairman of Baseball Federation of Asia	Bachelor's	Member/counselor of the Importers and Exporters Association of Taipei Member of the Taipei Development Industry Trade Association Group President of Meifu's Affiliates Vice chairman of the World Baseball Softball Confederation Chairman of Baseball Federation of Asia	None			
Director	〃	Tai Hong Investment Co., Ltd.	Male	2000-04-28	〃	〃	420,137,922	14.45	420,137,922	14.45	-	-	-	-							
		Lin, C H					1,156,111	0.04	1,206,111	0.04	-	-	-	-	TGI President, China	Master's	Chief Operating Officer, TGI China and Flat Glass Independent director of WUS Printed Circuit Co., Ltd. Chairman of TAGC. CFG. TKG. CDG. TXY. TAH. TTAR. TWAR. TAGH. TYSM. TYAU. FYSS HZSS and XYES. Director of TGCH.QFG.QRG.TFG.HNG.TJG.DHG.FPG.TCD.TBF and YNSS Executive Director of KSES.and WHES. General Manager of KSES.WHES and XYES Supervisor of TRAE.	Chairman Director	Lin, P F Lin, C Y	Father & son Brothers	
Director	〃	Tai Hong Investment Co., Ltd.	Male	1996-04-01	〃	〃	420,137,922	14.45	420,137,922	14.45	-	-	-	-							
		Su, Y T					28,124	0.00	28,124	0.00	44,533	0.00	-	-	G. MGR, TGI Fiber	Bachelor's	Chief Operating Officer, TGI Fiber	None			
Director	〃	Tai Hong Investment Co., Ltd.	Male	2004-10-06	〃	〃	420,137,922	14.45	420,137,922	14.45	-	-	-	-							
		Lin, C Y					225,701	0.01	355,701	0.01	-	-	-	-	VGM, TGI Fiber	Master's	G. MGR, TGI Fiber Vice Chairman of TAGH General Manager of TCD Director of TGCH.TAGC.QFG.QRG.CFG.TGF.CDG.HNG.TJG. DHG.FPG.TTAR.TXY.TAH.TWAR.TYSM.TCD.TBF.TYAU.YNSS.FYSS.HZSS. and TVIG Supervisor of WHES XYESand KSES	Chairman Director	Lin, P F Lin, C H	Father & son Brothers	

II .Profiles of Directors, Supervisors, President, Executive Vice Presidents, Asst. VP, and supervisors of the various departments and branches:

(I) Information about directors:

April 07, 2020

Job Title (Note 1)	Nationality/ Country of Origin	Name	Gender	Date when first elected (Note 2)	Date elected	Term	Shareholding when elected		Current shareholding		Current Shares Held by Spouse & Dependents		Shares held in another's name		Major (academic degree) experience (Note 3)		Current Company & Other positions	Other Chief, Supervisors or Directors with a Spousal or Other Immediate Relative			Note
							Shares	%	Shares	%	Shares	%	Shares	%				Job Title	Name	Relationship	
Director	U.S.A.	Tai Chien Investment Co., Ltd.	Male	2006-06-09	〃	〃	249,002,246	8.56	249,002,246	8.56	-	-	-	-							
		Lin, C M					464,778	0.02	464,778	0.02	1,832,005	0.06	-	-	VGM, TGI Finance Director of TGCH.TYSM.TYAU.TAGH.SCH Supervisor of QFG.QRG.CFG.TGF.CDG.HNG.TJG.DHG.FPG.TTAR.TXY.TAH.TWAR.TCD.TBF.YNSS.FYSS HZSS. and TAGC.	Master's	G. MGR, TGI Finance Supervisor of TAGC.QFG.QRG.CFG.TKG.TFG.CDG.HNG.TJG.DHG.FPG.TTAR.TXY.TAH.TWAR.TCD.TBF.YNSS.FYSS.HZSS. KSES and TVIG Director of TGCH.TYSM.TYAU.TACH and SCH	Director	Lin, P C	Father & son	
Director	R.O.C.	Ho Ho Investment Co., Ltd.	Male	2009-06-10	〃	〃	402,748,231	13.85	402,748,231	13.85	-	-	-	-							
		Chen, C C					33,416	0.00	33,416	0.00	-	-	-	-	Foreman, TGI Lukang Factory	Associate Bachelor's	Project VP, TGI Lukang Factory General Manager of TBF	None			
Director	〃	Ho Ho Investment Co., Ltd.	Male	2017-10-26	From 2017-10-26 until 2018-06-08	〃	402,748,231	13.85	402,748,231	13.85	-	-	-	-							
		Tsai, T M					20,824	0.00	20,824	0.00	-	-	-	-	AGM, TGI Purchasing	Bachelor's	VGM, TGI Purchasing	None			
Independent Director	〃	Lin, F C	Male	2012-06-05	From 2015-06-09 until 2018-06-08	〃	-	-	-	-	-	-	-	-	Magistrate of Taipei County、 Minister, Ministry of Interior、 Minister of Transportation and Communications	Bachelor's	Chairman of Chungcheng Cultural and Educational Foundation Director of Sino Horizon Holdings	None			
Independent Director	〃	Chen, C C	Male	2012-06-05	〃	〃	-	-	-	-	-	-	-	-	Teaching in National Taiwan University、 Acting as an advisor of Tax Reform Commission、 Vice Chairman and also Chairman of Wan Hai Lines Taiwan	Doctor's		None			
Independent Director	〃	Hwang, T Y	Male	2012-06-05	〃	〃	-	-	-	-	-	-	-	-	Director of TWSE Executive Director and President of the Asia-Pacific region of Japan SMBC CO., LTD. President of Japan SMBC(Hong Kong)	Doctor's	Independent director of Cathay Financial Holdings Independent director of Cathay Life Insurance Director of HON HAI PRECISION IND. CO., LTD. Independent director of Cathay United Bank CO., LTD. Director of GROWWW MEDIA CO., LTD. Chairman of The Tokyo Star Bank, Ltd. Independent director of Cathay Century Insurance Co., LTD.	None			

Note 1: The name of corporate shareholder, if any, shall be identified, and the following table 1 shall be completed.

Note 2: The circumstances resulting in suspension of initial inauguration date for the Company's director or supervisor, if any, shall be noted.

Note 3: The relevant job title and function in the CPA office or its affiliate in said period, if any, shall be identified.

Note: Director Hsu, L L acted as a supervisor of the Company from June 10, 2009 until August 27, 2014, and also a director of the Company as of June 9, 2015.
Director Lim, H T acted as a supervisor of the Company from March 19, 1988 until June 9, 2009, and also a director of the Company as of June 10, 2009.

Table 1: Key Shareholders of Major Institutional Shareholders

December 31, 2019

Institutional shareholder Name (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	%
Tai Hong Investment Co., Ltd.	Ho Ho Investment Co., Ltd.	29.4%
	Tai Cheng Investment Co., Ltd.	11.4%
	Lin, P F	14.0%
	Lin, P S	14.0%
	Lin, P C	14.0%
Ho Ho Investment Co., Ltd.	Tai Hong Investment Co., Ltd.	32.2%
	Tai Yu Investment Co., Ltd.	19.8%
	Tai Chia Investment Co., Ltd.	19.8%
Tai Chien Investment Co., Ltd.	Ho Ho Investment Co., Ltd.	19.7%
	Tai Chia Investment Co., Ltd.	12.2%
	Tai Yu Investment Co., Ltd.	12.1%
	Lin, P F	15.2%
	Lin, P S	15.2%
	Lin, P C	15.2%
Lim Ken Seng Kah Kih Co., Ltd.	Tai Chia Investment Co., Ltd.	16.7%
	Tai Yu Investment Co., Ltd.	19.8%
	Lin, P F	15.3%
	Lin, P S	15.3%
	Lin, P C	15.3%

Note 1: The director/supervisor who represents a corporate shareholder, if any, shall identify the corporate shareholder's name.

Note 2: Please specify the major shareholders' name (those with shareholdings in the first top 10) and their shareholdings. If the major shareholder is a corporation, please also complete the following Table 2.

Table 2: Key Shareholders of Major Institutional Shareholders in Table 1

December 31, 2019

Institutional shareholder Name (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	%
Tai Cheng Investment Co., Ltd.	Tai Yu Investment Co., Ltd.	14.8%
	Lin, P F	21.9%
	Lin, P S	21.9%
	Lin, P C	21.9%
Tai Yu Investment Co., Ltd.	Tai Chia Investment Co., Ltd.	40.9%
	Ho Ho Investment Co., Ltd.	16.5%
	Tai Chien Investment Co., Ltd.	16.2%
Tai Chia Investment Co., Ltd.	Tai Yu Investment Co., Ltd.	25.8%
	Tai Chien Investment Co., Ltd.	13.1%
	Lin, P F	10.1%
	Lin, P S	10.1%
	Lin, P C	10.1%
Tai Hong Investment Co., Ltd.	See Table 1	See Table 1
Ho Ho Investment Co., Ltd.	See Table 1	See Table 1

Note 1: Names of the major shareholders identified in Table 1 who are corporations, if any, shall be specified.

Note 2: Please specify the names of the corporate shareholders' major shareholders (those with shareholdings in the first top 10) and their shareholdings.

Directors' independence status and their relevant work experience (2)

December 31, 2019

Conditions / Name (Note 1)	Have more than 5 years of experience and the following professional qualifications			Status of independence (Note 2)												Number of public companies where the person holds the title as independent director	Note
	Lecturer or above in commerce, law, finance, accounting or subjects required by the business of the company in public or private colleges or universities	Passed the qualification examination with proper licensing by the national Government Apparatus as court judge, prosecutor, lawyers, certified public accountant or other professional designations required by the business of the Company	Required Work experience in commerce, law, finance, accounting or others required by the Company	1	2	3	4	5	6	7	8	9	10	11	12		
Lin, P F			✓					✓				✓		✓	✓		
Lin, P S			✓					✓				✓		✓	✓		
Lin, P C			✓					✓				✓		✓	✓		
Lim, H T			✓	✓			✓	✓	✓	✓	✓	✓	✓	✓	✓		
Lim Ken Seng Kah Kih Co., Ltd. Hsu, L L			✓	✓								✓		✓			
Peng,C.H			✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Tai Hong Investment Co., Ltd. Lin, C H			✓			✓						✓		✓		1	
Tai Hong Investment Co., Ltd. Su, Y T			✓			✓						✓	✓	✓			
Tai Hong Investment Co., Ltd. Lin, C Y			✓			✓						✓		✓			
Tai Chien Investment Co., Ltd. Lin, C M			✓			✓						✓		✓			
Ho Ho Investment Co., Ltd. Chen, C C			✓			✓						✓	✓	✓			
Ho Ho Investment Co., Ltd. Tsai, T M			✓			✓			✓	✓	✓	✓	✓	✓			
Lin, F C			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Chen, C C			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Hwang, T Y			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	4 (Belongs to the same parent company)	

Note 1: The number of boxes shall be adjusted subject to the actual circumstances.

Note 2: Respective director and supervisor who meet the following qualifications 2 years before assumption of office and at the time of assumption office shall put a "✓" in the appropriate space.

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

(2) Not a director or supervisor of the Company or its affiliates (excluding the capacity of independent director of the Company or its parents, or a subsidiary directly or indirectly held by the Company with more than 50% of the shares with voting power).

(3) Not a natural person, spouse, underage child, or under the title of a third party who holds more than 1% of the outstanding shares issued by the Company or among the top 10 natural person shareholders.

(4) Not a spouse, kin at the second pillar under the Civil Code, or the lineal blood relatives within the third pillar under the Civil Code as specified in (1) through (3).

(5) Not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the outstanding shares issued by the Company, or a director, supervisor or employee of a corporate shareholder who is among the top 5 shareholders. (excluding the capacity of independent director of the Company or its parents, or a subsidiary directly or indirectly held by the Company with more than 50% of the shares with voting power)

(6) Not a director, supervisor, manager or shareholder holding more than 5% of the outstanding shares of specific company or institution in business or financial relation with the Company. (excluding the capacity of independent director of the Company or its parents, or a subsidiary directly or indirectly held by the Company with more than 50% of the shares with voting power)

(7) Not a professional, owner, partner, director, supervisor, manager of proprietorship, partnership, company or institution that provide business, legal, financial and accounting services to the Company or a spouse to the aforementioned persons, provided that this restriction does not apply to any member of the remuneration committee who exercises powers pursuant to Article 7 of the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Whose Stock is Listed on the TWSE or Traded on the GTSM (excluding the capacity of independent director of the Company or its parents, or a subsidiary directly or indirectly held by the Company with more than 50% of the shares with voting power)

(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (this is not limited to the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company, and the independent directors who work concurrently for a company and its parent company or subsidiary, or a subsidiary of the same parent company according to these regulations or local laws).

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse. However, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not a spouse to or kin at the second pillar under the Civil Code to any other director.

(11) Not under any of the categories stated in Article 30 of the Company Law.

(12) No government apparatus agency, juristic person or its representative is elected under Article 27 of the Company Law.

(II) President, Vice Presidents, Assistant Executive Vice Presidents and general managers of the departments and branches: April 07, 2020

Job Title (Note 1)	Nationality	Name	Gender	On-Board Date	Shareholding		Current Shares Held by Spouse & Dependents		Shares held in another's name		Major (academic degree) experience (Note 2)		Positions with other companies	Spouse or kinship within the second pillar under the Civil Code and who is a manager			Manager acquire emlplyees' stock option	Note
					Shares	%	Shares	%	Shares	%				Job Title	Name	Relationship		
President & CEO	R.O.C.	Lin, P S	Male	2009-06-10	14,897,934	0.51	1,403,202	0.05	-	-	TGI Executive Director	Bachelor's	General Manager of TVIG. Chairman of Ho Ho Investment Co., Ltd./Tai Yu Investment Co., Ltd./Lim Ken Seng Kah Kih Co., Ltd/Tai Hong Golf Club Chairman of FPG.QFG.DHG.QRG.SCH.SCJ.TVIG. and YNSS Vice Chairman of TGCH Executive Director of HSB and QDG Director of TGUS.CFG.TKG.TGF.CDG.HNG.TJG.TTAR.TXY.TAH.TWAR.TCD.TBF.FYSS and HZSS	None			—	
Vice President	〃	Lin, C H	〃	2005-02-01	1,206,111	0.04	-	-	-	-	TGI President, China	Master's	Independent director of WUS Printed Circuit Co., Ltd. Chairman of TAGC. CFG. TKG. CDG. TXY. TAH. TTAR. TWAR.TAGH. TYSM. TYAU. FYSS and HZSS Director or of TGCH.QFG.QRG.TGF.HNG.TJG.DHG.FPG. TCD.TBF and YNSS. Executive Director of KSES. and WHES. General Manager of KSES.WHES and XYES. Supervisor of TRAE.	Vice President	Lin, C Y	Brothers	—	
Vice President	〃	Su, Y T	〃	1996-04-01	28,124	0.00	44,533	0.00	-	-	G. MGR, TGI Fiber	Bachelor's	None	None			—	
Vice President	〃	Lin, C Y	〃	2012-06-05	355,701	0.01	-	-	-	-	VP, TGI Fiber	Master's	G. MGR, TGI Fiber Vice Chairman of TGCH . General Manager of TCD. Director of TGCH.TAGC.QFG.QRG.CFG.TGF.CDG.HNG.TJG.DHG.FPG.TTAR.TXY.TAH.TWAR.TYSM.TCD.TBF.TYAU.YNSS.FYSS.HZSS.and TVIG. Supervisor of WHES.XYES. and KSES.	Vice President	Lin, C H	Brothers	—	
Vice President Financial Officer	U.S.A.	Lin, C M	〃	2012-06-05	464,778	0.02	1,832,005	0.06	-	-	VP, TGI Finance	Master's	Director of TGCH.TYSM.TYAU.TAGH and SCH Supervisor of TAGC.QFG.QRG.CFG.TKG.TGF.CDG.HNG.TJG. DHG.FPG.TTAR.TXY.TAH.TWAR.TCD.TBF.YNSS.FYSS.HZSS	None			—	
Vice President	R.O.C.	Hsu, C C	〃	2013-07-01	26,000	0.00	-	-	-	-	General Manager of TAGC	Senior High Vocational School Graduate	None	None			—	
Vice President	〃	Chen, C C	〃	2009-06-10	33,416	0.00	-	-	-	-	Foreman, TGI Lukang Factory	Associate Bachelor's	General Manager of TBF	None			—	
Vice President	〃	Tsai, T M	〃	2017-10-26	20,824	0.00	-	-	-	-	AGM, TGI Purchasing	Bachelor's	None	None			—	
Manager, Accounting	〃	Huang, Y H	Female	2014-06-09	-	-	-	-	-	-	Deputy Manager, TGI Accounting Dept.	Bachelor's	Supervisor of In Win Development Inc.	None			—	
Manager, Corporate governance affairs	〃	Pan, Y L	Female	2019-03-18	-	-	-	-	-	-	Manager, TGI Secretary Dept.	Bachelor's	None	None			—	

Note 1: To include the information about presidents, vice presidents, assistant VPs, and general managers of departments/branches, and those job titles equivalent to presidents, vice presidents or assistant VPs.
Note 2: The relevant job title and function in the CPA office or its affiliate in said period, if any, shall be identified.

III. Remuneration to Directors, Supervisors, Presidents and Vice Presidents

(I) Remuneration to Directors, Supervisors, Presidents and Vice Presidents:

(1) Remuneration to directors (Independent Director)

NTD thousand December 31, 2019

Job Title	Name	Remuneration to Directors								The sum of A, B, C and D in proportion to Earnings (%)		Relevant remuneration received by directors who are also employees								The sum of A, B, C, D, E, F and G to Earnings (%)		Whether remuneration from any reinvestees other than subsidiaries is received?
		Remuneration (A)		Pension (B)		Directors Remuneration (C)		Professional practice (D)				Salaries, bonus and special subsidies (E)		Pension (F)		Employee Remuneration (G)						
																The Company		All companies included in the consolidated financial statements				
		The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company	All companies included in the consolidated financial statements	
Chairman	Lin, P F	–	–	315	315		–	360	360	-0.05	-0.05	5,459	5,459	–	–	–	–	–	–	-0.42	-0.42	–
Director	Lin, P S	–	–	315	315		–	240	240	-0.04	-0.04	5,198	5,198	108	108	–	–	–	–	-0.41	-0.41	–
	Lin, P C	960	2,059	–	–		–	240	302	-0.08	-0.16	–	–	–	–	–	–	–	–	-0.08	-0.16	–
	Peng,C H	–	–	–	–		–	120	120	-0.01	-0.01	–	–	–	–	–	–	–	–	-0.01	-0.01	–
	Lim, H T	–	–	–	–		–	120	120	-0.01	-0.01	–	–	–	–	–	–	–	–	-0.01	-0.01	–
	Lim Ken Seng Kah Kih Co., Ltd. Hsu, L L	–	–	–	–		–	120	120	-0.01	-0.01	–	–	–	–	–	–	–	–	-0.01	-0.01	–
	Tai Hong Investment Co., Ltd. Su, Y T	–	–	179	179		–	120	120	-0.02	-0.02	2,645	3,322	108	108	–	–	–	–	-0.21	-0.26	–
	Tai Hong Investment Co., Ltd. Lin, C H	–	–	159	159		–	120	240	-0.02	-0.03	2,568	2,840	–	–	–	–	–	–	-0.20	-0.22	–
	Tai Hong Investment Co., Ltd. Lin, C Y	–	–	145	145		–	120	180	-0.02	-0.02	2,497	3,121	–	–	–	–	–	–	-0.19	-0.24	–
	Tai Chien Investment Co., Ltd. Lin, C M	–	–	140	140		–	120	180	-0.02	-0.02	2,489	2,489	–	–	–	–	–	–	-0.19	-0.20	–
	Ho Ho Investment Co., Ltd. Chen, C C	–	–	102	102		–	120	120	-0.02	-0.02	2,370	2,370	146	146	–	–	–	–	-0.19	-0.19	–
	Ho Ho Investment Co., Ltd. Tsai, T M	–	–	87	87		–	120	120	-0.01	-0.01	1,952	1,952	32	32	–	–	–	–	-0.15	-0.15	–
Independent Director	Lin, F C	1,200	1,200	–	–	–	–	–	–	-0.08	-0.08	–	–	–	–	–	–	–	–	-0.08	-0.08	–
	Chen, C C	1,200	1,200	–	–	–	–	–	–	-0.08	-0.08	–	–	–	–	–	–	–	–	-0.08	-0.08	–
	Hwang, T Y	1,200	1,200	–	–	–	–	–	–	-0.08	-0.08	–	–	–	–	–	–	–	–	-0.08	-0.08	–
Total	15 persons	4,560	5,659	1,442	1,442	–	–	1,920	2,222	-0.55	-0.64	25,178	26,751	394	394	–	–	–	–	-2.31	-2.52	–

* Apart from what is listed in the table above, the company's directors did not receive any pay for the services they provided in the previous year's financial report (e.g., providing consultations as non-staff).

(2) Remuneration to President and Vice Presidents

NTD thousand December 31, 2019

Job Title	Name	Salary (A)		Pension (B)		Bonus and special subsidies, et al. (C)		Employee Remuneration (D)				The sum of A, B, C and D in proportion to earnings (%)		Whether remuneration from any reinvestees other than subsidiaries is received?
		The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company		All companies included in the consolidated financial statements		The Company	All companies included in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President & CEO	Lin, P S	3,908	3,908	108	108	1,290	1,290	–	–	–	–	−0.37	−0.37	-
Vice President	Su, Y T	2,096	2,096	108	108	549	1,226	–	–	–	–	−0.19	−0.24	-
Vice President	Lin, C H	1,964	1,964	–	–	604	876	–	–	–	–	−0.18	−0.19	-
Vice President	Lin, C Y	1,784	1,784	–	–	713	1,337	–	–	–	–	−0.17	−0.22	-
Vice President	Lin, C M	1,724	1,724	–	–	765	765	–	–	–	–	−0.17	−0.17	-
Vice President	Chen, C C	1,868	1,868	146	146	502	502	–	–	–	–	−0.17	−0.17	-
Vice President	Tsai, T M	1,604	1,604	32	32	348	348	–	–	–	–	−0.14	−0.14	-
Vice President	Hsu, C C (Note1)	871	871	106	106	290	290	–	–	–	–	−0.09	−0.09	-
Total	8 persons	15,819	15,819	500	500	5,061	6,634	–	–	–	–	−1.48	−1.59	-

【Note1】 Vice President Hsu, C C resigned as of June 30, 2019.

(3)The top five top executives remuneration

NTD thousand December 31, 2019

Job Title	Name	Salary (A)		Pension (B)		Bonus and special subsidies, et al. (C)		Employee Remuneration (D)				The sum of A, B, C and D in proportion to earnings (%)		Whether remuneration from any reinvestees other than subsidiaries is received?
		The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company		All companies included in the consolidated financial statements				
								Cash	Stock	Cash	Stock	The Company	All companies included in the consolidated financial	
President & CEO	Lin, P S	3,908	3,908	108	108	1,290	1,290	–	–	–	–	-0.37	-0.37	-
Vice President	Su, Y T	2,096	2,096	108	108	549	1,226	–	–	–	–	-0.19	-0.24	-
Vice President	Lin, C Y	1,784	1,784	–	–	713	1,337	–	–	–	–	-0.17	-0.22	-
Vice President	Lin, C H	1,964	1,964	–	–	604	876	–	–	–	–	-0.18	-0.19	-
Vice President	Chen, C C	1,868	1,868	146	146	502	502	–	–	–	–	-0.17	-0.17	-
Total	5 persons	11,620	11,620	362	362	3,658	5,231	–	–	–	–	-1.08	-1.19	-

(4) Names of general managers to whom employee bonus was allocated, and the status of allocation:

No employee remuneration was distributed in 2019.

(II) Specify and compare the remuneration to directors, supervisors, President and Vice Presidents of the Company in proportion to the earnings from the Company and the companies included in the consolidated financial statements in the latest 2 years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk.

A. Proportion to Earnings (%):

Name	The Company		All companies included in the consolidated financial statements	
	2018	2019	2018	2019
Director	4.75%	-2.31%	5.35%	-2.52%
Supervisor	—	—	—	—
President and Vice Presidents	2.07%	-1.48%	2.37%	-1.59%

B. The Board of Directors is authorized to decide the remuneration to Chairman, directors, independent directors, supervisors, presidents, executive VPs and vice presidents according to their participation in the operation and contribution to the Company.

The bonus will be granted subject to the Company's overall operating performance and personal performance appraisal.

IV. Status of Corporate Governance

(I) Information about functions and operations of the Board of Directors

The Board of Directors has called 6 meetings (A) in the most recent year, and the directors' attendance is stated as follows:

Job Title	Name (Note 1)	Actual number of attendance (B)	Attend through proxy	Actual attendance rate (%) (B/A) (Note 2)	Remarks
Attendance of the 19th Board of Directors (from Jan. 1st to Dec. 31st 2019: 5 Board of Director meetings in the year)					
Chairman	Lin, P F	5	0	100.00	
Director	Lin, P S	4	1	80.00	
	Lin, P C	5	0	100.00	
	Lim, H T	4	1	80.00	
	Lim Ken Seng Kah Kih Co., Ltd. Hsu, L L	4	1	80.00	
	Peng,C.H	5	0	100.00	
	Tai Hong Investment Co., Ltd. Lin, C H	4	1	80.00	
	Tai Hong Investment Co., Ltd. Su, Y T	5	0	100.00	
	Tai Hong Investment Co., Ltd. Lin, C Y	5	0	100.00	
	Tai Chien Investment Co., Ltd. Lin, C M	5	0	100.00	
	Ho Ho Investment Co., Ltd. Chen, C C	1	4	20.00	
	Ho Ho Investment Co., Ltd. Tsai, T M	5	0	100.00	
Independent Director	Lin, F C	5	0	100.00	
	Chen, C C	5	0	100.00	
	Hwang, T Y	4	1	80.00	

Other matters to be specified:

(A) If any of the following circumstances occur, it is necessary to specify the dates of the board meetings, sessions, contents of motion, all independent directors' opinions, and the Company's responses towards independent directors' opinions:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act.

(2) In addition to item (1), other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.

(B) If any director's recusal from the discussion or voting of proposal due to conflict of interest should occur, director's name, contents of motion, causes for recusal, and voting should be specified: None.

(C) TWSE-listed/TPEx-listed companies should disclose board self-evaluation (or peer-evaluation) information including evaluation cycle, period, scope, method, and content, and should fill out appendix form 2—Information Regarding the Implementation of the Evaluation of the Board of Directors.

(D) Measures taken to strengthen the functioning of the Board of Directors (e.g. establishment of the Audit Committee, increasing transparency) to assist the board in carrying out its various duties: The Company's Board has approved "Self-Evaluation or Peer Evaluation of the Board of Directors" on March, 2020.

Note 1: The name and representative of the institutional shareholder of any director who is a corporation, if any, shall be disclosed.

Note 2:

(1) Where a specific director may be relieved from duty before the end of the fiscal year, specify the date of discharge. His actual attendance rate (%) to Board session shall be calculated on the basis of the actual number of sessions held and the number of sessions he attended.

(2) Where a reelection may be held for filling the vacancies of directors before the end of the fiscal year, list out both the new and the discharged directors, and specify if they are the former directors, or newly elected, re-elected and the date of the reelection. Their attendance rate (%) at the Board session shall be calculated on the basis of the actual number of sessions held and the number of sessions they attended during the term of office.

(II) Information about Functions and Operations of Audit Committee：

The Audit Committee has called 4 meetings (A) in the most recent year, and the independent directors' attendance is stated as follows:

Job Title	Name (Note 1)	Actual number of attendance (B)	Attend through proxy	Actual attendance rate (%) (B/A) (Note 2)	Remarks
Attendance of the 2nd Audit Committee (from Jan. 1st to Dec. 31st 2019: 4 Audit Committee meetings in the year)					
Independent Director	Lin, F C	4	0	100.00	
	Chen, C C	4	0	100.00	
	Hwang, T Y	3	1	75.00	

Other matters to be specified:

I. If any of the following circumstances should occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act. Please refer to P.23.

(II) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

Ⅱ. If any independent director's recusal from the discussion or voting of proposal due to conflict of interest should occur, director's name, contents of motion, causes for recusal, and voting should be specified: None.

Ⅲ. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. discussion items, methods and results of audits of corporate finance or operations, etc.)

(I) The CPAs hired by the Company participates in the Audit Committee meeting periodically to review or audit the financial statements of the Company and its domestic and overseas subsidiaries. The CPAs also report important accounting/audit issues to the independent directors and exchange opinions on adjusting the journal entries and the effects or account presentation due to amendments to laws. Communications between the independent directors and CPAs are stated as follows:

●2019-03-18: Report of parent company only financial statement & consolidated financial statements of 2018 and internal audit report. Discuss and communicate the impacts of the amended regulations related to stock exchange and securities and introduce the revised content of the 6th Corporate Governance Evaluation System.

●2019-11-11: Report the audit plan of 2019 financial statement, analyze operations and expected risks, in-depth review of financial data, and discuss and communicate impacts of the amended regulations related to stock exchange and securities.

(II) Internal audits are conducted in accordance with the annual audit plan and internal audit report is provided to independent directors for review by the end of the next month after the audit. A quarterly follow-up report will be provided to the independent directors if internal control defects or improved results of defects are found. The internal audit chief attends the Audit Committee meeting to present audit report. Communications between the independent directors and the internal audit chief are stated as follows:

●2019-03-18: (1) 2018-10~2019-01 internal audit report

(2) Assessment of the effectiveness of 2018 internal control system and Statement of Internal Control System.

●2019-05-13: 2019-02~03 internal audit report.

●2019-08-05: 2019-05~06 internal audit report.

●2019-11-11: (1)2019-04、2019-07~09 internal audit report.

(2) Motion for 2020 audit plan.

IV Key matters of the year and its operation situation:

(I) Audit Committee of the Company is composed of 3 independent directors, assisting the board of directors to supervise fair presentation of financial reports of the Company, the hiring (and dismissal), independence, and performance of certificated public accountants of the Company, effective implementation of the internal control system of the Company, compliance with relevant laws and regulations by the Company and management of the existing or potential risks of the Company.

(II) 4 meetings were convened by the Audit Committee in 2019. Contents of each proposal and follow-ups are listed in the chart of "Resolutions related to Securities and Exchange Act §14-5."Key matters are as follows:

1. Evaluation of the External Auditor's Independence.
2. Motion for amendments to the "Regulations Governing the Acquisition and

	Disposition of Assets", "Operating Procedure for Financial Derivatives Transactions", "Operating Procedure for Making Endorsements/Guarantees", "Operating Procedure for Granting Loans to Others". 3. Motion for amendments to the "Internal Control System". 4. Loaning funds to subsidiaries and making endorsements or guarantees for subsidiaries. 5. Audit the Financial Report. 6. Motion for audit plan. 7. Review the Business Report.

Note 1: Where a specific independent director may be relieved from duty before the end of the fiscal year, specify the date of discharge. His actual attendance rate (%) to Board session shall be calculated on the basis of the actual number of sessions held and the number of sessions he attended.

Note 2: Where a reelection may be held for filling the vacancies of independent directors before the end of the fiscal year, list out both the new and the discharged independent directors, and specify if they are the former independent directors, or newly elected, re-elected and the date of the reelection. Their attendance rate (%) at the Audit Committee session shall be calculated on the basis of the actual number of sessions held and the number of sessions they attended during the term of office.

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

Meeting	Date	Items			All independent directors' opinions and the Company's handling of the independent directors' opinions
The 4th meeting of the 2nd Audit Committee	2019-03-18	Approval	1	Motion for 2018 Business Report.	Approved by independent Director
			2	Motion for parent company only financial statement & consolidated financial statements 2018.	
			3	Motion for 2018 earning distribution.	
			4	2018 TG evaluation of the External Auditor's Independence.	
			5	2019 TG commissioned Ernst & Young Accounting Firm for audit and public funds certification.	
			6	Motion for amendments to the "Regulations Governing the Acquisition and Disposition of Assets".	
			7	Motion for amendments to the "Operating Procedure for Financial Derivatives Transactions".	
			8	Motion for amendments to the "Operating Procedure for Making Endorsements/Guarantees".	
			9	Motion for amendments to the "Operating Procedure for Granting Loans to Others".	
			10	Motion for amendments to the "Internal Control System".	
			11	Motion for the assessment of effective internal control system and "Statement of Declaration of Internal Control System" 2018.	
			12	TGCH and TAH applied for the credit of US$15,000 thousand with Taishin International Bank, and asked TG to be the guarantor.	
			13	CFG applied for the credit of RMB20,000 thousand with the Chang-Hwa Bank, and asked TG to be the guarantor.	
			14	TXY applied for the credit of US$15,000 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.	
			15	TGF applied for the credit of US$12,000 thousand with the Mizuho Bank , and asked TG to be the guarantor.	
The 5th meeting of the 2nd Audit Committee	2019-05-13	Approval	1	TGCH, invested by TG, TG/TGCH granted the loan of US$43,000 thousand and RMB 24,000 thousand to TJG. TGCH intended to convert US$25,000 thousand of the loan into an investment in TJG.	Approved by independent Director
			2	CFG, invested by TG/TGCH , merged with TKG.	
			3	TG and TGCH applied for credit of NT$800,000 thousand with Land Bank of Taiwan, and asked TG and TGCH to be the guarantor for each other.	
			4	TJG applied for the credit of US$5,000 thousand with the Entie Bankk , and asked TG to be the guarantor.	
			5	TGCH, TGF, TJG,HNG and TYAU applied for the loan of US$50,500 thousand with Taiwan Cooperative Bank, and asked TG to be the guarantor.	
			6	TAH, TXY, and TYAU applied for the loan of RMB201,000 thousand with First Bank, and asked TG to be the guarantor.	
The 6th meeting of the 2nd Audit Committee	2019-08-05	Approval	1	TAG applied for the credit of NT$200,000 thousand with the Chang-Hwa Bank、the First Bank, and asked TG to be the guarantor.	Approved by independent Director
			2	CDG applied for the credit of RMB15,000 thousand with the Bank SinoPac, and asked TG to be the guarantor.	
			3	TCD applied for the credit of RMB50,000 thousand with the First Bank, and asked TG to be the guarantor.	
			4	TJG applied for the credit of US$5,000 thousand with the Taishin International Bank, and asked TG to be the guarantor.	
			5	TYAU applied for the credit of US$7,000 thousand with the JihSun Bank, and asked TG to be the guarantor.	
The 7th meeting of the 2nd Audit Committee	2019-11-11	Approval	1	Motion for audit plan 2020.	Approved by independent Director
			2	TGCH, invested by TG, increase of TG/TGCH investment in TCD by US$5,000 thousand.	
			3	TAG applied for import and export quota of US$1,000 thousand with the Mizuho Bank, and asked TG to be the guarantor.	
			4	TBF applied for the credit of RMB70,000 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.	
			5	TBF applied for the credit of RMB50,000 thousand with the First Bank, and asked TG to be the guarantor.	
			6	TAH applied for the credit of US$5,000 thousand with the Taishin International Bank, and asked TG to be the guarantor.	
			7	TAH applied for the credit of US$20,000 thousand with the JihSun Bank, and asked TG to be the guarantor.	
			8	TYSM applied for the credit of US$6,000 thousand with the JihSun Bank, and asked TG to be the guarantor.	
The 8th meeting of the 2nd Audit Committee	2020-03-16	Approval	1	Motion for 2019 Business Report.	Approved by independent Director
			2	Motion for parent company only financial statement & consolidated financial statements 2019.	
			3	Motion for 2019 earning distribution.	
			4	2019 TG evaluation of the External Auditor's Independence.	
			5	2020 TG commissioned Ernst & Young Accounting Firm for audit and public funds certification.	
			6	TGCH, invested by TG, TGCH capital reduction and return of capital.	
			7	Motion for the FYSS resolution split.	
			8	Motion for the assessment of effective internal control system and "Statement of Declaration of Internal Control System" 2019.	
			9	TGCH applied for the credit of US$33,000 thousand with the KGI Bank, and asked TG to be the guarantor.	
			10	TGCH applied for the credit of US$10,000 thousand with the Taishin International Bank, and asked TG to be the guarantor.	
			11	TXY applied for the credit of US$11,500 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.	
			12	TBF applied for the credit of US$5,000 thousand with the Shanghai Commercial & Saving Bank, and asked TG to be the guarantor.	
			13	TGF applied for the credit of RMB50,000 thousand with the First Bank , and asked TG to be the guarantor.	
The 9th meeting of the 2nd Audit Committee	2020-05-06	Approval	1	Motion for amendments to the "Internal Control System".	Approved by independent Director
			2	TG and TGCH applied for credit of NT$800,000 thousand with Land Bank of Taiwan, and asked TG and TGCH to be the guarantor for each other.	
			3	TGCH, TGF, TJG,HNG and TYAU applied for the loan of US$50,500 thousand with Taiwan Cooperative Bank, and asked TG to be the guarantor.	
			4	TCD and TYAU applied for the loan of RMB59,000 thousand with First Bank, and asked TG to be the guarantor.	
			5	TJG applied for the credit of US$5,000 thousand with the Taishin International Bank, and asked TG to be the guarantor.	

(III) Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status(Note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company established "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and disclosed on the Company's website.	No discrepancy.
2. Shareholding Structure & Shareholders' Rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	 V V V V		 (1) The suggestions from shareholders, or doubts or disputes will be handled and settled by the spokesperson and deputy spokesperson. (2) Keep touch with the internal staff. (3) Handled by dedicated personnel *ex officio.* (4) The Company has established its "Insider Trading Policy".	No discrepancy.
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	 V		The Company has established the "Board Directors Diversity Policy" and disclosed on the Company's website. Selection of candidates is based on the diversity standard, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and service tenure. The average age of all board directors is 66 years old，with a professional background in manufacturing and academia, and expertise in finance, business, management, and law. Independent directors shall be nominated in line with the Company's long-term development goals, as well as the operation of the Audit Committee and the Remuneration Committee in the future. The Company will consider whether	(1) No discrepancy.

Evaluation Item	Implementation Status(Note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			or not the candidates are complementary to other directors, and may enhance the overall talent, experience and expertise of the Board, and nominate those with relevant expertise to achieve the goal of diversifying the members of the Board. (1) There are 15 board directors, including 3 independent directors 20% of board director and 1 female board director. The age groups of the board directors are as follows: 35~40 years old: 1 director / 41~50 years old: 2 directors / 61~70 years old: 7 directors / 71~80 years old: 4 directors/over 81 years：1 director. (2) General directors: Directors with the education background of the Department of Journalism of Shih Hsin University, PCC University of the United States, Department of Business Administration of Hong Kong Baptist University, Master of Management Science of Stanford Graduate School of Business, Physical Education of PCCU， University of Bridgeport Graduate School of Business, Department of Mechanical Engineering of Cheng Kung University, Institute of Mechanical and Industrial Engineering of Cornell University, Department of Mechanical Engineering of National Taipei University of Technology, and the Department of International Trade of Shih Hsin University. (3) Independent directors: Directors with the education background of Department of Law of Chung Hsing University, Doctor of economics of the Massachusetts Institute of Technology, and Doctor of Graduate School of Business Administration of Nihon University. (4) All board directors have professional backgrounds, professional skills, and industry experience in commerce, legal, financial, accounting, or corporate business. ● Specialized in business and administration：Lin, P F、Lin, P S、Lin, P C、Hsu, L L、Lin, C H、Lin, C Y、Lin, H T、Peng, C H. ● Specialized in finance：Lin, C M、Hwang, T Y.	

Evaluation Item	Implementation Status(Note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			● Specialized in the industry：Su, Y T、Chen, C C、Tsai, T M. ● Specialized in law：Lin, F C. ● Specialized in economics：Chen, C C.	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		(2) The Company set up the CSR Committee and Nomination Committee. 1. There are 7 members of the CSR Committee, including the chairman and president acting as conveners, one independent director acting as the advisory member, two executive members, and two executive secretaries. The CSR Committee holds a meeting every six months subject to flexible adjustments if necessary. Two meetings were held in 2019. The CSR Working Group prepares CSR reports based on the communications with stakeholders. With respect to investigation on the issues of interest to stakeholders, members of each group will assess the Company's current status and countermeasures to disclose the economic, environmental and social issues arising from the operational activities. After confirmed by the third-party notary office, the final version of a report shall be submitted to the chairman of the Board for review according to administrative procedures before the issuance of the report.。 2. The Nominating Committee consists of 6 members, with the chairman acting as the convener, 3 independent directors and 2 directors acting as members. It assists the Board of Directors in the search, review, and nomination of candidates for directors, construction of the Board of Directors, and development of the organizational structure of the Board to ensure that the Board of Directors is properly composed.	(2) No discrepancy.
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	V		(3) The board of directors has approved the board performance evaluation regulations on March 16, 2020. Starting in 2020, the performance evaluation will be conducted annually and regularly, and the results of the performance evaluation will be reported to the board of directors for	(3) No discrepancy.

Evaluation Item	Implementation Status(Note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	V		the reference of individual directors' remuneration as well as nomination for term renewal. (4) The Audit Committee of the Company has reviewed the independency of audit accountant based on the following criteria and reported the examination results to the Board in annual : 1. Statement of Accountant Independency. 2. The Company has checked the independency of audit accountant from the aspects of the financial profit, loans and guarantees, business relations, family and personal contacts, employment status, gifts and special offers, rotation of audit accountant and non-audit business.	(4) No discrepancy.
4. Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the board of directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of board meetings and shareholders' meetings)?	V		The Company set up a appoint personnel Pan Ya Lun, the manager of the secretary department ,acts as governance officer. ，responsible for corporate governance matters. 。The scope of authorization and annual key tasks are as follows: 1. Assist independent directors and general directors in performing their duties, and provide the required information. 2. Arrange for directors to pursue further studies. 3. Draw up the agendas for meetings of the Board of Directors, give a notice to directors 7 days in advance, convene the meetings and provide meeting materials, and complete the minutes of the Board meetings within 20 days after the meetings are held. 4. Deal with the matters relating to the shareholders' meetings in accordance with the law, declare excerpts from significant resolutions within two days after the shareholders' meetings, and complete the minutes of the shareholders' meetings within 20 days after the meetings are held. 5. Assist directors in complying with the law.	No discrepancy.
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to	V		The Company through a survey it collected issues of concern from these stakeholders and started communication on economic, environmental and social issues. On the official website there is an email address dedicated to	No discrepancy.

Evaluation Item	Implementation Status(Note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			external communication: tgi@taiwanglass.com. TGI has dedicated personnel to handle all the emails sent to this address and forwards them to the responsible departments. (1) The Company were 8 types of stakeholders: shareholders / investors / financial institutions、employees、corporate clients、dealers、suppliers、contractors、subcontractors、government / authorities. (2) The Company were total 16 major issues of stakeholders：economic performance、labor relations、emissions、effluents and waste、energy、codes compliance of environment、codes compliance of society、product and service labeling、raw material、customer health and safety、codes compliance of product、products and services、water、occupational health and safety、employment relations、marketing communications. (3) The spokesperson shall take the initiative to communicate. TG has the following communication platforms with stakeholders: external communication、internal information system、TGI website、major announcements、general shareholder meeting、institutional investors' conference、complaint phone number、labor management meetings、questionnaire、product exhibitions、supplier audit、Sub-contractor evaluation. Additional communicate with stakeholders, The Company has set up CSR Working Group. By surveying the issues concerned by the stakeholders, the working group evaluated the current execution and counterstrategies, which allowed them to disclose the economic, environmental and social issues arising from TGI's business activities. In addition, the Company website has a Corporate Responsibility Section that includes interested party's participation, disclosure of corporate governance information, and social care and participation to facilitate access for interested parties and the general public. It also indicates the contact window in the hope of strengthening interaction with interested parties and	

Evaluation Item	Implementation Status(Note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			responds appropriately to the issues of concern and continues to improve. The Company publishes a corporate social responsibility report annually as an important task for further disclosing corporate social responsibility information.	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?		V	The Company set up a dedicated unit to handle shareholder affairs.	No discrepancy.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	V V		(1) The Company has set up the website at www.taiwanglass.com to disclose the relevant financial information. (2) Appointing dedicated personnel to collect the Company's information: Already appoint the personnel who have comprehensive knowledge about the Company's finance and business, or are able to coordinate various departments to provide relevant information, and may make statement externally on behalf of the Company independently to assume the Company's spokesperson and deputy spokesperson. (3) In the deliberation.	(1)No discrepancy. (2) No discrepancy. (3) In the deliberation.
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk	V		(1) The Company has prepared Corporate Social Responsibility Report and disclosed on the Company's website. (2) The Company has purchased insurance for directors in May 2019.	No discrepancy.

Evaluation Item	Implementation Status(Note)			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?				
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. The Fifth Corporate Governance Evaluation Report was submitted to the Board on June 19, 2019, and to strengthen the improvement of non-scoring item.				

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

(IV) Composition, Responsibilities and Operations of the Remuneration Committee

(1) Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title	Criteria / Name	Meets One of the Following Professional Qualification Requirements, Together with at Least Five Years' Work Experience			Independence Criteria (Note)										Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks (11)
		An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the Company in a public or private junior college, college or university	A judge, public prosecutor, attorney, Certified Public Accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Has work experience in the areas of commerce, law, finance, or accounting, or otherwise necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10		
Independent Director	Hwang, T Y			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	
Other	Su, S M			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Other	Chen, C C			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		

Note: Respective remuneration committee member who meets the following qualifications 2 years before assumption of office and at the time of assumption office shall put a "✓" in the appropriate space.

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

(2) Not a director or supervisor of the Company or its affiliates. Not applicable in cases where the person is an independent director of the parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.

(3) Not a natural person, spouse, underage child, or under the title of a third party who holds more than 1% of the outstanding shares issued by the Company or among the top 10 natural person shareholders.

(4) Not a managerial officer listed in (1), a spouse listed in (2) and (3), relatives within the second degree of kinship or lineal blood relatives within the third degree of kinship.

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act (however, this is not limited to independent directors who work concurrently for a company and its parent company or subsidiary, or a subsidiary of the same parent company according to these regulations or local laws).

(6) Not a majority of the company's director seats or voting shares are controlled by the same person: a director, supervisor, or employee of that other company (however, this is not limited to independent directors who work concurrently for a company and its parent company or subsidiary, or a subsidiary of the same parent company according to these regulations or local laws).

(7) Not the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution (however, this is not limited to independent directors who work concurrently for a company and its parent company or subsidiary, or a subsidiary of the same parent company according to these regulations or local laws).Not under any of the categories stated in Article 30 of the Company Law.

(8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (this is not limited to the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company, and the independent directors who work concurrently for a company and its parent company or subsidiary, or a subsidiary of the same parent company according to these regulations or local laws).

(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse. However, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not under any of the categories stated in Article 30 of the Company Law.

(11) Remark: Responsibilities and Operations of the Remuneration Committee

Review the Committee Charter, and put forward suggestions on amendments thereto on a regular basis.

Develop and review the policies, systems, standards and structures of annual and long-term performance goals of and salary remuneration for directors and managers on a regular basis.

Regularly evaluate the achievement of the performance objectives by directors and managers, and determine the details and amount of salary and compensation for individual director or manager.

(2) Attendance of Members at Remuneration Committee Meetings

1. There are 3 members in the Remuneration Committee.

2. 4th Committee members' period: from June 13, 2018 to June 12, 2021

The Compensation Committee has called 2 meetings (A) in the most recent year, and the Committee members' attendance is stated as follows:

Title	Name	Actual number of attendance (B)	Attend through proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Hwang, T Y	2	0	100.00	
Member	Su, S M	2	0	100.00	
Member	Chen, C C	2	0	100.00	

Annotation：

1. The Compensation Committee has discussed content of the motion and Resolutions:

Session	Date of the meeting	Content of the motion	Resolutions
The 2nd meeting of the 4th Remuneration Committee	2019-03-18	Motion for allocation of remuneration to directors and managers 2018	Approval by members
The 3rd meeting of the 4th Remuneration Committee	2019-08-05	Periodic review 「Motion for remuneration to directors and managers.」	
The 4th meeting of the 4th Remuneration Committee	2020-03-16	Motion for allocation of remuneration to directors and managers 2019	

2. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None
3. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(V) Corporate Social Responsibility

Evaluation Item	Implementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration(Note2)	
1. Does the company stipulate relevant risk management policies or strategies in accordance with the material principles to conduct risk assessment regarding its environmental, social and corporate governance subjects? (Note 3)	V		(1) TG is dedicated to reducing the operational risks to avoid additional loss and establishes a comprehensive risk management policy based on various possible risks. The risk assessment is conducted in the aspect of environment, quality, and safety in accordance with the management system; we regularly implement fire drills, arrange other risk management courses and hold various practical drills to achieve the company's risk management goal of sustainable management.	No discrepancy.
2. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		(1) The Company has set up CSR committee, which will hold regular meeting and CSR committee has called 2 meetings in 2019. The senior management will report the activities and actions to the CSR Committee that is governed by the board of directors.	No discrepancy.
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(1) The Company follows the ISO 14001 environmental management system. Compliance with Environmental Regulations：TGI has Legal Department and Audit Department to ensure that all units' operations comply with environmental, labor safety, product and any related regulations and Labor Standards Act. We offer education and training to help and ensure that each employee understand related rules and regulations. Greenhouse Gas Reduction and Management Act: The Company continued to promote energy conservation and take action on carbon reduction. Taiwan Glass mainly relies on electricity, heavy crude oil, natural gas and diesel. Based on corporate social responsibility and the	No discrepancy.

Evaluation Item	Implementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration(Note2)	
			pursuit of green production and sustainability, our Taichung factory introduced ISO 50001: 2011 (energy management system) and was certified on November 21, 2014 with the certificate from Bureau Veritas Certification Taiwan. The main purpose was to provide a structure for necessary procedures by establishing energy management principles and methods. On top of this, the Plan Do-Check-Action mechanism can continue improving the way TG uses energy. By lowering energy cost and reducing greenhouse gas emissions, Taiwan Glass will achieve sustainability and be more environment-friendly. The experience from the Taichung factory will be replicated at other factories. Air Pollution Control: For air pollution prevention, TG starts with reducing the pollutants in the exhaust. Our priority is to comply with EPA’ emissions standards and reduce pollutants emitted every year. TG follows the ISO 14001 management system and complies with air pollution prevention guidelines. We have departments in charge of periodically checking and maintaining our equipment. Water Pollution Prevention: When it comes to water pollution prevention, TGI’s top priority is to reduce the production waste going into wastewater. All factories have wastewater treatment equipment to reduce the pollutants in the wastewater so that the wastewater can meet the local discharge quality standards. Graywater, after being treated by the treatment system, is in compliance with the legal standard to be discharged to the surface water body. Waste Management and Recycle: When it comes to waste management, the Taoyuan Factory first aims to reduce waste by improving the production yield rate. Taichung Factory commissions qualified cleaning companies to collect and recycle its waste. To protect the environment	

Evaluation Item	Implementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration(Note2)	
			and conserve energy, Lukang Factory recycles its business waste and has a dedicated department response for recycling valuable resources in the waste. Changpin Factory checks waste sorting from all departments. Departments that do not meet the standards will receive a warning and be asked to improve the waste sorting immediately. This will help the factory reduce waste. Changpin Factory tries to find recycle companies that can recycle the waste (after solidification or heat treatment if necessary) so that the waste can become resources for the company.	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(2) The Company endeavors to establish an environmental management substance control system to make its products comply with RoHS and also establishes the waste glass recycling yard for environmental protection. The use of crushed glass theory for the heat of fusion only requires about 50% of raw materials, which can effectively save energy and reduce the GHG emissions.	No discrepancy.
(3) Does the company assess the potential risks and opportunities of climate change for now and in the future, and take measures to response to the climate-related issues?	V		(3) The company observes the impact on the risks of climate, pays attention to current events to understands the current situations; the company assesses the potential risks of climate change to the company's current and future situation, complies the emergency response methods stipulated in ISO 14001, and actively makes strategies to reduce the global warming; the declaration of energy conservation and carbon reduction in response to the related climate change issues and practical actions of each plant are as follows: 1. Taoyuan Factory: To achieve reduction of indirect energy consumption through the (ISO 14001 and ISO 50001) environmental management system management program. Every year it implements energy saving measures, mainly including lighting energy consumption reduction, production process improvement, equipment deprecation or	No discrepancy.

Evaluation Item	Implementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration(Note2)	
			compressor performance adjustment. Execute energy management in the plant and voluntarily comply with the government’s greenhouse gas reduction policy. In 2018, the Melting heat with Oxy-Fuel combustion method is used through the kiln cold repair, to improve the energy efficiency. 2. Hsinchu Plant: It continues to conduct the "Promotion Plan for the Voluntary Reduction of Greenhouse Gases by the Industrial Development Bureau, MOEA" and encourage all employees to participate in energy saving events to enhance the awareness of energy saving for all employees. We report the energy-saving implementation plan to the Energy Bureau of the Ministry of Economic Affairs every year and speed up the process of upgrading to the high-efficient and energy-saving equipment; we also regularly entrust SGS for the verification of the ISO 14064 greenhouse gas verification statement. We had passed the ISO 50001 certification. With the inspection of the energy management system, we comprehensively review the energy usage, regularly monitor the performance of energy-consuming equipment and continuously enhance the energy performance. 3. Taichung Plant: As a legal person and natural person that has a contract of electricity consumption for more than 800 kilowatts, and the goal is to save energy of 1% every year based on the Energy Management Regulations. All units in the Taichung Plant continuously implement the energy-saving plans in all aspects. With the power adjustment through F.P.B and replacement of LED light bulb in the factory area in 2018, it successfully saved 287,000 kWh of electricity and reduced 205.6 tons of carbon dioxide emissions. In addition, the demand for electricity was reviewed in 2018 and the contractual capacity was reduced by 200KW. It is estimated to save about 438,000	

Evaluation Item	Implementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration(Note2)	
			dollars of the annual electricity cost. 4. Lukang Plant and Lukang Panel Factory: They continue to conduct the "Promotion Plan for the Voluntary Reduction of Greenhouse Gases by the Industrial Development Bureau, MOEA" and propose energy-saving plans through the environmental management system every year; it is expected to create an environmentally-friendly environment to fulfill the corporate social responsibilities and achieve the goal of sustainable business operations. We regularly entrust SGS to verify the ISO 14064 greenhouse gas verification statement. In 2018, the certification operation of clean production assessment of the green factory by the Bureau of Industry was initiated and we expect to reduce energy consumption and create green innovation through actions in different aspects. 5. Changbin (Changhua Coastal Industrial Park) Plant: The Changbin Plant understands the importance and urgency of the global climate change, and hence it actively upgrades equipment and adjusts its production models to develop the green energy industry, to create a sustainable low-carbon society and develop the low-carbon economy. We made adjustment on the operating time of various equipment in 2018 and reviewed and compared the energy consumption to define the best model of usage, which is able to save about 336,000 kWh per year.	
(4) Does the company count greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for energy	V		(4) The company publishes a corporate social responsibility report every year, which discloses the statistics of greenhouse gas emissions, water consumption and total waste weight of each plant, and sets policies related to climate change, energy resource management, greenhouse	No discrepancy.

Evaluation Item	Implementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration(Note2)	
saving and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?			gas, water resources and waste management. In addition, the Taoyuan Factory and Lukang Factory have also obtained the "Clean Production Assessment System Certification" from the Industrial Development Bureau, showing the Company's commitment to its vision of sustainability, energy conservation and green operation.	
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(1) The Company complies with the Labor Standard Act and related labor laws & regulations, and also designates the relevant personnel to attend the meeting called by the industrial union board to respond to any suggestions.	No discrepancy.
(2) Does the company provide for employee benefits and implement reasonable measures (including salary, vacation and other benefits, etc.), and the operating performance or achievements appropriately reflected in employee compensation?	V		(2) TG evaluates our employees based on their academic experience, professional technical expertise, professional years of experience, and personal performance. In addition, we provide employees with a differentiated bonus system based on the overall operating performance, employees' performance and substantial contribution. In addition to the basic benefit requirements, the company also conducts the welfare for all employees through the employee welfare committee.	No discrepancy.
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(3) The Company implements special and general health examination programs for employees periodically, and continues improving the operating environment to ensure employees' mental and physical health.	No discrepancy.
(4) Does the company provide its employees with career development and	V		(4) The Company sends employees to internal and external training programs that meet their respective needs at work on a regular or	No discrepancy.

Evaluation Item	Implementation Status(Note1)			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration(Note2)	
training sessions?			irregular basis to develop employees' work skills.	
(5) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant regulations and international standards, and formulated relevant consumer protection policies and appeal procedures?	V		(5) The Company carried out marketing and labeling of all products in strict compliant with relevant laws and regulations and the practices have been incorporated into the ISO 9000 procedures. In order to be closer to the needs of customers and improve them, the company regularly conducts customer satisfaction surveys every six months or a year.	No discrepancy.
(6) Does the company provide for vendor management policy, require suppliers to follow the relevant norms in issues of environmental protection, occupational safety and health or labor and human rights, and the implementation situation?	V		(6) The Company evaluates its suppliers based on the procedures set in the ISO 14000 documents.	No discrepancy.
5. Does the company refer to the international standard or guidelines for preparation of report and prepare the corporate social responsibility report and other reports that disclose the non-financial information of the company? Did the abovementioned report obtain the verification or assurance opinion from a third-party verification agency?	V		The content structure of the corporate social responsibility report of the company follows the sustainable report guidelines "GRI Standards" released by the Global Reporting Initiative (GRI) in 2016. With the substantial analysis model, the report identifies the sustainable subjects concerned by the stakeholders and determines their priorities. The sustainable subjects, related strategies, goals and measures to be disclosed in the report are analyzed and the report is written according to the listed guidelines. The corporate social responsibility report has entrusted to the independent and credible Ernst & Young Accounting Firm to make limited confirmation for the reports prepared by the company in accordance with the regulations in the public report No. 1	No discrepancy.

Evaluation Item	Implementation Status(Note1)			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration(Note2)	
			"The Confirmation Case for the Non-Historical Financial Information Auditing or Review”.	
6. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the Principles and their implementation: No discrepancy.				
7. Other important information to facilitate better understanding of the Company’s corporate social responsibility practices: Other information of the Company’s corporate social responsibility practices, please refer http://www.taiwanglass.com .				
8. A clear statement shall be made below if the corporate social responsibility reports were verified by external certification institutions: The TGI 2018 Annual Corporate Social Responsibility Report is currently in preparation and is being reviewed by Ernst & Young based on the ISAE3000 standards.				

Note: 1. If the operation status is checked "Yes", please explain the important policies, strategies, measures and implementation of the implementation; if the operation status is "No", please explain the reasons and explain the future policies, strategies and implementation plans painting.

Note: **2**. Companies who have compiled CSR reports may cite the source from specific pages of their CSR reports instead.

Note: **3**. The principle of materiality refers to those who have a significant influence on the company's investors and other stakeholders on environmental, social and corporate governance issues.

(VI) Ethical Corporate Management

Evaluation Item	Implementation Status (Note)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Has the company formulated the integrity management policy approved by the board of directors, and stated in the regulations and external documents the policies and practices of integrity management, as well as the commitment of the board of directors and senior management to actively implement the management policy?	V		(1) The company has passed the integrity management code on the board of directors of 2015-05-11. The Company's board of directors and management rank all undertook to manage the Company in accordance with the ethical corporate management principles. The Company established ethical corporate management principles, and declare ethical corporate management policies and procedures in its guidelines.	(1) No discrepancy.
(2) Does the company create an assessment mechanism for the risk of misconduct, regularly analyze and assess business activities with high risks of misconduct, and stipulate a plan to prevent misconduct which includes all of the preventive measures stipulated in the second paragraph of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(2) The Board of Directors had approved the "Regulations for handling the report of Illegal and unethical or misconduct cases" on August 8, 2018, and the board regularly analyzes and evaluates business activities with a higher risk of misconduct.	(2) No discrepancy.
(3) Does the company clearly specify the operating procedures, behavior guidelines, disciplinary penalties and complaint system in the plan for the prevention of misconduct, and practically implement the plan and regularly review and amend the preceding plan?	V		(3) Stipulation of operating procedures, behavior guidelines and training such as the " Ethical Corporate Management Regulations", "Board of Directors Meeting Regulations ", "Employee Work Rules", "Implementation of Job Duties Declaration", "Confidential Declaration", "Overseas Study Declaration", and regularly review and revise the preceding plan.	(3) No discrepancy.

Evaluation Item	Implementation Status (Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
2. Fulfill operations integrity policy				
(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	V		(1) The Company has established a “Contract Management Approach,” which is based on procedures, such as, research and development, revision, review, signing, implementation, contract electronic file storage, and access, to understand the status of ethical management of the counterparty.	(1) No discrepancy.
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?	V		(2) audits , including 2members in legal affairs ,including 4 members in internal audits. Legal affairs and internal audits were responsible to ensure the various units’ compliance with the relevant laws when carrying out business, e.g. Company Law, Securities and Exchange Act, Prevention of Corruption Act, Government Procurement Act, TWSE/TPEx listed companies’ relevant regulations or any other laws related to business conduct, for fulfillment of the ethical corporate management. Audit plan include internal audit every month、motion for the assessment of effective internal control system and "Statement of Declaration of Internal Control System first quarter every year and Motion for the next year audit plan its fiscal fourth quarter. The internal audits present to Board of Directors an internal audit report every quarter..	(2) No discrepancy.
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V	V	(3) In the deliberation.	(3) In the deliberation.
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	V		(4) The Company’s accounting system was defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”), IFRSs, IASs, IFRIC and SIC, which are endorsed by the FSC, and its accounting was performed in accordance with the principles and the relevant requirements defined by the competent authority. Meanwhile, the	(4) No discrepancy.

Evaluation Item	Implementation Status (Note)			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Company also reported the operating results to the board of directors periodically, and accepted the internal/external audit and an independent auditor’s audit.The Company has established the internal control system and also defined the articles of association, management rules, and various SOPs, in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies to govern the implementation of internal control, and also reviewed and revised the same in accordance with the changes in laws and subject to the needs, to ensure the continuous effective design and implementation of the internal control system.The Company’s unit dedicated to audit conducted the audit on sale, procurement, production and salary cycle in accordance with the audit plan passed at the directors’ meeting, and submitted the report on the audit result to independent directors.	
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?			(5) At the time of on boarding training, the Company provides internal education training in ethical corporate management for each new employee, and incorporates the Ethical Corporate Management Best Practice Principles for Taiwan Glass into the Employee Handbook to help employees fully understand the Company's policy of ethical corporate management. In addition, the Company has also actively assisted in arranging its directors to participate in the relevant refresher courses for ethical corporate management organized by external organizations, to enhance the effectiveness of the Company's ethical management.	(5)No discrepancy.
3. Operation of the integrity channel (1) Does the company establish both a	V		(1) The Company has promulgated the relevant laws and regulations and the	(1) No discrepancy.

Evaluation Item	Implementation Status (Note)			Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases? (3) Does the company provide proper whistleblower protection?	 V V		ethical code of conduct in the Company's intranet. The various unit supervisors and managers engaged in the well-founded supervision and enhanced the management exofficio. (2) The Company has put into effect the Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct in August 2018, including the investigation standards, operating procedures and related confidentiality mechanisms for reporting events. (3) The Company protects the safety of whistleblowers. If a whistleblower is a member of the Company, the Company promises to protect him/her from retaliation due to reporting.	 (2).No discrepancy. (3).No discrepancy.
4. Strengthening information disclosure (1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS??	 V		 (1) The Company established "Ethical Corporate Management Best Practice Principles" and disclosed on the Company's website and MOPS.	 (1) No discrepancy.
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. No discrepancy.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). The Company has been awarded the "TWAEO Certificate" by Customs Administration, Ministry of Finance in 2012 April. Meanwhile, the Company's business partners all expressed their support for the Company's determination to perform safe and ethical corporate management.				

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

(VII) The Company established Corporate Governance Guidelines and Regulations, and disclosed on the Company's website (www.taiwanglass.com) and MOPS.

(VIII) Continuing Education of Directors/Supervisors

Job title	Name	Date elected	Date when first elected	Date From	Date To	Organizer	Program	Hours	Total hours	Remarks
Direct	Lin, P F	2018/06/13	1967/09/16	2019/05/23	2019/05/23	Chinese National Association of Industry and Commerce	The risks that directors and supervisors have to face and liability insurance practices	3.0	3	
Direct	Lin, P S	2018/06/13	1967/09/16	2019/05/30	2019/05/30	Chinese National Association of Industry and Commerce	How to analyze the corporate financial information and reinforce precaution of crisis	3.0	3	
Direct	Lin, H T	2018/06/13	1988/03/19	2019/03/26	2019/03/26	Chinese National Association of Industry and Commerce	Discussion of opportunities of transnational merge and acquisition for Taiwanese enterprises based on the international circumstances	3.0	9	
Direct	Lin, H T	2018/06/13	1988/03/19	2019/03/28	2019/03/28	Chinese National Association of Industry and Commerce	Risk management of land tax of corporate governance and protection of tax rights	3.0	9	
Direct	Lin, H T	2018/06/13	1988/03/19	2019/08/22	2019/08/22	Chinese National Association of Industry and Commerce	Tax reform trilogy	3.0	9	
Direct	Hsu, L L	2018/06/13	2009/06/10	2019/05/30	2019/05/30	Chinese National Association of Industry and Commerce	How to analyze the corporate financial information and reinforce precaution of crisis	3.0	3	
Direct	Su, Y T	2018/06/13	1996/04/01	2019/05/24	2019/05/24	Chinese National Association of Industry and Commerce	The latest trends and important regulations for prevention of money laundry and combating information terrorism	3.0	3	
Direct	Lin, C Y	2018/06/13	2004/10/06	2019/05/13	2019/05/13	Taiwan Institute for Sustainable Energy	Corporate Social Responsibility- the Dutch case and circular economy	2.0	6	
Direct	Lin, C Y	2018/06/13	2004/10/06	2019/06/26	2019/06/26	Taiwan Institute of Directors	2019 The annual meeting of the institute of directors-A+ Enterprise × Value of shareholders	4.0	6	
Direct	Lin, C M	2018/06/13	2006/06/09	2019/05/24	2019/05/24	Chinese National Association of Industry and Commerce	The latest trends and important regulations for prevention of money laundry and combating information terrorism	3.0	6	
Direct	Lin, C M	2018/06/13	2006/06/09	2019/05/30	2019/05/30	Chinese National Association of Industry and Commerce	How to analyze the corporate financial information and reinforce precaution of crisis	3.0	6	
Direct	Chen, C C	2018/06/13	2009/06/10	2019/08/22	2019/08/22	Chinese National Association of Industry and Commerce	Tax reform trilogy	3.0	3	

(VIII) Continuing Education of Directors/Supervisors

Job title	Name	Date elected	Date when first elected	Date		Organizer	Program	Hours	Total hours	Remarks
				From	To					
Direct	Tsai,T M	2018/6/13	2017/10/26	2019/02/21	2019/02/21	Securities and Futures Development Foundation	The response of corporate on the latest amendment to the Company Act and practical operation analysis	3.0	6	
				2019/03/07	2019/03/07	Securities and Futures Development Foundation	The matters that require attention for 2019 board of directors meeting and shareholders' meeting	3.0		
Independent Direct	Hwang, T Y	2018/06/13	1990/06/23	2019/09/16	2019/09/16	Taiwan Corporate Governance Association	The legal compliance of the company and the supervisory obligation of the directors	3.0	6	
				2019/09/17	2019/09/17	Taiwan Corporate Governance Association	Group governance	3.0		

(IX) Status of Internal Control

TAIWAN GLASS IND. CORP.
Statement of Declaration of Internal Control System

March 16, 2020

The Company hereby declares the following based on its self-assessment result on the internal control system in 2019:

1. The Company acknowledges that the Board and management shall be responsible for establishing, implementing and maintaining the internal control system. The Company has already established the system. The internal control system is intended to provide reasonable assurance on the operating result and efficiency (including profit, performance and safety of assets, et al.), reliability of financial statements and compliance with laws.
2. Notwithstanding, the internal control system is subject to some restrictions. No matter how perfectly it is designed, an effective internal control system is only able to provide reasonable assurance on said three objectives. Besides, the validity of the internal control system might vary subject to changes in environments and circumstances. The Company's internal control system is subject to a self-supervisory mechanism. Any defect will be corrected by the Company immediately upon identification.
3. The audit of the Company dealing operation has been conducted in accordance with the Standards for Public Companies in the Establishment of Internal Control System (the "Standards") for identifying the effectiveness of the internal control system, and determines if the design and enforcement of internal control are effective. The Standards are intended to judge the internal control system by dividing the system into five elements according to the management control process, namely, (1). control over environment, (2). risk assessment, (3). control operation, (4). information and communication, and (5). supervision. Each element consists of certain items. For said items, please refer to the "Standards".
4. The Company has already adopted said criteria to identify the effectiveness of the internal control system and to determine if the design and enforcement thereof are effective.
5. Based on the result referred to in the preceding paragraph, the design and enforcement of the Company's internal control system (including supervision and control over its subsidiaries) on December 31, 2019, including the achievement of operating result and efficiency, reliability of financial statements and compliance with laws, is considered effective and able to provide reasonable assurance on said objectives.
6. The statement constitutes the summary content of the Company's Annual Report of current year and the Offering Prospectus, and shall be disclosed to the public. Any misrepresentation or concealment of the aforementioned disclosures shall be liable to violation of Articles 20, 32, 171 and 174 of the Securities and Exchanges Act and the legal consequences thereof.

TAIWAN GLASS IND. CORP.

Chairman: Lin, P F

President & CEO: Lin, P S

(X) Punishment for violations of laws and internal control system imposed on the Company and its internal staff, and the major defects and correction thereof from the recent year until the date the Annual Report was printed: N/A.

(XI) Stockholders' meeting(s) and significant board resolutions during the most recent year and up to the date of publication of this annual report：

Meeting	Date	Items		
The 5th meeting of the 19th Board of Directors	2019-03-18	Approval	1	Motion for 2018 Business Report.
			2	Motion for parent company only financial statement & consolidated financial statements 2018.
			3	Motion for 2018 earning distribution.
			4	Motion for 2018 Directors and Employee's remuneration distribution.
			5	2018 TG evaluation of the External Auditor's Independence.
			6	2019 TG commissioned Ernst & Young Accounting Firm for audit and public funds certification.
			7	Motion for the 2019 operation plan.
			8	Recognition impairment of assets.
			9	Motion for amendments to the "Regulations Governing the Acquisition and Disposition of Assets".
			10	Motion for amendments to the "Operating Procedure for Financial Derivatives Transactions".
			11	Motion for amendments to the "Operating Procedure for Making Endorsements/Guarantees".
			12	Motion for amendments to the "Operating Procedure for Granting Loans to Others".
			13	Motion for amendments to the "Subsidiaries' "Operating Procedure for Making Endorsements/Guarantees".
			14	Motion for amendments to the "Subsidiaries' Operating Procedure for Granting Loans to Others".
			15	Motion for amendments to the "Subsidiaries' "Regulations Governing the Acquisition and Disposition of Assets".
			16	Motion for amendments to the "Accounting System".
			17	Motion for amendments to the "Internal Control System".
			18	Motion for the assessment of effective internal control system and "Statement of Declaration of Internal Control System" 2018.
			19	Establish a standard operational protocol for responding to requests from director.
			20	Appointment of a chief for corporate governance affairs.
			21	Motion for the general shareholders 'meeting 2019.
			22	TG applied for credit of NT$400,000 thousand with First Bank.
			23	TG applied for credit of NT$900,000 thousand with China Bills Finance Corporation.
			24	TG applied for credit of NT$500,000 thousand with Bank SinoPac.
			25	TG applied for loan credit of NT$600,000 thousand with Union Bank of Taiwan.
			26	TG applied for credit of NT$400,000 thousand with Taishin International Bank.
			27	TG applied for credit of NT$300,000 thousand with Mega International Commercial Bank
			28	TGCH and TAH applied for the credit of US$15,000 thousand with Taishin International Bank, and asked TG to be the guarantor.
			29	CFG applied for the credit of RMB20,000 thousand with the Chang-Hwa Bank, and asked TG to be the guarantor.
			30	TXY applied for the credit of US$15,000 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.
			31	TGF applied for the credit of US$12,000 thousand with the Mizuho Bank , and asked TG to be the guarantor.
The 6th meeting of the 19th Board of Directors	2019-05-13	Approval	1	TGCH, invested by TG, TG/TGCH granted the loan of US$43,000 thousand and RMB 24,000 thousand to TJG. TGCH intended to convert US$25,000 thousand of the loan into an investment in TJG.
			2	CFG, invested by TG/TGCH , merged with TKG.
			3	TG applied for credit of NT$500,000 thousand with The Bank of East Asia Limited
			4	TG applied for credit of NT$1,000,000 thousand with Taiwan Cooperative Bank.
			5	TG applied for credit of NT$300,000 thousand with Taiwan Cooperative Bills Finance Corporation.
			6	TG applied for credit of NT$300,000 thousand with Ta Ching Bills Finance Corporation.
			7	TG and TGCH applied for credit of NT$800,000 thousand with Land Bank of Taiwan, and asked TG and TGCH to be the guarantor for each other.
			8	TJG applied for the credit of US$5,000 thousand with the Entie Bankk , and asked TG to be the guarantor.
			9	TGCH, TGF, TJG,HNG and TYAU applied for the loan of US$50,500 thousand with Taiwan Cooperative Bank, and asked TG to be the guarantor.
			10	TAH, TXY, and TYAU applied for the loan of RMB201,000 thousand with First Bank, and asked TG to be the guarantor.
2019 shareholders' meeting	2019-06-19	Acknowledgment	1	Motion for final accounts 2018. Implementation Status:Approved by shareholders.
		Approval	1	Motion for allocation of earning 2018. Earnings Distribution Date: 2019-08-08 Implementation Status:1.Remuneration of Directors NT$17,194,315. 2.Remuneration of Employee NT$17,194,315. 3.Dividends of Shareholders NT$0.3/@per share.
			2	Motion for amendments to the "Regulations Governing the Acquisition and Disposal of Assets". Implementation Status:Approved the resolution.
			3	Motion for amendments to the "Operating Procedure for Financial Derivatives Transactions". Implementation Status:Approved the resolution.
			4	Motion for amendments to the "Operating Procedure for Making Endorsements/Guarantees". Implementation Status:Approved the resolution.
			5	Motion for amendments to the "Operating Procedure for Granting Loans to Others". Implementation Status:Approved the resolution.
The 7th meeting of the 19th Board of Directors	2019-06-19	Approval	1	Motion for allocation of earning 2019.
			2	Motion for discharge of managerial personnel.
			3	TG applied for credit of NT$1,100,000 thousand with Bank SinoPac.
The 8th meeting of the 19th Board of Directors	2019-08-05	Approval	1	Motion for the 2019 operation plan replace.
			2	Motion for amendments to the "Remuneration to directors and managers".
			3	TG applied for the consolidated credit of NT$300,000 thousand with the Export-Import Bank of the Republic of China (Eximbank).
			4	TAG applied for the credit of NT$200,000 thousand with the Chang-Hwa Bank、First Bank, and asked TG to be the guarantor.
			5	CDG applied for the credit of RMB15,000 thousand with Bank SinoPac, and asked TG to be the guarantor.
			6	TCD applied for the credit of RMB50,000 thousand with First Bank, and asked TG to be the guarantor.
			7	TJG applied for the credit of US$5,000 thousand with Taishin International Bank , and asked TG to be the guarantor.
			8	TYAU applied for the credit of US$7,000 thousand withthe JihSun Bank , and asked TG to be the guarantor.

The 9th meeting of the 19th Board of Directors	2019-11-11	Recognize	1	TG applied for credit of NT$850,000 thousand with Tai Hong Investment Co., Ltd. and Ho Ho Investment Co., Ltd.
		Approval	1	Motion for amendments to the “Ethical Corporate Management Best Practice Principles”
			2	Motion for audit plan 2020.
			3	TGCH, invested by TG, increase of TG/TGCH investment in TCD by US$5,000 thousand.
			4	TG applied for credit of NT$1,605,000 thousand with the O-Bank.
			5	TAG applied for import and export quota of US$1,000 thousand with the Mizuho Bank, and asked TG to be the guarantor.
			6	TBF applied for the credit of RMB70,000 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.
			7	TBF applied for the credit of RMB50,000 thousand with the First Bank, and asked TG to be the guarantor.
			8	TAH applied for the credit of US$5,000 thousand with the Taishin International Bank, and asked TG to be the guarantor.
			9	TAH applied for the credit of US$20,000 thousand with the JihSun Bank, and asked TG to be the guarantor.
			10	TYSM applied for the credit of US$6,000 thousand with the JihSun Bank, and asked TG to be the guarantor.
The 10th meeting of the 19th Board of Directors	2020-02-24	Approval	1	TG applied for the syndicated loan of NT$5,000,000 thousand with Taiwan Business Bank、TCB Bank、Bank SinoPac and the First Bank.
The 11th meeting of the 19th Board of Directors	2020-03-16	Recognize	1	TG applied for credit of NT$830,000 thousand with Tai Yu Investment Co., Ltd. 、 Ho Ho Investment Co., Ltd. and Tai Chia Investment Co., Ltd.
		Approval	1	Motion for 2019 Business Report.
			2	Motion for parent company only financial statement & consolidated financial statements 2019.
			3	Motion for 2019 earning distribution.
			4	2019 TG evaluation of the External Auditor’s Independence.
			5	2020 TG commissioned Ernst & Young Accounting Firm for audit and public funds certification.
			6	Motion for amendments to the "Accounting System".
			7	Motion for the 2020 operation plan.
			8	TGCH, invested by TG, TGCH capital reduction and return of capital.
			9	Revise motion for the increase of QFG investment inTQPT by RMB17,500 thousand.
			10	Motion for the FYSS resolution split.
			11	Motion for the assessment of effective internal control system and "Statement of Declaration of Internal Control System" 2019.
			12	Stipulation of the "Regulations for Self or Peer Assessment of the Board of Directors"
			13	Motion for amendments to the "Corporate Governance Best Practice Principles".
			14	Motion for amendments to the "Articles of Incorporation".
			15	Motion for the general shareholders’meeting 2020.
			16	TG applied for credit of NT$500,000 thousand with Far Eastrn International Bank.
			17	TG applied for credit of NT$300,000 thousand with Bank of Kaohsiung.
			18	TG applied for credit of NT$200,000 thousand with Bank of Panhsin.
			19	TG applied for credit of NT$300,001 thousand with the KGI Bank.
			20	TGCH applied for the credit of US$33,000 thousand with the KGI Bank, and asked TG to be the guarantor.
			21	TGCH applied for the credit of US$10,000 thousand with the Taishin International Bank, and asked TG to be the guarantor.
			22	TXY applied for the credit of US$11,500 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.
			23	TBF applied for the credit of US$5,000 thousand with the Shanghai Commercial & Saving Bank, and asked TG to be the guarantor.
			24	TGF applied for the credit of RMB50,000 thousand with the First Bank , and asked TG to be the guarantor.
The 12th meeting of the 19th Board of Directors	2020-05-06	Approval	1	Motion for amendments to the "Internal Control System".
			2	TG and TGCH applied for credit of NT$800,000 thousand with Land Bank of Taiwan, and asked TG and TGCH to be the guarantor for each other.
			3	TGCH, TGF, TJG,HNG and TYAU applied for the loan of US$50,500 thousand with Taiwan Cooperative Bank, and asked TG to be the guarantor.
			4	TCD and TYAU applied for the loan of RMB59,000 thousand with First Bank, and asked TG to be the guarantor.
			5	TJG applied for the loan of US$5,000 thousand with the Taishin International Bank, and asked TG to be the guarantor.

(XII) Adverse opinion from directors or supervisor over important resolution of the Board from the most recent year until the day the Annual Report was printed with records or written declaration, and the contents of such opinion: None.

(XIII) Information on resignation and termination of parties relating to the financial report from the most recent year until the date the Annual Report was printed: None.

V. Audit fee information：

Accounting Firm	Name of CPA		Audit Period	Remarks
Ernst & Young	Hsiao, Teresa	Fuh, Andrew	2019.01.01~2019.12.31	

Currency Unit: NTD thousand

	Fee items / Amount range	Audit fee	Non-Audit fee	Total
1	Less than 2,000 thousand		1,626	1,626
2	2,000 thousand (inclusive therein) ~4,000 thousand			
3	4,000 thousand (inclusive therein) ~6,000 thousand			
4	6,000 thousand (inclusive therein) ~8,000 thousand			
5	8,000 thousand (inclusive therein) ~10,000 thousand	8,424		8,424
6	10,000 thousand above			

Note: Non-Audit fee include transfer pricing and CSR report.

In the event of any of the following circumstances, the Company shall disclose the independent auditor fee information:

(I) Where non-audit fees paid to the independent auditing firm and their affiliates exceeded the audit fees by more than twenty-five percent, the audit and non-audit fees and contents of the non-audit service shall be disclosed:

Currency Unit: NTD thousand

Accounting Firm	Name of CPA	Audit fee	Non-Audit fee					Audit Period	Remark
			System of design	Company registration	Human Resource	Other (Note)	Subtotal		
Ernst & Young	Hsiao, Teresa Fuh, Andrew	8,424	0	0	0	1,626	1,626	2019	Note：Non-audit fee-other include transfer pricing and CSR report NT$ 1,626 thousand dollars.

(II) In the case of change of independent auditing firm and the audit fees of the year in which the independent auditing firm was changed less than that of the previous year, please disclose the amount of audit fees before and after the change, and reasons of the change: N/A.

(III) In the case of audit fees less than that of the previous year by more than 15%, please disclose the decrease in the audit fees, and proportion and cause thereof: N/A.

VI. Information on the replacement of independent auditors for the most recent two years and afterwards:N/A

VII. Name of auditing firm or its affiliates at which the company’s chairman, president, or managers responsible for financial or accounting matters was an employee over the past tear, his/her position and employment period: N/A.

VIII. Evaluation of the External Auditor’s Independence:

The Audit Committee of the Company has reviewed the independency of audit accountant based on the following criteria and reported the examination results to the Board:

(1) The Company has acquired Statement of Accountant Independency.

(2) The Company has checked the independency of audit accountant from the aspects of the financial profit, loans and guarantees, business relations, family and personal contacts, employment status, gifts and special offers, rotation of audit accountant and non-audit business.

IX. Equity changes, transfers, and pledges of directors, supervisors, managers and shareholders who hold more than 10% of the Company's shares in the most recent year and until the date of publication of the Annual Report:

Job Title	Name	2019		Until April 07 in the current year		Remarks
		Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	
Chairman	Lin, P F	0				
Chairman, President & CEO	Lin, P S	0				
Director	Lin, P C	0		10,000		
Director	Yun San Corporation Representative: Chang, P S	0				
Director	Lim, H T	0				
Director	Lim Ken Seng Kah Kih Co., Ltd. Representative: Hsu, L L	0				
Director	Tai Hong Investment Co., Ltd. Representative: Lin, C H	0	32,000,000		16,000,000	Major Shareholder
Director	Tai Hong Investment Co., Ltd. Representative: Su, Y T					
Director	Tai Hong Investment Co., Ltd. Representative: Lin, C Y					
Director	Tai Chien Investment Co., Ltd. Representative: Lin, C M	0				
Director	Ho Ho Investment Co., Ltd. Representative: Chen, C C	0	32,000,000		16,000,000	Major Shareholder
Director	Ho Ho Investment Co., Ltd. Representative: Tsai, T M					
Independent Director	Lin, F C	0				
Independent Director	Chen, C C	0				
Independent Director	Hwang, T Y	0				
Vice President	Lin, C H	0				
Vice President	Su, Y T	0				
Vice President	Lin, C Y	0				
Vice President Financial Officer	Lin, C M	0				
Vice President	Chen, C C	0				
Vice President	Tsai, T M	0				
Manager, Accounting	Huang, Y H	0				
Manager, Corporate governance affairs	Pan, Y L	0				

Note 1: The shareholders who hold more than 10% of the Company's shares shall be identified as major shareholders and stated separately.

Note 2: Where the counterparts of shares through transfer and pledged under lien are related parties, it is also necessary to complete the following table.

Information about equity transfer: The trading counterparts are not related parties.

Information about equity pledged under lien: The trading counterparts are not related parties.

X. Relationship among the Top Ten Shareholders:

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees(Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Tai Hong Investment Co., Ltd.	420,137,922	14.45%	0	0	0	0	Tai Cheng	Note 4	
Chairman: Lin, P F	20,603,512	0.71%	2,690,233	0.09%			Ho Ho. Tai Chien. Tai Yu. Tai Chia. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 5	
Ho Ho Investment Co., Ltd.	402,748,231	13.85%	0	0	0	0	Tai Yu. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 4	
Chairman: Lin, P S	14,897,934	0.51%	1,403,202	0.05%			Tai Hong. Tai Chien. Tai Cheng. Tai Chia	Note 5	
Tai Chien Investment Co., Ltd.	249,002,246	8.56%	0	0	0	0	Tai Chia	Note 4	
Chairman: Lin, P C	6,181,002	0.21%	4,729,447	0.16%			Tai Hong. Ho Ho. Tai Cheng . Tai Yu. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 5	
Tai Yu Investment Co., Ltd.	245,538,788	8.44%	0	0	0	0	Ho Ho. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 4	
Chairman: Lin, P S	14,897,934	0.51%	1,403,202	0.05%			Tai Hong. Tai Chien. Tai Cheng. Tai Chia	Note 5	
Tai Cheng Investment Co., Ltd.	228,213,247	7.85%	0	0	0	0	Tai Hong	Note 4	
Chairman: Lin, P F	20,603,512	0.71%	2,690,233	0.09%			Ho Ho. Tai Chien. Tai Yu. Tai Chia. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 5	
Tai Chia Investment Co., Ltd.	157,795,282	5.43%	0	0	0	0	Tai Chien	Note 4	
Chairman: Lin, P C	6,181,002	0.21%	4,729,447	0.16%			Tai Hong. Ho Ho. Tai Cheng . Tai Yu. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 5	
Fubon Life Insurance Co., Ltd.	142,200,558	4.89%	0	0	0	0	—	—	
Chairman: Tsai, M H	0	0	0	0				—	
Lim Ken Seng Kah Kih Co., Ltd.	136,904,500	4.71%	0	0	0	0	Ho Ho. Tai Yu. TG Pension Fund Management Committee	Note 4	
Chairman: Lin, P S	14,897,934	0.51%	1,403,202	0.05%			Tai Hong. Tai Chien. Tai Cheng. Tai Chia	Note 5	
TG Pension Fund Management Committee	39,289,621	1.35%	0	0	0	0	Ho Ho. Tai Yu. Lim Ken Seng Kah Kih	Note 4	
Chairman: Lin, P S	14,897,934	0.51%	1,403,202	0.05%			Tai Hong. Tai Chien. Tai Cheng. Tai Chia	Note 5	
An investment account held in escrow by the Central Bank of Norway on behalf of Citibank Taiwan Chairman: Mo,Z.H	28,899,278	0.99%	0	0	0	0	-	-	
	0	0	0	0				-	

Note 1: The shareholders' names shall be identified separately (in the case of corporate shareholders, the corporate shareholders' names and representatives shall be identified separately).

Note 2: The ratio of shareholding is calculated in terms of own shareholdings, shares held by spouse & children under age or shareholdings under the title of a third party.

Note 3: The shareholders' are including institutional shareholder and natural person. Shareholders' shall be disclosing related to one another under Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 4: The representative of the legal entity is the same person.

Note 5: The relations between the representatives of the legal entities are two-degree relatives.

XI. Total shareholding ratio in each invested enterprise invested by the Company, and the Company's directors, supervisors, managers, and enterprises controlled by the Company directly or indirectly, and consolidated shareholdings thereof:

December 31, 2019 Unit: share; %

Investee (Note)	Invested by the Company		Invested by directors, supervisors, managers, and enterprises controlled by the Company directly or indirectly		Combined investment	
	Shares	%	Shares	%	Shares	%
TGUS	4,612	100.00			4,612	100.00
TGCH	1,354,033,322	93.98			1,354,033,322	93.98
TAGC	26,100,000	87.00			26,100,000	87.00
TVIG	43,875,000	65.00			43,875,000	65.00

Note: The Company's long-term equity investment under the equity method

Four. Status of Capital Planning

I. Sources of capital stock:

Date	Issuing price	Authorized capital stock		Issued capital stock		Remarks		
		Shares (thousand shares)	Amount (NTD Thousand)	Shares (thousand shares)	Amount (NTD Thousand)	Sources of Capital Stock (NTD Thousand)	Offset by any property other than cash	Others
2019-12	10	3,000,000	30,000,000	2,908,061	29,080,608	Capital NT$150,000 at the time of incorporation Capital increase in cash NT$5,410,510 Recapitalization of earnings NT$22,458,098 Recapitalizations of capital reserve NT$938,365 Capital increase upon merge of TFG: NT123,635	None	None
2020-05	10	3,000,000	30,000,000	2,908,061	29,080,608	Capital NT$150,000 at the time of incorporation Capital increase in cash NT$5,410,510 Recapitalization of earnings NT$22,458,098 Recapitalizations of capital reserve NT$938,365 Capital increase upon merge of TFG: NT123,635	None	None

Stock Type	Authorized capital stock			Remarks
	Outstanding shares	Unissued Shares	Total	
Common stock	2,908,061 thousand shares	91,939 thousand shares	3,000,000 thousand shares	Listed stock

Information about shelf registration system: N/A

II. Composition of Shareholders:

April 07, 2020

Number \ Composition of Shareholders	Government Apparatus	Financial Institution	Other Juridical Person	Individual	Foreign Institution and Foreigner	Total
No. of Person	2	22	139	45,045	205	45,413
Shares	42	143,291,568	1,991,978,146	567,929,261	204,861,783	2,908,060,800
Proportion	0.00%	4.93%	68.50%	19.53%	7.04%	100%

Note: Primary exchange-listed (or OTC-listed) companies and emerging stock companies shall disclose their shareholding ratios in Mainland China investment, if any. Mainland China investment means the investment by the people, corporations, groups or other institutions in the Mainland China Area or any companies invested by the people, corporations, groups or institutions in a third territories referred to in Article 3 of the Measures Governing Investment Permit to People of the Mainland China Area.

III. Diversification of Shareholdings:

Par Value at NT$10 per share April 07, 2019

Range of Shares	No. of Shareholders	Shares held (shares)	Proportion
1 to 999	16,693	3,851,753	0.13%
1,000 to 5,000	17,809	40,273,903	1.39%
5,001 to 10,000	4,573	35,320,610	1.22%
10,001 to 15,000	1,665	20,887,486	0.72%
15,001 to 20,000	1,016	18,694,389	0.64%
20,001 to 30,000	1,050	26,557,981	0.91%
30,001 to 40,000	553	19,791,757	0.68%
40,001 to 50,000	387	17,930,366	0.62%
50,001 to 100,000	811	58,723,534	2.02%
100,001 to 200,000	401	56,463,142	1.94%
200,001 to 400,000	221	62,904,450	2.16%
400,001 to 600,000	73	35,655,795	1.23%
600,001 to 800,000	38	25,840,223	0.89%
800,001 to 1,000,000	18	16,386,883	0.56%
1,000,001 and above	105	2,468,778,528	84.89%
Total	45,413	2,908,060,800	100.00%

Preferential stock: N/A. No preferential stock has been issued by the Company.

IV. List of Major Shareholders:

Shares / Name of major shareholders	Shares held	Proportion
Tai Hong Investment Co., Ltd.	420,137,922	14.45%
Ho Ho Investment Co., Ltd.	402,748,231	13.85%
Tai Chien Investment Co., Ltd.	249,002,246	8.56%
Tai Yu Investment Co., Ltd.	245,538,788	8.44%
Tai Cheng Investment Co., Ltd.	228,213,247	7.85%
Tai Chia Investment Co., Ltd.	157,795,282	5.43%
Fubon Life Insurance Co., Ltd.	142,200,558	4.89%
Lim Ken Seng Kah Kih Co., Ltd.	136,904,500	4.71%
TG Pension Fund Management Committee	39,289,621	1.35%
An investment account held in escrow by the Central Bank of Norway on behalf of Citibank Taiwan	28,899,278	0.99%

V. Information on market value, net value, earnings and dividends per share during the most recent two years

Year			2018	2019	Until March 31, 2020
Market Value Per Share	Highest		23.60	14.15	11.45
	Lowest		12.75	11.20	6.46
	Average		16.80	12.26	9.21
Net Value Per Share	Before Distribution		15.21	13.81	13.39
	After Distribution		–	–	–
EPS (NT$)	Weighted average shares		2,908,060,800	2,908,060,800	2,908,060,800
	EPS		0.37	(0.50)	(0.29)
Dividends Per Share (NT$)	Cash Dividends		0.30	–	–
	Stock Dividends	Out of earnings	–	–	–
		Out of additional paid-in capital	–	–	–
	Accumulated unpaid		–	–	–
ROI Analysis	Price-Earnings Ratio		45.41	(24.52)	–
	Dividend Yield		56.00	–	–
	Cash Dividend Yields		1.79	–	–

Note 1: Price-Earnings Ratio=Average Closing Price Per Share in current year/Earnings Per Share.

Note 2: Dividend Yield=Average Closing Price Per Share in current year/Cash Dividend Per Share.

Note 3: Cash Dividend Yields=Cash Dividend Per Share/Average Closing Price Per Share in the current year.

VI. Dividend policy and implementation:

(I) Dividend Policy

The shareholders' meeting of the Company passed a resolution on June 17, 2016 to amend the Company Charter, in which the dividend policy has been revised and reinstated as follows:

If there is any profit of annual revenue, the Company shall distribute one point five percent (1.5%) of net profit to the employees as remuneration, and less than one point five percent (1.5%) of net profit to the directors as remuneration. If there is any accumulated deficit, the amount of restitution shall be remained first.

If there is any profit after annual accounting, it shall be distributed with the following order.

1. To restitute deficits.

2. To distribute ten percent (10%) of net profits to a legal reserve. if the legal reserve has reached the amount of Capital, it is no limitation.

3. To distribute special reserve.

4. After distribution of Item 1~3 above mentioned, if there is any net profit remaining, the Board of Directors shall prepare a distribution proposal and submit to the shareholders' meeting for resolution.

For sound financial planning, appropriate dividend strategies shall be made according to the annual actual operating situation, Capital budget of next annual, and the necessary of supporting capital by profits for sustainable operation and development. After deducted Item 1 to 3 above from Income, the dividends and bonuses above mentioned shall not be lower than 50% of the earnings. Only when the dividends and bonuses is lower than 1% of capital, it can be resolved to transfer all of them to retained earnings and not to be distributed. The rate of distributing cash dividends shall not be lower than 20% of total dividends.

(II) Allocation of dividends proposed at the shareholders' meeting

The shareholders' meeting resolved that based on the outstanding common stock totaling 2,908,060,800 shares, the Cash Dividend would be allocated at NT$0.0 per share and Stock Dividend at NT$0.0 per share, totaling NT$0.0 per share.

VII. The effects of stock grants proposed at this shareholders' meeting on business performance and EPS:

N/A, as no stock dividend was allocated.

VIII. Bonuses to employees and remuneration to directors and supervisors:

(I) Proportion or scope of bonuses to employees and remuneration to directors and supervisors as stated in the Company's Articles of Incorporation:

If there is any profit of annual revenue, the Company shall distribute one point five percent (1.5%) of net profit to the employees as remuneration, and less than one point five percent (1.5%) of net profit to the directors as remuneration. If there is any accumulated deficit, the amount of restitution shall be remained first.

(II) The accounting in the case of deviation from the basis for stating remuneration to employees and remuneration to directors, the basis for calculating the quantity of stock dividends to be allocated, and the actual allocation:

Due to the loss of 2019 and according to Articles of Incorporation, Article 26, TGI did not distribute remuneration to directors and employee.

(III) Information about any proposed allocation of remuneration by the Board of Directors' Meeting:

1. Allocation of cash dividend and stock dividend to employees, and remuneration to directors/supervisors.

   Due to the loss of 2019 and according to Articles of Incorporation, Article 26, TGI did not distribute remuneration to directors and employee.

2. Quantity of stock dividends to be allocated to employees, and the proportion thereof to net income, and total of the same and bonuses to employees to net income, for the current period:
   No stock dividends have been allocated to employees.

(IV) The actual allocation of bonuses to employees and remuneration to directors/supervisors in the previous year (including the number, amount and stock price of allocated shares), the deviation between the actual allocation and the estimated figures, if any, and cause and treatment thereof.

Currency Unit: NTD thousand

	Stated as expenditure	Actual allocation	Deviation
Cash dividend to employee	17,194	17,194	-
Stock dividend to employee	-	-	-
Remuneration to directors and supervisors	17,194	17,194	-

Deviation treatment: N/A.

IX. Buyback of common stocks: N/A

Five. Overview of Operations

I. Content

(I) Scope of Business

1 The scope of business covers the following areas:

(1)、 Mining, processing, and sale of glass materials.
(2)、 Manufacturing and sale of flat glass products.
(3)、 Manufacturing and sale of rolled glass products.
(4)、 Manufacturing and sale of wire glass products.
(5)、 Processing and sale of reflective flat glass products.
(6)、 Processing and sale of tempered and laminated glass products.
(7)、 Processing and sale of mirror glass products.
(8)、 Processing and sale of insulating multi-layer glass products.
(9)、 Processing and sale of railcar coach glass products.
(10)、 Processing and sale of tabletop and beveled glass products.
(11)、 Manufacturing and sale of glass container products.
(12)、 Manufacturing and sale of glass tableware products.
(13)、 Manufacturing, processing and sale of high temperature-resistant glass products.
(14)、 Manufacturing, processing and sale of fiberglass reinforced and fabric products.
(15)、 Export of glass manufacturing machinery and technologies.
(16)、 Import and export of glass materials and machinery.
(17)、 Glass installation project engineering.
(18)、 Taiwan Glass may conduct businesses other than the registered categories permitted by the laws and relevant regulations.

2 Current Major Products and Ratio of the Company

Major Products	Ratio
Flat Glass	68.85%
Glass Fiber	22.41%
Glass Container	8.26%
Others	0.48%

3 Products under Development:

(1)、 Super clear glass for photovoltaic batteries has successfully passed trial production in the second half of 2008, and several production lines successively launched into production in 2009, 2010, 2011 and 2012. This high-quality product is around 3 to 19mm and the technology is mature and stable. It is expected to fill the demand from the photovoltaic, construction, and export markets.

(2)、 The main facilities at the Changhua Coastal Industrial Park have been completed, and the high-performance Low-E and vacuum glass, as well as a series of other processing facilities, has been successively launched into mass production. The more advanced manufacturing process and diversified products are expected to bring TGI higher market competitiveness.

(3)、 The Taiwan Glass Group and factories across the Taiwan Strait continuously seek for advancement in technologies and facilities for TCO glass, ultra-thin glass, and vacuum glass, and are ready to answer and fill the demand in the global market.

(4)、 Sophisticated vacuum glass technology enables the production of Low-E vacuum glass by combining Low-E glass.

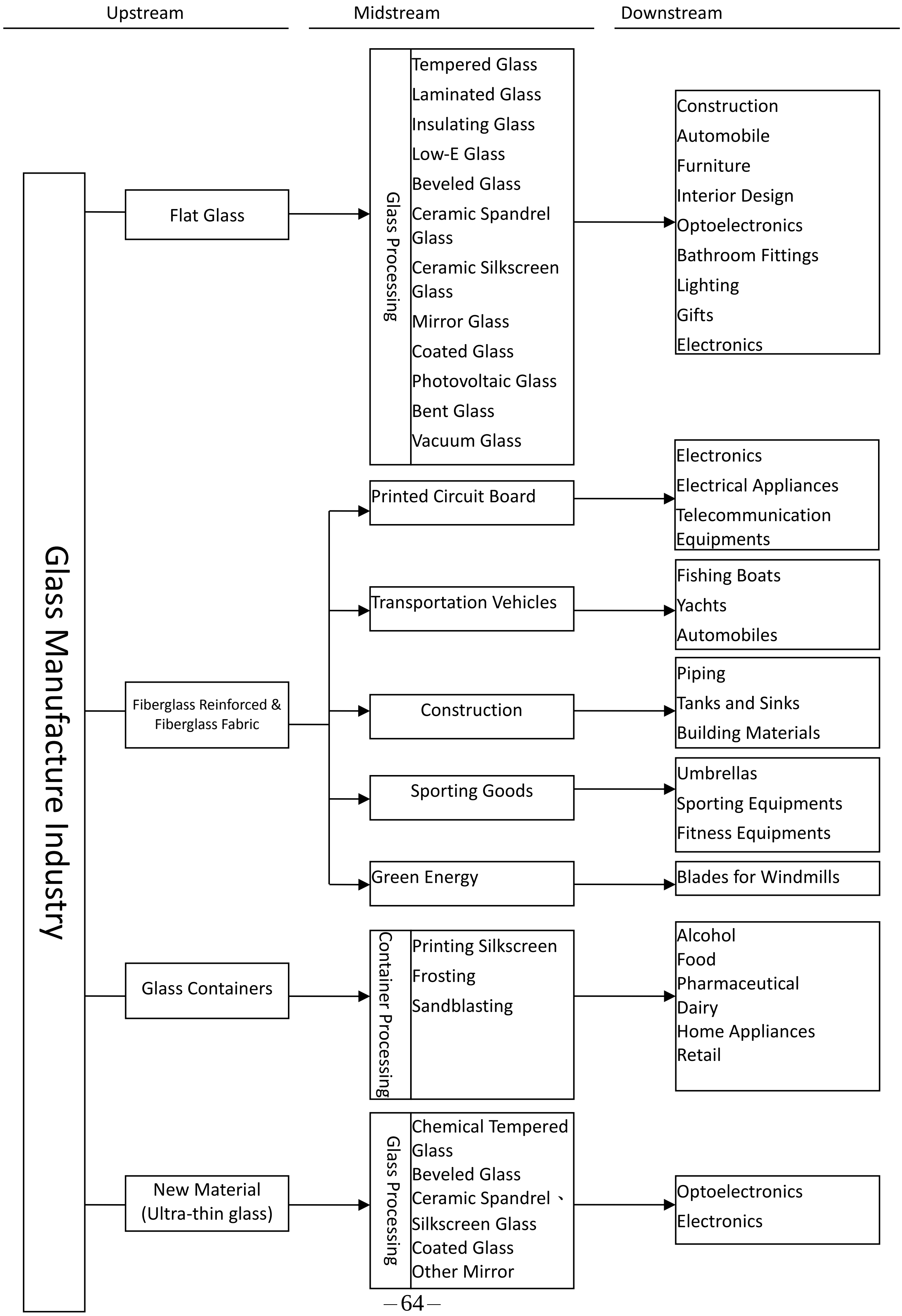
(5)、 Heat resistant milk bottles and laboratory bottles, stable quality and continuous growth. and development of high-white spirit bottles.

(6)、 The ultra-thin glass has been officially put into production. The thickness is between 1.8mm~0.33mm and the purpose is to serve as a protective cover and protective glass tape for electronic products.

(7)、 The official launch of the living utensils under the TG brand in December 2018 has enhanced the added value of the products, and officially provided access to the B2C market.

(II) Overview of the Industry: This section briefly describes the current status and development of this industry, the links between the upper, middle, and lower stream products and the development/market trend and competition in the industry.

Diagram of the Glass Industry



1 Flat Glass:

(1) Current Status and Development:

A、Taiwan Glass Industrial Co. Ltd. (TGI) responds to the fluctuations in domestic and global demand and the world economy by making timely adjustments to the production lines and the capacity of the processing plants. It also actively seeks business opportunities with a focus on the domestic market and holds an ambition to venture into the export market under the principle of stable costs for maximum competitiveness.

B、With the advantage of an integrated supply chain and in response to the policy of “Service-oriented Manufacture”, TGI teams up with its partners to confront competition in the domestic and foreign markets and create a market-leading brand.

C、In response to the development of green architecture and the optoelectronic industry, TGI brought in the newest energy-saving Low-E coated glass technology, and the mass-production processing facilities at the Chuanghua Coastal Industrial Park have also been successively installed and launched into mass production.

D、To develop more advanced and profitable product lines, TGI is currently planning to set up a manufacture plant for several new technologies, e.g., glass for display panels and vacuum glass.

E、ECFA will soon expire. Under the influence of CPTPP, ASEAN treaties and agreements between the US and South Korea, the emerging nations in Asia are expanding their glass production lines and capacities rapidly with upgraded technology; TGI is expected to encounter fierce competition in the market.

F、Unexpected uncertainties in the global economy, such as a slow recovery in the U.S.-China trade war and on both sides of the Taiwan Strait, are creating instability.

2 Fiberglass Fabric and Reinforced

(1) Fiberglass fabric is an upstream material for PCB production; therefore, it is highly sensitive to fluctuations in the electronic market and characterized by a closely-knit network in the industrial supply chain. The final product is developed towards slim, high precision, and high performance, in order to achieve market differentiation.

(2) The low dielectric constant (LDK) fiberglass cloth has been successfully developed and in mass production, to fulfill the market demand for the 5G high-frequency and high-speed materials.

(3) Fiberglass reinforced is mainly used for thermal-plastic related applications. It is a green product gradually replacing the thermal-setting manufacturing

process; therefore a higher level of quality is demanded. This is beneficial for TGI in the sense that it avoids direct impact from the competition of lower-quality fiberglass manufacturing regions.

3 Container

(1) Capacity: In July 2019,as well as changes to production containers of the TS-6 2 production line have increased the capacity from 147 kilotons to 154 kilotons in 2020.

(2) Deepening education and training, equipping new employees with quality, improving quality, reducing workforce.

4 Tableware and Kitchenware

(1) The supply to the domestic market is focused on gift items and vintners. The major competition is glassware imported from China, Europe, US and Turkey.

(2) The supply for export is mainly focused on the markets in Japan and Korea (combined 37%), and the channels are mainly retail, gift items and vintners.

(3) When compared with major competitors, Taiwan's glass products are taxable between 8 to 30% when exported to the US, China, EU Nations and ASEAN Nations. This is a major setback in global competitiveness.

5 Brand

As the production technology of TAIWAN GLASS for food containers has reached the globally recognized level, the Company has created its own brand TG targeting new groups in pursuit of a high-grade lifestyle, and invited the international design master, Naoto Fukasawa, to incorporate the Taiwanese culture he experienced into design, produce beautiful heat-resistant glassware, and market such products around the world starting from Taiwan.

6 New Materials

(1) Due to the rise of red supply chain, market demand of ultra-thin glass has shifted to mainland China. The sales of ultra-thin glass are constantly made to mainland China and the European/American India and Vietnam markets are also developing.

(2) Use of new quality checks equipment to ensure the provision of products complying with the quality in the industry for customers from the advanced electronics application products.

(III) Overview of Technologies and R&D:

1. TGI's flat glass products have the advantage of a long lifecycle. TGI has invested substantially into the production of flat glass products and the main production technologies were introduced from technologically-advanced nations. TGI's R&D is focused on improvement in technology and quality, and energy-saving production, carbon-reduction and environmentally-friendly products.
2. In addition to the high-performance off-line coating, Low-E energy-saving glass, TGI focuses on the R&D of super clear, TCO, and ultra-thin glass in response to the development of the domestic and overseas photovoltaic and display panel industries.

(IV) Short and Long Term Business Development Plan:

1. Flat Glass:

   Short-term:

   As the industry is facing the challenges of shifting global economic blocks and rapid advancement in technologies, through automation and specialized production, TGI aims to lower costs and maximize efficiency. To counter global competition and ensure stable growth in the uncertain outlook of the global economy, TGI will focus on brand positioning, reinforcing customer services, and the development of a wider scope of international customers.

   Long-term:

   Bulk sales of Low-E allow the popularization of Low-E glass, thereby reinforcing the users' energy conservation and environmental awareness.

   In response to market demand, TGI will actively develop professional human resources, research/develop new products and procure production facilities for optoelectronic and energy-saving products, aiming to reinforce the industrial cluster advantage in the domestic market as well as to consolidate the TGI plants in Taiwan and China, expand the global marketing channels, and instill a firm foothold for TGI's brands.

2. Fiberglass Fabric and Reinforced:

   Short-term:

   TGI will constantly make adjustments to the product structure in response to market demand, increase the added values and processing level, reinforce customer service, expand the market, and reduce direct exposure to the fluctuations in the market.

   Long-term:

   For the long-term, TGI targets lower costs by upgrading furnace efficiency, reinforcing product performance, developing new products for higher cost efficiency, and periodically reviewing the need to replace old manufacturing facilities to ensure optimal supply versatility, so as to respond quickly to the changes in market demand.

3. Container:

Short-term:

1. Constantly promote lightweight bottles and fully cooperate with expansion of high value-added large white wine bottles. Quality meets customers' food safety requirements.
2. Effectively plan order fulfillment and production, reduce loss due to form and color distortion, and increase output.

Long-term:

1. Talent cultivation and organizational upgrade.
2. Constantly introduce new technologies to increase the yield rate and expand the limit of production specifications.

4. Tableware and Kitchenware:

Short-term:

1. Increase on-line sales channels and multi-channels to raise shipments and to reduce inventory.

Long-term:

1. Improving ODM capacity to activate inventory.

5. Brand:

Short-term:

Increase brand exposure, and develop cooperation between physical and virtual channels.

Long-term:

Promote branded products globally through the collaboration between physical and virtual channels.

6. New Materials:

Short-term: Actively develop emerging markets such as China and Europe, US, India and increase shipping volume in order to reduce inventory.

Long-term: Collaborate with clients for product development, increase product penetration rate and raise product value.

II. Overview of Market, Production, and Marketing

(I) Market Analysis

1. The major markets by product category

(1) Flat Glass: The domestic market and coop export accounts for 90% and export 10%. The main markets are Asia, Latin America, Australia, Europe, Africa, and North America.

(2) Fiberglass Fabric and Reinforced: The domestic market accounts for 41% and export 59%. The main markets are Europe, the US, China, Japan, South Korea, Middle East, Southeast Asia, New Zealand, and Australia.

(3) Container: The domestic market accounts for 52% and export 48%. The main markets are the US, New Zealand, Australia, China, and Germany.

(4) Tableware and Kitchenware: For tableware, the domestic market accounts for 50% and export 50%. The main markets are Taiwan, India, Korea, Germany, and Australia. For kitchenware, 90% of the export goes to China.

(5) New Materials: The domestic market accounts for 5% and export 95%.

2. Market Share:

(1) Flat glass takes up approximately 70% of the domestic market.

(2) Fiberglass Fabric and Reinforced: Fiberglass fabric takes up approximately 35% and fiberglass reinforced 55% of the domestic market.

(3) Container takes up approximately 35% of the domestic market.

(4) Tableware and kitchenware take up approximately 20% of the domestic market.

(5) New Materials takes up approximately 10% of the China market.

3. Future Supply and Market Growth

Flat Glass:

A、TGI adjusts production lines timely to respond to the changes in the global economy and the demand in the domestic and export market.

B、The film coating technology and quality of ChangPin Processing Plant have reached international standards, thus setting a brand status in premium green construction materials and reinforcing faith in future competitions.

C、With the spirit of teamwork, TGI has consolidated the processing facilities and R&D capacities in the entire supply chain and continues to strive for orders with higher prices and vie for international brand exposure.

D、TGI's flat glass production lines are well distributed in the regions of China. These production plants are currently sufficient to supply the Chinese market; in addition, we are working towards quality upgrade for the export market, as well as expanding the global marketing network, creating higher product values and competiveness.

Fiberglass Fabric and Reinforced:

A、TGI is working to upgrade production capacity, lower costs, and increase market share.

B、The global fiberglass reinforced market is competitive at different levels and it is differentiated by quality. TGI focuses on lowering costs, enhancing product performance and values.

Container: The demand of TGI's domestic customers is stable, and the company is actively developing new customers in the export market.

Tableware and Kitchenware: TGI is actively developing a range of differentiated marketing channels, as well as pursuing higher quality with diverse packaging choices to stabilize the quality of the products, develop competitive products that meet the demand of the consumer market.

New materials: Continuous development of the glass product for ITO and an aim to raise the market share in China from 10-25%.

4. Advantages and Disadvantages in Competitive Niche, Future Development and Contingency Measures

Competitive Niche:

TGI possesses sound financial health, economy of scale and high-efficiency manufacturing process. With comprehensive quality management, mutual supply and marketing chain, TGI's competitive edge lies in our versatility.

Advantages:

Flat Glass

TGI and its plants in China employ a simple, flexible management system to ensure utmost quality. Furthermore, our price and production can be adjusted to quickly adapt to market changes with efficiency and clarity. In the coming years, TGI is planning to expand its production through the new plants and develop photovoltaic glass. This expansion will meet future demand in the construction and energy markets. A subsidiary plant of TGI specialized in glass material processing has been established, which is expected to decrease the cost of materials and increase competitiveness.

Fiberglass Fabric and Reinforced

TGI supplies 100% of the fiberglass yarn for its own production of fiberglass fabric and fiberglass; therefore the company is somewhat immune to the price, demand and supply fluctuations in the market. The production lines are extremely versatile and the quality of the products has garnered a good reputation for the firm. TGI has a good grasp of market information and the distribution channels also demonstrate a high level of loyalty.

Container

1. TGI's comprehensive talent cultivation, quality management and efficient services facilitate upgrades in product quality and quantity, in turn endowing TGI with competitive advantage.
2. Continue to optimize online inspection facility and an automated packaging facility. This not only improves TGI's competitiveness but also differentiates it from the competitors in the market.
3. U.S.-China trade war, high-priced spirits bottles expected to have re-order effects.

Tableware and Kitchenware

1. Processing and assembly lines for tableware and kitchenware products were set up to manufacture heat-resistant double-layer cups with non-slip handles. This new facility is completed with an assembly line for color boxes and accessories, to provide customers with retail packaging in order to fulfill market needs more closely.
2. Quality recognition from cooperation with leading brands such as Starbucks, 7-ELEVEN, and McDonald's.

Disadvantages:

Flat Glass

Since Taiwan became a member of the WTO, global competition has gradually emerged. Under the influence of emerging countries and expanded regional trade treaties between the Asian nations, especially ECFA, if Taiwan continues to increase the import of glass products from China, the cheap products with inconsistent quality will no doubt impact upon the domestic market. Uncertainties in the global market have not been clarified as expected; therefore, demand in the domestic construction, photovoltaic and car industries is not expected to increase significantly. Affected by cheap Chinese imports, the price of domestically produced products will remain low.

Fiberglass Fabric and Reinforced

The electronics market is highly volatile, therefore the actual trends often differ from the forecasts. Since Taiwan is adjacent to China, the market is facing fierce competition from vigorous production expansion and price wars.

Container

Competitions from glass bottle manufacturers in China and appreciation of the New Taiwan Dollar impacted the unit price at home and abroad.

Tableware and Kitchenware

1. With increased production costs and a lack of product variety, the distribution channels are concentrated on a small number of clients.
2. The demand in the domestic market is shrinking due to the price competition from China and ASEAN nations.
3. The competitiveness in the export market is weak due to the slow economic recovery and inequality in tariffs.

New Materials

1. The selling price of ultra-thin glass is constrained by the local suppliers in China because of their early development, higher production capacity, and the local advantages.
2. The growth of Smartphone has been modified to a lower rate. The product has passed into the maturity stage and the demand becomes stagnant.

Contingency Measures:

Flat Glass

TGI will reinforce specialized human resources and technologies, develop new products, update facilities with automated systems, upgrade product added-value and develop an international brand. TGI intends to cultivate professional marketing channels in order to develop diversified and innovative products to ensure our global competitiveness.

Fiberglass Fabric and Reinforced

TGI will cut down on costs, reinforce R&D and technology upgrades, devise flexible pricing strategies, secure domestic market share and fulfill our customers' demands regarding specifications, packaging, and delivery. The company aims to provide flexible services, avoid engaging in price wars and ensure good product quality.

Container

TGI intends to cut down on costs by maximizing production efficiency, implementing energy-saving measures and striving to maintain a high standard of quality and services. We expect to stay ahead in global competition through differentiation.

Tableware and Kitchenware

1. TGI aims to create higher added value and offer the customer more diverse choices through diversified production capacity and color box packaging.
2. TGI plans to upgrade product quality and production efficiency.

New Materials

Develop customer for car product and car mirrors. Maintain the supply of the progressing market of protective glass.

(II) Applications of the Major Products and the Production Process

1. Applications of the Major Products

Product	Application
Flat Glass	Building construction, furniture, home decoration, mirrors, automotives and boats, photovoltaic covers, touch screen and gifts
Fiberglass Fabric	Electronic and information products
Fiberglass Reinforced	Reinforcement for yachts, building material, industries, engineering, sports goods
Glass Container	Food, beverages, spirits, medical packaging, storage, and airtight containers
Tableware	Beverage, food, gift, home decoration, and signboards
Kitchenware	Kitchen utensils, tea makers, glass coffee pot
Ultra-thin Glass	Materials for electronic/photoelectric industry, protective glass/tape for tablet surface

2. Production Processes

<u>Materials</u>

Silica Sand
Soda Ash
Mirabilite
Dolomite
Limestoner
Kaolin Clay
Colemanite
Nephelite Powder
Cullet

$$\xrightarrow{\text{crack, weight, mix}} \text{raw material} \xrightarrow[\text{(fuel oil)}]{\text{molten}} \text{gob}$$

(1) Flat Glass

(Recycle) cullet

Gob→ (sheet) → (slow cooling) → (cutting) → (inlay)

➔ tinted or clear→ (processing) → (packaging) ➔ processed glass

(2) Rolled Glass

(Recycle) cullet

Gob→ (rolling) → (slow cooling) → (cutting) → (inlay)

➔tinted or clear → (processing) → (packaging) ➔ processed glass

(3) Container

(Recycle) cullet

Gob → (forming) → (slow cooling) → (inspection) ➔ glass container

→ (printing) ➔ printed product

(Recycle) shattered glass

(4) Tableware and Kitchenware

Gob→ (forming) → (slow cooling) → (inspection)

➔ product of tableware and kitchenware → (printing) ➔ printed product

(Recycle) cullet

(5) Fiberglass Fabric

Gob → (drawing) → (winding) ➔ bobbin → (spinning) ➔ fiberglass yarn

→ (warping) → (sizing) → (healding) → (weaving) → (desizing)

→ (finishing) ➔ fiberglass fabric

(6) FRP Fiberglass Reinforced

Chopped strand

Gob → (drawing) → (winding) ➔ bobbin ➔ direct roving

➔ Woven roving

➔ Conventional roving

➔ Chopped strand mat

(III) Supply of the Major Materials

The glass industry uses several major materials, including silica sand, soda ash, kaolin clay, colemanite, fluorite, nephelite, dolomite, and limestone. Dolomite and limestone are produced in abundance domestically. Silica sand is imported from Australia through the Japanese Mitsubishi Trading Co., and soda ash is imported from the US Company ANSAC. Kaolin clay is imported from the US Wakinson Co., through US trading company AMI. Colemanite is imported from the Turkish company ETI through Detai trading company. Overall, TGI has a stable source of materials from domestic and foreign suppliers.

(IV) Customers accounting for 10% or more of the Company's total purchase(sales)amount in either of the most recent two years,the most recent two years, the amounts brought from(slod to)each, and the percentage of total procurement(sales)accountde for by each, and the cause for increase/decrease thereof.

1. Sales:There was no customer accounting for 10% or more the Company's total sales in either of the most recent two years.
2. Purchase:There was no customer accounting for 10% or more the Company's total purchase in either of the most recent two years.

(V) Output volume for the most recent two years:

Unit: Quantity: Ton
Value: Thousand

Year / Output / Major product	2018			2019		
	Productivity	Output	Output Value	Productivity	Output	Output Value
Flat glass	3,769,480	3,214,340	28,562,443	3,266,830	2,859,744	25,728,667
Fiberglass	186,000	134,979	8,089,875	221,000	117,262	7,506,105
Glass Containers	180,000	141,563	2,764,494	176,600	147,605	2,894,139
Total	4,135,480	3,490,882	39,416,812	3,664,430	3,124,611	36,128,911

(VI) Sale volume for the most recent two years:

Unit: Quantity: Ton
Value: Thousand

Year / Output / Major product	2018				2019			
	Domestic Market		Export		Domestic Market		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Flat glass	3,033,543	29,140,808	193,356	2,499,613	2,693,953	26,380,056	146,608	2,380,475
Fiberglass	86,867	7,338,391	48,118	3,532,616	100,520	6,184,279	42,917	3,177,965
Glass Containers	80,667	1,869,367	64,071	1,657,704	80,896	1,808,386	63,891	1,643,258
Other		52,995		0		201,088		0
Total	3,201,077	38,401,561	305,545	7,689,933	2,875,369	34,573,809	253,416	7,201,698

III. Employee information for the most recent two years up to the publication of this Annual Report:

Year		2018	2019	Until March 31, 2020
Employee No.	Staff	3,859	3,826	3,844
	Employee	10,483	10,324	10,013
	Total	14,342	14,150	13,857
Average age		37	38	38
Average seniority		10.3	11.0	11.2
Education Background %	Doctoral	0.1%	0.1%	0.1%
	Master's	3.7%	3.6%	3.7%
	University	38.6%	39.4%	39.4%
	College	21.8%	21.7%	21.3%
	Senior High Schools	31.2%	30.7%	31.2%
	Below Senior High Schools	4.6%	4.5%	4.3%

IV. Environment protection measures:

(I) Loss and penalty suffered from environmental pollution from the most recent year until the date the Annual Report was printed:

Factory area	Violations to the environmental regulations	Amount of penalty (dollars)	Explanation
Taoyuan Plant	Violation to Article 18 of the "Water Pollution Control Act" will be conducted in accordance with Article 46 of the same act	36,000	The sewage water management center of Guanyin Industrial Park inspected the factory and found that there were many silt with white waste water flowing into the rainwater ditches beside the waste material field on road 184 in the factory area, and an immediate improvement was requested.
	Violation to Article 28 of the "Water Pollution Control Act" is requested to make improvement in accordance with Article 51 of the same act	Not fined	The cement in the waste water pipeline has cracks which results in waste water leaking to rainwater ditch and overflowing to the ground outside of the factory when the water level is too high.
Lukang Plant	The processing site did not declare within 15 days	6,000	It is stated in the contract that the waste treatment vendor is responsible for the declaration and thus this fine will be paid by the waste treatment vendor.

(II) Countermeasures and potential expenses:
The expenditure on environmental protection in 2019: NT$633,414 thousand.
The estimated expenditure on environmental protection in 2020: NT$767,758 thousand.

(III) Information about RoHS:
The Company has complied with RoHS, without prejudicing the Company's finance and business.

V. Labor Relations:

(I) The Company's employee fringe benefits, continuing education, training, retirement system and implementation thereof, and various labor-management agreements and measures on protection of employees' interest and right:

1. Employee welfare:

   With the aim to take care of and ensure the employees' living conditions, TGI offers basic welfare measures according to the applicable laws and also provides or sponsors the development of various benefit plans, including establishing the employee welfare committee to manage any and all matters related to the welfare of its employees, and to plan and execute the benefit plans. The current welfare measures are as follows:

Health care	★ Employee health examination package that is better than the requirements stipulated in the laws and regulations. ★ Factory-based doctors and nurses or on-site health services. ★ Implement the four major plans of occupational safety and employee health management. ★ Actively promote exercise clubs and health seminars. ★ Establishment of basketball court, fitness room, and table tennis room. ★ Planning for after-work exercise courses (survey for employees' interests).
Life care	★ Provide employees' restaurant, dormitory, and nursing room. ★ Half-price discount for employees' meals/travel subsidy/subsidy for activities of social clubs. ★ Perks (birthday/funeral), childbirth bonus/gifts. ★ The employees' temporary job leaves for unforeseen event of family. ★ Comprehensive benefit system for employee death payment.
Bonus for major holidays	★ Birthday leaves for employees. ★ Bonus for three major holidays. ★ Year-end dinner/bonus. ★ May 1 Labor Day bonus.
Learning care	★ Conduct refresher development plan and free foreign language learning courses for employees ★ Rewards for employee training. ★ Scholarship for employees' children.
Insurance care	★ Employee group accident insurance that is better than the requirements stipulated in the laws and regulations, and family members of employees can also insure with the discount price. ★ Employees' business trip/dispatch travel insurance.

2. Continued education and training:

   In order to have the employees learn skills or to meet business needs, the Company selected active and excellent employees to observe and study, practice work and attend training programs abroad, organized various seminars and on-the-job training programs to meet various professional needs, and also commissioned professional training organizations to hold the training programs, in order to upgrade the HR quality and enhance their competence.

Education and Training System for Taiwan Glass Employees	
New employee orientation and education	1. Common courses (including corporate culture, history, system regulations, etc.) 2. Professional courses (including professional document reading, factory internship, etc.)
	Counselor system 1. Through the mutual assistance mechanism of employees, we promote employees' inheritance of experience and knowledge sharing, as well as enhance senior employees' sense of honor at the same time. 2. Empower the new employees to blend in faster and adapt to the working environment, as well as increase the job retention rate. 3. Discover issues encountered by new employees as early as possible during the counseling period and offer assistance. If they are unable to do the job, communicate with them and handle the issue as soon as possible.
On-the-job education and training	Annual education and training plan: All units and departments report the needs for the courses at the end of the year to determine the planning and schedules of the courses for the following year. Implementation and Content including: 1.Professional courses: Internal training/external training. 2.On-the-job training programs: Internal training/external training. Depending on the needs of each department, employees will be selected to participate in the external training to strengthen professional knowledge.
Skill training	To cultivate talents with professional skills, staff with excellent performance will be selected to go abroad for observation, practice and training.

In response to the needs of future high-tech markets, TGI has actively cultivated glass professionals, such as, optoelectronics, energy conservation, and touch panel to enhance the competitiveness of enterprises and, at the same time, to activate and optimize the quality and quantity of talents. The Company’s training and education covers the work standardization of the employees and the quality of the supervisory management; also, continues to carry out occupational safety and health education and advocacy, subtly affects the safety and security concepts and habits of the staff in order to provide employees with a safe work environment that allow them to continuously to learn and to grow.

To develop professional talents, provide diverse learning opportunities and pass down the company’s mission, vision and core values, TGI has established a well-rounded staff training policy and procedure for the company’s sustainability. The company provides staff orientations, common courses, professional courses, management courses, self-development courses and an array of diverse options. Each year TGI plans training courses based on the company's strategy, needs of various departments and a survey on staff for their training needs. These courses, combined with continuous process improvements, will help this company reach sustainability. The company continues to promote the "Employee refresher development plan" and continues to conduct "Introductory Japanese conversation (2)" and "Scenario English conversation" in 2019, to encourage our employees to continuously self-learning, accumulate their soft strength in the workplace, and develop career path. The participated employees enjoy these activities very much, and those who pass the course will be awarded with a certificate by the instructors. Those employees who have outstanding performance throughout the year will be awarded with certificates and bonuses by the company.

3. Retirement System:

   The Company has defined the employee retirement plan, and established the Pension Fund Management Committee in 1980, and contributed 8% of the total salaries as the pension fund on a monthly basis. As of January 1, 1987, the contribution of pension fund was made at the specific percentage of the total salaries on a monthly basis pursuant to the "Labor Standard Act". As of January 1, 1995, the contribution rate was 15%. As of September 1, 2004, the contribution rate was 9.27%. As of May 1, 2005, the contribution rate was 6%.

   According to the Labor Standard Act, a worker may apply for voluntary retirement at the age of fifty-five and has worked for fifteen years, or has worked for more than twenty-five years, or attains the age of sixty and has worked for ten years. Meanwhile, the Company's work rules provided the retirement conditions superior than those provided in the Labor Standard Act, namely, a worker who attains the age of forty-nine and has worked for more than fifteen years, or who has worked for more than nineteen years may retire earlier upon approval. The pension is awarded subject to the worker's service seniority. Namely, the worker whose seniority attains one year would be awarded with two months' unit, and one month's unit per year for seniority as of 16^{th} year.

   As of July 1, 2005, in order to cope with the enforcement of "Labor Pension Act" by the Government, the Company contributed 6% of the monthly salary of a worker who may apply the Act to the Labor Insurance Bureau accordingly.

   TGI, based on Labor Standards Act and Labor Pension Act, has formulated a retirement policy. Employees that joined the company before June 30, 2005, will enjoy pensions calculated based on the old labor pension system. If an employee chooses the new pension system, he/she can enjoy the new system's seniority. The old pension fund is with an amount equivalent to 6% of the monthly salary appropriated for each employee subject to the old retirement plan and deposited in the pension reserve account at the Central Trust of China. The new pension fund, in addition to an amount equivalent to 6% of the monthly salary appropriated by the employer to the employee's personal pension account, the employees can also choose to appropriate an amount equivalent to 0%~6% of the monthly salary discretionally. All employees have participated in the retirement plan. In addition to appropriating pension to the respective accounts regularly, TGI has a professional accounting consultant that precisely calculates the pension to ensure that the company appropriates enough pensions every month so that our employees can receive pension after retirement.

TGI’s retirement policy not only guarantees the employees their pensions in the future, but the clear rules regarding employee retirement can be implemented precisely and help our employees plan their retirement. In 2019, 69 employees retired, with an average of 30.03 years of service. Senior supervisors were presented with medals from the chairman/president as a token of appreciation for their service over the years.

4. Work environment and personal safety protection measures
   (1) Health Monitoring-ups (pre-employment physical examinations and regular employee physical examination):
   New employees must complete a physical examination before starting working at TG. The company uses the examination report to assign new employees to a suitable position, place them in the correct category for management, provide health education and keep track of the employee’s health. Our formal employees receive a health checkup every two years. For those in hazardous positions, they receive sanitation and health education four times a year and a special physical examination. The results are submitted to the company’s nurse practitioners stationed at each factory who analyze and preserve the reports to understand the employees’ health. Nurse practitioners will provide health education to those at high health risk and arrange them for repeat doctor visits to keep track of their health condition and help them receive treatment if necessary. The nurse practitioners will follow up with employees’ health conditions and evaluate whether or not they are fit for their current positions. When needed, they will help employees get reassigned to other positions. Health-promoting activities are planned based on the staff’s health conditions.

   To enhance our employees’ work safety and sanitation knowledge, Taiwan Glass provides occupational safety and health training, emergency response and fire drills and off-site professional training for new employees. In addition, this company holds environmental safety and health training sessions for employees monthly.
   Depending on the season and current epidemics, Taiwan Glass provides related health information in the company’s regular announcements and company’s electronic bulletin board to help our employees prevent themselves from getting the disease. For our high risk employees, we recommend that they receive a vaccine. The company also provides information for family care for our employees.

   In addition, the health room at factory is equipped with electronic sphygmomano meters, body weight and composition analyzers, and body scanners (for measurement of body weight, body fat, body age, basal metabolic rate, visceral fat, and subcutaneous fat ratio and skeletal muscle rate of the whole body, arms, body, and feet) for employees to manage health and lose weight.

(2) Ergonomic Injury Prevention

In view of the employees' long-term work in the environment with poor design, poor working posture, etc., or related musculoskeletal injuries and diseases caused by the work, we conduct data collection, analysis, and classification management of our employees' work patterns and carry out health promotion and improvement methods to improve their musculoskeletal injuries and work environment; we expect to prevent our employees from human factor hazards at work and repetitive musculoskeletal injuries, to create a safe and healthy workplace.

(3) Plan to Prevent Disease Caused by Unusual Workload：

Taiwan Glass keeps track and evaluate risks of our employees' health conditions, nature of work (shifts, night shifts, long work hours and unusual workload) and work hours. For employees with potential health risks, Taiwan Glass arranges doctors to provide them with health education or refers them to seek medical assistance. The company also helps such workers adjust their workload and shares with them about health-promoting activities. All the measures aim to prevent brain and cardiovascular diseases among our employees and reduce their mental load to be healthy both physically and mentally.

(4) A preventive plan for duty implementation subject to illicit violation

Taiwan Glass clearly declares the principle of "Zero Tolerance" in workplace violence. It specifies relevant disciplinary regulations in the work rules of employees, and announces relevant safety and health measures policies, establishes complaints, notification channels and follow-up processing mechanisms, and implements and advocates them in public places, such as, new recruits reporting to duty and with education and training provided, so that all employees and interested parties understand clearly, and then to achieve a workplace culture of safety, dignity, non-discrimination, mutual respect, tolerance, and equal opportunities, and ensure the physical and mental health of employees.

(5) Occupational Safety Management

The objective of the disaster management is starting point of the zero disaster target and as an indicator to enhance the safety activities of the factories. The accident management system of TG requires the unit/supervisor of the injured person to complete and file "Employee Injury Report" and "Employ to/from Work Injury Report". This practice ensures that all accidents are reported and investigated and improvement measures are taken accordingly. Taiwan Glass also regularly compiles the occupational injury/ accident numbers to understand the causes and make them the first thing to prevent in the facilities. The company notifies all units of the results and preventive measures to prevent the same types of injuries or lower the severity of such injuries.

5. Benefits for occupational accidents:

The Company has also defined the benefit plan for employees who are injured or deceased in the performance of job duty. For example, if any employee strives to rescue any co-worker or job at risk of his own life, or still performs his job fearless of any danger, or still performs his job at a dangerous location or during a dangerous period, he would be paid the wages in full, in addition to the special benefits equivalent to the salary of 6-24 months, pursuant to the reimbursement clauses for occupation accident, subject to the circumstances. The employee who dies in the performance of job duty would be granted the benefit in full subject to his seniority. Additionally, the funeral subsidy equivalent to the salary of five months or two months would be also granted for the injury or death on duty. The employee who leaves without pay upon expiration of the sick leave and dies of the sickness within one year after the leave without pay shall be deemed deceased on duty and granted the benefit as required.

6. Labor-Management Consensus and Measures of Protecting Employees' Rights:

(1) TGI maintains a constant policy of pension allocation and payment and retain professional accounting consultant each year to provide actuary services and ensure that the amount allocated is sufficient to uphold the retirement rights.

(2) To ensure the business integrity, TGI establishes accounting and internal control procedures to check the compliance of each department with applicable laws, such as Company Act, Securities and Exchange Act, regulations governing public companies and rules regulating commercial conduct, during their daily performance while pursuing the Company's growth. At the same time, in order to implement the provisions of Article 20 of the Ethical Corporate Management Best Practice Principles, the Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct adopted by the Board of Directors on August 8, 2018 clearly disclose the accepting units, reporting channels, procedures for investigation and other rules. The Company has published an announcement about the designated email address and reporting line on its internal site， and the e-mail communication channel on the external web page may be used for appeal and putting forward recommendations. Employees may report and suggest about management policy or any unfair treatment (such as sexual harassment, workplace violence) under confidentiality.

(3) The Company holds labor management meetings, and the industry union also organizes committees on a regular basis. The Company will appoint representatives to attend such committee meetings and respond to any suggestion or proposal that has been made to the Company, including clarifying related matters. To maintain the harmony of labor-management relationship, a channel to participate shall be freely opened to the worker.

(4) In order to fulfill corporate social responsibility, and safeguard the basic human rights of all colleagues, customers and stakeholders, Taiwan Glass adheres to the principles disclosed in the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and by the UN International Labor Organization, respects internationally recognized fundamental human rights, including freedom of association, care for vulnerable groups, ban on child labor, and elimination of all forms of forced labor and employment discrimination, and abides by the labor-related regulations of the place where the Company is located. The Company's human rights policy applies to units at all levels affiliated with the Company, with particular emphasis on the following human rights issues, and continuous promotion of

the quality of human rights: diversity and inclusion, equal opportunities/reasonable working hours/health and safe workplace/freedom of association/labor negotiation/privacy protection. The relevant human rights policy has been disclosed in the Company's internal announcements and external websites, and education thereon has been provided to new hires

(5) The Company's business performance or results are appropriately reflected in the employee remuneration. Therefore, if there is any profit in the year specified in Article 26 of the Articles of Association, 1.5% of the profits will be set aside to pay employee remuneration.

(II) The losses suffered from any labor-management dispute from the most recent year until the date the Annual Report was printed, and the estimate of losses and countermeasures present available and potentially available in the future:

The Company’s various management systems and regulations are defined based on the related laws and regulations including Labor Standard Law. Each officer is dedicated to helping colleagues with due diligence by taking care of their work and also life. The labor-management relations are fair.

VI. Major contracts:

contracts	Contracting Parties	Term of Contracts	Summary Content	Limitation Article
Supply contracts	Sibelco	From January 1, 2020 until December 31, 2022	Supply of nephelite powder	None
	Ansac	From January 1, 2020until December 31, 2020	Sodium carbonate	None
	Mitsubishi Trading Co.,	From January 1, 2020 until December 31, 2020	Supply of silica sand	None
	Active Minerals Intertional, LLC	From February 1, 2020 until January 31, 2022	Kaolinite	None
	Dak Tai Trading Limited	From February 1, 2020 until December 31, 2022	Calcium borate	None
Technical cooperation contracts	None	None	None	None
Construction project contracts	None	None	None	None
Sale contracts	None	None	None	None
Long-term loan contracts	Shin Kong Bank	From July 24, 2019 until July 24, 2021	Loan	Yes
	O-Bank	From October 24, 2019 until October 23, 2022	Loan	Yes
	KGI Bank	From December 27, 2019 until December 27, 2021	Loan	Yes
	Other unrestricted long-term loan contracts，please refer to annual report 2019 Page 232.			
Other contracts	None	None	None	None

Six. Financial Status

I. Most recent 5-year concise financial information：

1.1.Condensed balance sheet-Concolidated

Unit: NTD thousand

Item \ Year		Financial information in the most recent five years (Note 1 & Note 3) 2015	2016	2017	2018	2019	Financial information until March 31,2020
Current assets		25,243,735	23,736,248	25,148,319	26,225,853	31,320,135	29,069,574
Proterty, plant and equipment		63,779,354	55,541,081	51,931,352	50,832,520	47,732,878	46,630,239
Intangible assets		135,404	123,394	91,080	69,657	54,909	51,103
Other assets		6,871,230	6,282,985	6,855,810	7,940,365	8,216,525	8,086,385
Total assets		96,029,723	85,683,708	84,026,561	85,068,395	87,324,447	83,837,301
Current liabilities	Before Distribution	32,807,140	25,072,512	21,602,960	23,251,960	29,945,131	29,331,685
	After Distribution	32,807,140	25,072,512	23,056,990	24,124,378	Note 2	Note 2
Noncurrent liabilities		15,937,046	13,353,871	12,809,639	14,084,070	14,018,105	12,471,852
Total liabilities	Before Distribution	48,744,186	38,426,383	34,412,599	37,336,030	43,963,236	41,803,537
	After Distribution	48,744,186	38,426,383	35,866,629	38,208,448	Note 2	Note 2
Equity attributable to stockholders of the parent		43,856,441	44,096,664	46,039,260	44,245,480	40,164,081	38,925,046
Capital		25,080,608	29,080,608	29,080,608	29,080,608	29,080,608	29,080,608
Additional paid-in capital		754,472	1,918,910	1,921,575	1,925,218	1,925,218	1,925,218
Retained earnings	Before Distribution	16,164,761	14,507,014	16,766,110	15,905,632	13,534,915	12,694,558
	After Distribution	16,164,761	14,507,014	15,312,080	15,033,214	Note 2	Note 2
Other components of equity		1,856,600	(1,409,868)	(1,729,033)	(2,665,978)	(4,376,660)	(4,775,338)
Treasury Stock		0	0	0	0	0	0
Non-controlling interests		3,429,096	3,160,661	3,574,702	3,486,885	3,197,130	3,108,718
Total equity	Before Distribution	47,285,537	47,257,325	49,613,962	47,732,365	43,361,211	42,033,764
	After Distribution	47,285,537	47,257,325	48,159,932	46,859,947	Note 2	Note 2

Note 1: Said accounting reports were audited, certified or reviewed by a CPA.

Note 2: The shareholders'meeting 2019 has not yet been called, and the figures after distribution were omitted accordingly.

Note 3: The Company has adopted the IFRS as of 2013.

1.2. Condensed Income Statement-Concolidated

Unit: NTD thousand

Item \ Year	Financial information in the most recent five years (Note 1 & Note 2) 2015	2016	2017	2018	2019	Financial information until March 31,2020
Operating revenues	41,286,161	43,097,625	44,869,581	46,091,494	41,775,507	7,038,613
Gross profit	2,250,021	5,973,165	7,638,003	7,336,446	3,424,989	398,065
Operating income or loss	(3,017,817)	730,184	2,640,535	2,323,574	(1,169,121)	(626,850)
Non-operating income and expenses	(1,890,092)	(2,480,608)	(249,740)	(768,909)	(131,302)	(237,217)
Income or loss from continuing operations before income tax	(4,907,909)	(1,750,424)	2,390,795	1,554,665	(1,300,423)	(864,067)
Net income or loss from continuing operations	(5,225,450)	(1,903,381)	2,175,745	1,031,980	(1,606,778)	(915,535)
Other comprehensive income (loss)	(1,749,099)	(3,568,835)	(163,974)	(1,299,323)	(1,893,973)	(424,765)
Total comprehensive income (loss)	(6,974,549)	(5,472,216)	2,011,771	(267,343)	(3,500,751)	(1,340,300)
Net income (loss) attributable to stockholders of the parent	(4,687,597)	(1,641,685)	2,123,773	1,066,286	(1,448,450)	(840,357)
Net income (loss) attributable to non-controlling interests	(537,853)	(261,696)	51,972	(34,306)	(158,328)	(75,178)
Comprehensive income (loss) attributable to stockholders of the parent	(6,336,046)	(4,939,352)	1,988,440	(159,249)	(3,211,009)	(1,239,035)
Comprehensive income (loss) attributable to non-controlling interests	(638,503)	(532,864)	23,331	(108,094)	(289,742)	(101,265)
EPS (NT$) (adjusted retroactively)	(1.97)	(0.62)	0.73	0.37	(0.50)	(0.29)

Note 1: Said accounting reports were audited, certified or reviewed by a CPA.

Note 2: The Company has adopted the IFRS as of 2013.

1.3.Condensed balance sheet-Parent company only

Unit: NTD thousand

Item \ Year		Financial information in the most recent five years (Note 1 & Note 3)				
		2015	2016	2017	2018	2019
Current assets		6,974,610	6,897,140	6,069,269	5,889,965	6,288,933
Property, plant and equipment		15,933,575	15,394,855	15,129,080	15,072,246	15,619,637
Other assets		38,065,695	36,952,637	41,106,877	42,987,493	41,015,306
Total assets		60,973,880	59,244,632	62,305,226	63,949,704	62,923,876
Current liabilities	Before Distribution	9,695,004	6,935,663	6,851,660	12,762,688	13,827,401
	After Distribution	9,695,004	6,935,663	8,305,690	13,635,106	Note 2
Noncurrent liabilities		7,422,435	8,212,305	9,414,306	6,941,536	8,932,394
Total liabilities	Before Distribution	17,117,439	15,147,968	16,265,966	19,704,224	22,759,795
	After Distribution	17,117,439	15,147,968	17,719,996	20,576,642	Note 2
Capital		25,080,608	29,080,608	29,080,608	29,080,608	29,080,608
Additional paid-in capital		754,472	1,918,910	1,921,575	1,925,218	1,925,218
Retained earnings	Before Distribution	16,164,761	14,507,014	16,766,110	15,905,632	13,534,915
	After Distribution	16,164,761	14,507,014	15,312,080	15,033,214	Note 2
Other components of equity		1,856,600	(1,409,868)	(1,729,033)	(2,665,978)	(4,376,660)
Treasury Stock						
Total equity	Before Distribution	43,856,441	44,096,664	46,039,260	44,245,480	40,164,081
	After Distribution	43,856,441	44,096,664	44,585,230	43,373,062	Note 2

Note 1: Said accounting reports were audited and certified by a CPA.

Note 2: The shareholders'meeting 2019 has not yet been called, and the figures after distribution were omitted accordingly.

Note 3: The Company has adopted the IFRS as of 2013.

1.4. Condensed Income Statement-Parent company only

Unit: NTD thousand

Item \ Year	Financial information in the most recent five years (Note 1 & Note 2)				
	2015	2016	2017	2018	2019
Operating revenues	13,073,437	12,952,715	13,173,276	12,561,584	11,702,108
Gross profit	2,105,080	2,584,734	2,395,520	1,782,469	993,606
Operating income or loss	122,200	585,312	375,998	(242,532)	(922,217)
Non-operating income and expenses	(4,778,584)	(2,168,231)	1,797,118	1,354,431	(545,790)
Income or loss from continuing operations before income tax	(4,656,384)	(1,582,919)	2,173,116	1,111,899	(1,468,007)
Net income or loss from continuing operations	(4,687,597)	(1,641,685)	2,123,773	1,066,286	(1,448,450)
Other comprehensive income (loss)	(1,648,449)	(3,297,667)	(135,333)	(1,225,535)	(1,762,559)
Total comprehensive income (loss)	(6,336,046)	(4,939,352)	1,988,440	(159,249)	(3,211,009)
EPS (NT$) (adjusted retroactively)	(1.97)	(0.62)	0.73	0.37	(0.50)

Note 1: Said accounting reports were audited and certified by a CPA.

Note 2: The Company has adopted the IFRS as of 2013.

3. CPAs and their audit opinions for most recent 5-year:

Year	Independent Auditing Firm	Name of Independent Auditor	Audit opinions
2015	Ernst & Young	Wang, C L Liang, Y C	Unqualified opinions
2016	Ernst & Young	Wang, C L Hsiao, Teresa	Unqualified opinions
2017	Ernst & Young	Hsiao, Teresa Fuh, Andrew	Unqualified opinions
2018	Ernst & Young	Hsiao, Teresa Fuh, Andrew	Unqualified opinions
2019	Ernst & Young	Hsiao, Teresa Fuh, Andrew	Unqualified opinions

II.(1) Financial analysis: Consolidated

Item of analysis			Financial analysis for the most recent five years: 2015	2016	2017	2018	2019	Remarks	Financial information until March 31, 2020
Financial structure	Ratio of liabilities to total assets (%)		50.76	44.85	40.95	43.89	50.34		49.86
	Ratio of long-term fund to property, plant and equipment (%)		99.13	109.13	120.20	121.61	120.21		116.89
Solvency	Current Ratio (%)		76.95	94.67	116.41	112.79	104.59		99.11
	Quick Ratio (%)		39.00	56.85	73.93	66.68	68.79		57.03
	Times Interest Earned		-4.99	-1.12	4.16	3.17	-0.63	Note 1	-3.39
Operating Performance Analysis	Receivables turnover (time)		5.40	5.34	4.85	4.68	3.65	Note 2	2.36
	Average number of days receivables outstanding		68.00	68.00	75.00	78.00	100.00	Note 2	155.00
	Inventory turnover (time)		3.45	3.63	4.15	3.97	3.53		2.24
	Payables turnover (time)		7.89	8.07	9.67	11.71	7.54	Note 2	3.96
	Average number of days of sales		106.00	101.00	88.00	92.00	103.00		163.00
	Property, plant and equipment turnover (time)		0.63	0.72	0.83	0.90	0.85		0.60
	Total assets turnover (time)		0.41	0.47	0.53	0.55	0.48		0.32
Profitability	ROA (%)		-4.50	-1.34	3.30	1.90	-1.12	Note 1	-3.56
	ROE (%)		-10.47	-4.03	4.49	2.12	-3.53	Note 1	-8.56
	Percentage in paid-in capital (%)	Operating income	-12.03	2.51	9.08	7.99	-4.02	Note 1	-2.16
		Income before income tax	-19.57	-6.02	8.22	5.35	-4.47	Note 1	-2.97
	Profit margin (%)		-12.66	-4.42	4.85	2.24	-3.85	Note 1	-13.01
	EPS (adjusted retroactively)(NT$)		-1.97	-0.62	0.73	0.37	-0.50	Note 1	-0.29
Cash flows	Cash flow ratio (%)		8.50	24.91	27.88	18.26	11.16	Note 3	-0.22
	Cash flow adequacy ratio (%)		23.62	38.36	80.26	104.13	117.45		104.98
	Cash flow reinvestment ratio (%)		2.39	5.35	4.91	2.21	2.00		-0.05
Leverage	Operating leverage		-1.68	11.89	3.67	4.03	-5.15	Note 1	-1.71
	Financial leverage		0.79	-7.77	1.40	1.45	0.59	Note 1	0.76

The causes resulting in changes in financial rates in the most recent two years (not necessary if the changes are less than 20%):

Note 1: The decrease in gross profit margin and operating loss are caused by oversupply of flat glass and electronic grade fiberglass fabric in the China market, drop of sales price, and increase in raw material and fuel costs.

Note 2: This is due to the reversal of bills receivable and payables in this period which is conducted according to the "Q&A - Can the transfer of bills receivable in mainland China be excluded" released by the Securities and Futures Bureau of the Financial Supervisory Commission.

Note 3:The decrease in gross profit ratio and decrease in net cash inflow of operating activities are caused by oversupply of flat glass and electronic grade fiberglass fabric in the China market, drop of sales price, and increase in raw material and fuel costs.

Note: Calculated as follows:

1. Financial structure
   (1) Ratio of liabilities to total assets =total liabilities/total assets
   (2) Ratio of long-term fund to property, plant and equipment=(total shareholders' equity +non-current liabilities)/net property, plant and equipment
2. Solvency
   (1) Current ratio=current assets/current liabilities
   (2) Quick ratio=(current assets-inventory-prepayment)/current liabilities
   (3) Times Interest Earned=earnings before income tax and interest/interest expenses in the current period
3. Operating Performance Analysis
   (1)Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance (gross) of average accounts receivable (including accounts receivable and notes receivable resulting from operation)
   (2) Average number of days receivable outstanding = 365 /accounts receivable turnover
   (3) Inventory turnover=sale cost/average inventory (gross)
   (4) Payables (including accounts payable and notes payable resulting from operation) turnover = sale cost / balance (gross) of average accounts payable (including accounts payable and notes payable resulting from operation)
   (5) Average number of days of sales=365/inventory turnover
   (6) Property, plant and equipment turnover=net sales/average net property, plant and equipment
   (7) Total assets turnover rate = net sales/average total assets.
4. Profitability
   (1) ROA = [(income after income tax+ interest expenses)*(1-tax rate)]/average total assets.
   (2) ROE = income after income tax/average net shareholders' equity.
   (3) Profit margin = income after income tax/net sales
   (4) Earnings per share= (income attributable to the owners of the parent company– dividends from preferred shares)/weighed average quantity of outstanding shares.
5. Cash flow
   (1) Cash flow ratio=net cash from operating activities/current liabilities
   (2) Net cash flow adequacy ratio= net cash flow from operating activities in the most recent five years/ (capital spending + increase in inventory + cash dividends) in the most recent five years
   (3) Cash reinvestment ratio=(net cash flow from operating activities-cash dividends)(gross of property, plant and equipment + long-term investment + other non-current assets + operating funds)
6. Leverage
   (1) Operating leverage=(net operating revenue-changed operating costs and expenses)/operating income
   (2) Financial leverage=operating income/(operating income-interest expenses)

II.(1) Financial analysis: Parent company only

Item of analysis		Year: Financial analysis for the most recent five years 2015	2016	2017	2018	2019	Remarks
Financial structure	Ratio of liabilities to total assets (%)	28.07	25.57	26.11	30.81	36.17	
	Ratio of long-term fund to property, plant and equipment (%)	321.83	339.78	366.54	339.61	314.33	
Solvency	Current Ratio (%)	71.94	99.44	88.58	46.15	45.48	
	Quick Ratio (%)	42.76	59.57	43.61	16.57	15.70	
	Times Interest Earned	-20.15	-5.52	10.49	5.61	-4.43	Note 1
Operating Performance Analysis	Receivables turnover (time)	7.73	9.22	8.88	8.71	8.30	
	Average number of days receivables outstanding	47	40	41	42	44	
	Inventory turnover (time)	3.18	2.93	3.12	2.81	2.32	
	Payables turnover (time)	9.47	10.84	12.28	13.41	10.91	
	Average number of days of sales	115	125	117	130	157	Note 2
	Property, plant and equipment turnover (time)	0.83	0.83	0.86	0.83	0.76	
	Total assets turnover (time)	0.20	0.22	0.22	0.20	0.18	
Profitability	ROA (%)	-7.03	-2.40	3.81	1.99	-1.94	Note 1
	ROE (%)	-10.15	-3.73	4.71	2.36	-3.43	Note 1
	Percentage in paid-in capital (%): Operating income	0.42	2.01	1.29	-0.83	-3.17	Note 1
	Percentage in paid-in capital (%): Income before income tax	-16.01	-5.44	7.47	3.82	-5.05	Note 1
	Profit margin (%)	-35.86	-12.67	16.12	8.49	-12.38	Note 1
	EPS (adjusted retroactively)(NT$)	-1.97	-0.62	0.73	0.37	-0.50	Note 1
Cash flows	Cash flow ratio (%)	14.58	27.52	27.16	2.20	-2.91	Note 3
	Cash flow adequacy ratio (%)	44.93	67.54	121.34	89.34	58.34	Note 3
	Cash flow reinvestment ratio (%)	2.05	2.69	2.47	-1.63	-1.78	
Leverage	Operating leverage	11.44	3.49	4.94	-5.19	-0.66	Note 1
	Financial leverage	-1.25	1.71	2.56	0.50	0.77	Note 1

The causes resulting in changes in financial rates in the most recent two years (not necessary if the changes are less than 20%):

Note 1: Investment income accounted for using equity method decreased this year, resulting in increase in net loss after tax.

Note 2: Due to the increase in production costs of raw materials & fuels and the decline in sales in this period, the inventory turnover ratio decreased.

Note 3: Loss before tax increased in this year, resulting in decrease in cashflow from operating activities.

Note: Calculated as follows:

1. Financial structure
   (1) Ratio of liabilities to total assets =total liabilities/total assets
   (2) Ratio of long-term fund to property, plant and equipment=(total shareholders' equity +non-current liabilities)/net property, plant and equipment.
2. Solvency
   (1) Current ratio=current assets/current liabilities
   (2) Quick ratio=(current assets-inventory-prepayment)/current liabilities
   (3) Times Interest Earned=earnings before income tax and interest/interest expenses in the current period
3. Operating Performance Analysis
   (1)Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance (gross) of average accounts receivable (including accounts receivable and notes receivable resulting from operation)
   (2) Average number of days receivable outstanding = 365 /accounts receivable turnover
   (3) Inventory turnover=sale cost/average inventory (gross)
   (4) Payables (including accounts payable and notes payable resulting from operation) turnover = sale cost / balance (gross) of average accounts payable (including accounts payable and notes payable resulting from operation)
   (5) Average number of days of sales=365/inventory turnover
   (6) Property, plant and equipment turnover=net sales/average net property, plant and equipment
   (7) Total assets turnover rate = net sales/average total assets.
4. Profitability
   (1) ROA = [(income after income tax+ interest expenses)*(1-tax rate)]/average total assets.
   (2) ROE = income after income tax/average net shareholders' equity.
   (3) Profit margin = income after income tax/net sales
   (4) Earnings per share= (income attributable to the owners of the parent company– dividends from preferred shares)/weighed average quantity of outstanding shares.
5. Cash flow
   (1) Cash flow ratio=net cash from operating activities/current liabilities
   (2) Net cash flow adequacy ratio= net cash flow from operating activities in the most recent five years/ (capital spending + increase in inventory + cash dividends) in the most recent five years
   (3) Cash reinvestment ratio=(net cash flow from operating activities-cash dividends)(gross of property, plant and equipment + long-term investment + other non-current assets + operating funds)
6. Leverage
   (1) Operating leverage=(net operating revenue-changed operating costs and expenses)/operating income
   (2) Financial leverage=operating income/(operating income-interest expenses)

III. Audit Committee's Review Report

The Audit Committee hereby approves the 2019 Financial Report, which is proposed by the Board of Directors by resolution and is verified by Ernest & Young, an accounting firm appointed by the Board and by whom the Audit Report is issued.

Furthermore, the Committee receives and considers the 2019 Operating Report and Earning Distribution Plans prepared by the Board in conformity with relevant rules stipulated in the Company Act and hereby presents results as stated above in accordance with Article 219 of Company Act for your kind review.

To:

TGI General Shareholders' Meeting 2020

Convener of the Audit Committee：Lin, F C

March 16, 2020

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TAIWAN GLASS INDUSTRIAL CORPORATION
PARENT COMPANY ONLY FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Address: 11th Floor, No. 261, Sec. 3, Nanjing E. Rd., Taipei, Taiwan, R.O.C.
Telephone: 886-2-2713-0333

The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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Building a better working world

Independent Auditors' Report Translated from Chinese

To Taiwan Glass Industrial Corporation

Opinion

We have audited the accompanying balance sheets of Taiwan Glass Industrial Corporation (the "Company") as of December 31, 2019 and 2018, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and notes to the financial statements, including the summary of significant accounting policies (collectively "the financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and their financial performance and cash flows for the years ended December 31, 2019 and 2018, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits of 2019 financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Order No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020, and auditing standards generally accepted in the Republic of China; we conducted our audit of 2018 financial statements in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2019 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Valuation of Non-financial assets

As of December 31, 2019, the Company's property, plant and equipment amounted to NT$15,619,637 thousand, which accounted for 25% of its total assets, which is relatively material for the financial statements. Due to the market and economic outlook fluctuations in recent years, some operating units operated in losses which indicated that assets may be impaired. Therefore, the management performed impairment test on related cash-generating units and value in use was adopted for the recoverable amounts of different cash generating units. As the estimation of the recoverable amount of the related cash-generating unit requires significant management judgment, we determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the rationality of recoverable amounts used by management, obtaining underlying data of the recoverable amount provided by management (including cash flow forecast and growth rate) and related assumptions and discussing with management; using the work of internal expert to assist us in considering the discount rate used by management and to account for the recoverable amounts for impairment assessment used by management.

We also assessed the adequacy of disclosures of property, plant and equipment. Please refer to Notes 4, 5 and 6 to the Company's financial statements.

Valuation of Inventories

As of December 31, 2019, the Company's net inventories amounted to NT$3,633,098 thousand, which is relatively material for the financial statements. The Company is engaged in the manufacturing, processing and sale of various glasses which have a wide range of applications in various sectors such as construction, electronics and consumer products industries. Considering the fact that identification of slow-moving inventories and the assessment of the amount of inventory write-downs require significant management judgement based on market demands, we determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policies of evaluating slow-moving and obsolete inventories; understanding and testing the internal controls established by management with respect to the valuation of inventories, including the calculation of net realizable value; sample testing the accuracy of net realizable value used by management; vouching samples to verify accuracy of inventory aging.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's financial statements.

Revenue Recognition

Operating revenues recognized by the Company amounted to NT$11,702,108 thousand for the year ended December 31, 2019. Reflecting different market demands, trade terms of different contracts varied, along with the fact that some of the sales orders included delivery services, management needed to review the sales orders or contracts to determine the performance obligations and the time of their satisfaction, there is a significant risk in revenue recognition. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the operating effectiveness of internal controls with respect to revenue recognition; selecting samples to perform tests of details and reviewing significant terms and conditions of contracts to verify reasonableness of the timing of revenue recognition; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching them to supporting evidences and reviewing significant subsequent sales return or discounts transactions to ensure the reasonableness of the timing of revenue recognition.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Company's financial statements.

Emphasis of Matter – Applying for New Accounting Standards

As stated in Note 3 of the Company's financial statements, the Company adopted the International Financial Reporting Standard 16, "Leases" on January 1, 2019, and elected not to restate the Company's financial statements for prior periods.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the 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 2019 financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Hsiao, Tsui-Hui
Fuh, Wen-Fang

Ernst & Young, Taiwan
March 16, 2020

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, results of operations 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	NOTE	As of December 31, 2019	As of December 31, 2018
Current assets			
Cash and cash equivalents	4, 6(1)	$507,190	$584,331
Notes receivable, net	4, 6(2)	138,109	167,377
Accounts receivable, net	4, 6(3), 7	1,369,794	1,145,522
Other receivables, net	4, 6(4), 7	150,155	204,986
Current income tax assets	4	142	8,371
Inventories, net	4, 6(5)	3,633,098	3,143,647
Prepayments	7	485,581	631,172
Other current assets	7,8	4,864	4,559
Total current assets		6,288,933	5,889,965
Non-current assets			
Financial assets at fair value through other comprehensive income - non-current	4, 6(6)	257,667	263,332
Investments accounted for using the equity method	4, 6(7)	40,221,358	42,340,992
Property, plant and equipment	4, 6(8)	15,619,637	15,072,246
Right-of-use assets	4, 6(9), 6(19), 7	105,383	-
Deferred tax assets	4, 6(23)	382,396	344,928
Other non-current assets	6(10)	48,502	38,241
Total non-current assets		56,634,943	58,059,739
Total assets		$62,923,876	$63,949,704

LIABILITIES AND EQUITY	NOTE	As of December 31, 2019	As of December 31, 2018
Current liabilities			
Short-term loans	6(11)	$2,000,000	$1,900,000
Short-term bills payable	6(12)	3,741,006	3,295,570
Contract liabilities - current	4, 6(16), 7	415,347	722,780
Accounts payable	7	1,159,372	803,267
Other payables	7	2,441,800	705,131
Current income tax liabilities	4	-	65,043
Current lease liabilities	4, 6(19), 7	37,051	-
Advance receipts	7	1,090	1,453
Current portion of long-term loans	6(13)	4,014,242	5,251,607
Other current liabilities, others	7	17,493	17,837
Total current liabilities		13,827,401	12,762,688
Non-current liabilities			
Long-term loans	6(13)	8,119,091	6,233,333
Deferred tax liabilities	4, 6(23)	288,170	294,147
Non-current lease liabilities	4, 6(19), 7	65,302	-
Accrued pension liabilities	4, 6(14)	459,072	413,265
Deposits-in		759	791
Total non-current liabilities		8,932,394	6,941,536
Total liabilities		22,759,795	19,704,224
Capital	6(15)		
Common stock		29,080,608	29,080,608
Additional paid-in capital	6(15), 6(25)	1,925,218	1,925,218
Retained earnings	6(15)		
Legal reserve		5,935,764	5,829,135
Special reserve		5,102,550	5,102,550
Unappropriated retained earnings		2,496,601	4,973,947
Total retained earnings		13,534,915	15,905,632
Other components of equity			
Exchange differences on translation of foreign operations	4	(4,256,371)	(2,551,354)
Unrealized gains and losses on financial assets at fair value through other comprehensive income		(120,289)	(114,624)
Total other components of equity		(4,376,660)	(2,665,978)
Total equity		40,164,081	44,245,480
Total liabilities and equity		$62,923,876	$63,949,704

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

		For the years ended December 31,	
	Note	2019	2018
Operating revenues	4, 6(16), 7	$11,702,108	$12,561,584
Operating costs	6(5),6(19), 6(20), 7	(10,695,337)	(10,811,575)
Gross profit		1,006,771	1,750,009
Unrealized intercompany profit		11,382	24,547
Realized intercompany profit		(24,547)	7,913
Net gross profit		993,606	1,782,469
Operating expenses	6(17), 6(19), 6(20), 7		
Selling and marketing expenses		(1,615,838)	(1,684,256)
General and administrative expenses		(251,336)	(273,636)
Research and development expenses		(51,691)	(92,818)
Expected credit gains		85	292
Subtotal		(1,918,780)	(2,050,418)
Net amount of other revenues and gains and expenses and losses	6(18), 7	2,957	25,417
Operating loss		(922,217)	(242,532)
Non-operating income and expenses			
Other income	6(21), 7	224,373	226,266
Other gains and losses	6(21), 7	(98,908)	(14,110)
Financial costs	4, 6(21), 7	(270,275)	(241,207)
Share of (loss) income of subsidiaries, associates and joint ventures for under equity method	4	(400,980)	1,383,482
Subtotal		(545,790)	1,354,431
(Loss) Income from continuing operations before income tax		(1,468,007)	1,111,899
Income tax benefit (expense)	4, 6(23)	19,557	(45,613)
Net (loss) income from continuing operations		(1,448,450)	1,066,286
Other comprehensive income	4, 6(14), 6(22), 6(23)		
Other comprehensive income that will not be reclassified subsequently:			
Remeasurement of defined benefit obligation		(63,970)	(390,304)
Unrealized losses on equity instruments investments at fair value through other comprehensive income		(5,665)	(900)
Share of other comprehensive loss of subsidiaries, associates and joint ventures for under equity method		(701)	(3,358)
Income tax related to components of other comprehensive income that will not be reclassified subsequently		12,794	101,650
Other comprehensive income that will be reclassified subsequently:			
Share of other comprehensive loss of subsidiaries, associates and joint ventures for under equity method		(1,705,017)	(932,623)
Income tax related to components of other comprehensive income that will be reclassified subsequently		-	-
Total other comprehensive income, net of tax		(1,762,559)	(1,225,535)
Total comprehensive income		$(3,211,009)	$(159,249)
Earnings per share (NT$)	6(24)		
Earnings per share-basic		$(0.50)	$0.37
Diluted earnings per share			$0.37

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Capital	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
Adjusted balance as of January 1, 2018	$29,080,608	$1,921,575	$5,616,758	$5,102,550	$6,046,802	$(1,615,309)	$(113,724)	$46,039,260
Appropriations and distributions of 2017 earnings:								
Legal reserve			212,377		(212,377)			-
Cash dividends					(1,454,030)			(1,454,030)
Net income in 2018					1,066,286			1,066,286
Other comprehensive income, net of tax in 2018					(292,012)	(932,623)	(900)	(1,225,535)
Total comprehensive income	-	-	-	-	774,274	(932,623)	(900)	(159,249)
Increase (decrease) through changes in ownership interests in subsidiaries		3,643				(3,422)		221
Decrease through changes in associates accounted for using equity method					(180,722)			(180,722)
Balance as of December 31, 2018	29,080,608	1,925,218	5,829,135	5,102,550	4,973,947	(2,551,354)	(114,624)	44,245,480
Effects of retrospective application and retrospective restatement					2,028			2,028
Adjusted balance as of January 1, 2019	29,080,608	1,925,218	5,829,135	5,102,550	4,975,975	(2,551,354)	(114,624)	44,247,508
Appropriations and distributions of 2018 earnings:								
Legal reserve			106,629		(106,629)			-
Cash dividends					(872,418)			(872,418)
Net loss in 2019					(1,448,450)			(1,448,450)
Other comprehensive income, net of tax in 2019					(51,877)	(1,705,017)	(5,665)	(1,762,559)
Total comprehensive income	-	-	-	-	(1,500,327)	(1,705,017)	(5,665)	(3,211,009)
Balance as of December 31, 2019	$29,080,608	$1,925,218	$5,935,764	$5,102,550	$2,496,601	$(4,256,371)	$(120,289)	$40,164,081

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2019	2018
Cash flows from operating activities:		
(Loss) Income before income tax	$(1,468,007)	$1,111,899
Adjustments:		
Depreciation (including investment property)	1,210,620	1,188,429
Amortization	4,258	3,391
Expected credit losses and gains	(85)	(292)
Interest expenses	270,275	241,207
Interest income	(1,624)	(2,594)
Dividend income	(7,493)	(13,998)
Share of loss (income) of subsidiaries, associates and joint ventures	400,980	(1,383,482)
Gains on disposal of property, plant and equipment	(2,957)	(25,417)
Loss on disposal of investment	-	86
Unrealized intercompany profit	(11,382)	(24,547)
Realized intercompany profit	24,547	(7,913)
Changes in assets and liabilities:		
Notes receivable	29,268	38,351
Accounts receivable	(224,187)	218,503
Other receivables	54,831	116,570
Inventories	(489,451)	(750,122)
Prepayments	145,591	56,391
Other current assets	(305)	(3,763)
Contract liabilities	(307,433)	(188,352)
Accounts payable	356,105	(726)
Other payable	(39,357)	(54,110)
Advanced receipts	(363)	(1,343)
Other current liabilities, others	(344)	2,697
Net defined benefit liability	(18,163)	(17,616)
Cash inflow generated from operations	(74,676)	503,249
Interests received	1,624	2,594
Dividends received	7,493	21,998
Interests paid	(268,712)	(241,258)
Income tax paid	(67,908)	(5,485)
Net cash flows (used in) provided by operating activities	(402,179)	281,098
Cash flows from investing activities:		
Acquisition of investments accounted for using the equity method	-	(1,434,796)
Disposal of subsidiaries	-	18,172
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(1,528,626)	(1,136,432)
Capitalized borrowing costs from self-constructed assets	(18,966)	(12,388)
Proceeds from disposal of property, plant and equipment	5,662	13,569
Increase in refundable deposits	4,324	(2,274)
Acquisition of intangible assets	(799)	(3,276)
Net cash flows used in investing activities	(1,538,405)	(2,557,425)
Cash flows from financing activities:		
Increase in short-term loans	1,000,000	1,600,000
Decrease in short-term loans	(900,000)	-
Increase in short-term bills payable	16,400,000	11,250,000
Decrease in short-term bills payable	(15,950,000)	(10,150,000)
Proceeds from long-term loans	1,740,000	3,810,000
Repayments of long-term loans	(1,091,607)	(3,283,360)
Decrease in deposits-in	(32)	(12)
Increase in other paybles to related parties	1,580,000	-
Payments of lease liabilities	(55,892)	-
Cash dividends paid	(859,026)	(1,453,967)
Net cash flows provided by financing activities	1,863,443	1,772,661
Net decrease in cash and cash equivalents	(77,141)	(503,666)
Cash and cash equivalents at the beginning of the year	584,331	1,087,997
Cash and cash equivalents at the end of the year	$507,190	$584,331

The accompanying notes are an integral part of the parent company only financial statements.

1. History and organization

Taiwan Glass Industrial Corporation ("the Company") was incorporated on September 5, 1964 and commenced operations in 1967. The main activities of the Company are manufacturing, processing and selling of various glass products. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in July 1973. The Company's registered office and the main business location is at 11F, No. 261, Section 3, Nanjing E. Rd., Taipei, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2019 and 2018 were authorized for issue by the Board of Directors on March 16, 2020.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2019. Apart from the impact of the standards and interpretations which is described below, all other standards and interpretations have no material impact on the Company's financial position and performance.

(1) *IFRS 16"Leases"*

IFRS 16 "Leases" replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

The Company followed the transition provision in IFRS 16 and the date of initial application was January 1, 2019. The impacts arising from the adoption of IFRS 16 are summarized as follows:

A. Please refer to Note 4 for the accounting policies before or after January 1, 2019.

B. For the definition of a lease, the Company elected not to reassess whether a contract was, or contained, a lease on January 1, 2019. The Company was permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. That is, for contracts entered into (or changed) on or after January 1, 2019, the Company need to assess whether contacts are, or contain, leases applying IFRS 16. In comparing to IAS 17, IFRS 16 provides that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assessed most of the contracts are, or contain, leases and no significant impact arose.

C. The Company is a lessee and elects not to restate comparative information in accordance with the transition provision in IFRS 16. Instead, the Company recognized the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

(a) Leases previously classified as operating leases

For leases that were previously classified as operating leases applying IAS 17, the Company measured and recognized those leases as lease liability on January 1, 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019, and; the Company chose, on a lease-by-lease basis, to measure the right-of-use asset at either:

i. its carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate on January 1, 2019

On January 1, 2019, the Company's right-of-use asset increased by NT$120,519 thousand, and lease liability increased by NT$118,371 thousand. The difference is adjusted to retained earnings and investments accounted for using the equity method for NT$2,148 thousand and NT$(120) thousand, respectively; total influemce is NT$2,028 thousand.

In accordance with the transition provision in IFRS 16, the Company used the following practical expedients on a lease-by-lease basis to leases previously classified as operating leases:

i. Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
ii. Rely on its assessment of whether leases are onerous immediately before January 1, 2019 as an alternative to performing an impairment review.
iii. Elect to account in the same way as short-term leases to leases for which the lease term ends within 12 months of January 1, 2019.
iv. Exclude initial direct costs from the measurement of the right-of-use asset on January 1, 2019.
v. Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

(b) Please refer to Note 4 and Note 6 for additional disclosure of lessee and lessor which required by IFRS 16.

(c) As of January 1, 2019, the impacts arising from the adoption of IFRS 16 are summarized as follows:

i. The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the balance sheet on January 1, 2019 was 1.617%.

ii. The explanation for the difference of 20,373 thousand between: 1) operating lease commitments disclosed applying IAS 17 as of December 31, 2018, discounted using the incremental borrowing rate on January 1, 2019; and 2) lease liabilities recognized in the balance sheet as of January 1, 2019 is summarized as follows:

Operating lease commitments disclosed applying IAS 17 as of December 31, 2018	$100,897
Discounted using the incremental borrowing rate on January 1, 2019	$97,998
Add: Single immaterial operating lease commitments discounted using the incremental borrowing rate on January 1, 2019	20,373
The carrying value of lease liabilities recognized as of January 1, 2019	$118,371

D. The Company is a lessor and has not made any adjustments. Please refer to Note 4 and Note 6 for the information relating to the lessor.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Definition of a Business - Amendments to IFRS 3	January 1, 2020
b	Definition of Material - Amendments to IAS 1 and 8	January 1, 2020
c	Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7	January 1, 2020

(a) Definition of a Business - Amendments to IFRS 3

The amendments clarify the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

IFRS 3 continues to adopt a market participant's perspective to determine whether an acquired set of activities and assets is a business. The amendments clarify the minimum requirements for a business; add guidance to help entities assess whether an acquired process is substantive; and narrow the definitions of a business and of outputs; etc.

(b) Definition of a Material - Amendments to IAS 1 and 8

The main amendment is to clarify new definition of material. It states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

(c) Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7
The amendments include a number of exceptions, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is directly affected if the interest rate benchmark reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. Hence, the entity shall apply the exceptions to all hedging relationships directly affected by the interest rate benchmark reform.

The amendments include:

i. highly probable requirement
When determining whether a forecast transaction is highly probable, an entity shall assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the interest rate benchmark reform.

ii. prospective assessments
When performing prospective assessments, an entity shall assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.

iii. IAS 39 retrospective assessment
An entity is not required to undertake the IAS 39 retrospective assessment (i.e. the actual results of the hedge are within a range of 80–125%) for hedging relationships directly affected by the interest rate benchmark reform.

iv. separately identifiable risk components
For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at the inception of such hedging relationships.

The amendments also include the end of application of the exceptions requirements and the related disclosures requirements of the amendments.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2020. The abovementioned standards and interpretations have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are not endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 Insurance Contracts	January 1, 2021
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2022

(a) IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full. IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise of the following:

i. estimates of future cash flows;
ii. Discount rate: an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and
iii. a risk adjustment for non-financial risk.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the standards and interpretations listed under (1), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2019 and 2018 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value.

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT dollars, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at its respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

Each foreign operations of the Company determines its own functional currency and items included in the financial statements of each foreign operations are measured using that functional currency. The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
B. The Company holds the asset primarily for the purpose of trading; or
C. The Company expects to realize the asset within twelve months after the reporting period; or
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle; or
B. The Company holds the liability primarily for the purpose of trading; or
C. The liability is due to be settled within twelve months after the reporting period; or
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value (include fixed-term deposits that have maturities of 3 months from the date of acquisition).

(7) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

a. the Company's business model for managing the financial assets and

b. the contractual cash flow characteristics of the financial asset.

Financial asset measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, accounts receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b. 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

a. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b. 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.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

   (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
b. the time value of money; and
c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

c. For accounts receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

d. For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

a. The rights to receive cash flows from the asset have expired
b. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
c. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

A. Raw materials – Purchase cost on a weighted average cost basis.
B. Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10) Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IFRS 10 "Consolidated and Separate Financial Statements" and the different IFRSs adopted from different reporting entity's perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or a joint venture. After the interest in the associate or a joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or a joint venture are eliminated to the extent of the Company's related interest in the associate.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture in proportion.

When the Company subscribes for additional associate or a joint venture's new shares at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate or a joint venture. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to paid-in capital and the investment under equity method. When the investment percentage decreases, reclassify the account which recognized to comprehensive income before to the gain or loss and suitable account in proportion.

The financial statements of the associate or a joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If there is any objective evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or a joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in the scope of IAS 36 *Impairment of Assets*. If the recoverable amount is under the investment value in use, the Company uses the following measurements to determine the relevant value:

A. The Company's right on the estimated future cash flow from its associate or a joint venture includes associate or a joint venture's cash flow from operation and the capital gain on the final settlement. Or
B. The Company's expected present value of the dividend from the investment and the capital gain on the final settlement.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, 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 entity continues to apply the equity method and does not remeasure the retained interest.

(11) <u>Property, plant and equipment</u>

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line method basis over the estimated economic lives of the following assets:

Buildings	5~55 years
Machinery and equipment	1~20 years
Transportation equipment	5~10 years
Office equipment	3~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Leases

The accounting policy from January 1, 2019 as follows:

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

The accounting policy before January 1, 2019 as follows:

Company as a lessee

Finance leases which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(13) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(14) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Company manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is glass(flat glass, glass fiber, and glass container) and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. to the Company estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The credit period of the Company's sale of goods is from 5 to 255 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For other services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as advance receipts or temporary receipts.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component arosed.

(15) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(16) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(17) Income taxes

Income tax expense (benefit) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax on undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Stockholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Inventories

The Company estimates the net realizable value of inventory for damage, obsolescence and price decline. The net realizable value of the inventory is mainly determined based on reliable evidence of expected cash flow. Please refer to Note 6.

C. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

D. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and expected rate of salary increases.

E. Revenue recognition – sales returns and allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

F. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for more details on unrecognized deferred tax assets.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2019	2018
Cash on hand	$190	$190
Checking and savings accounts	507,000	502,914
Equivalent cash	-	81,227
Total	$507,190	$584,331

(2) Notes receivable, net

	As of December 31,	
	2019	2018
Notes receivable arising from operating activities	$138,109	$167,377
Less: loss allowance	-	-
Total	$138,109	$167,377

Notes receivables were not pledged.

The Company assesses impairments according to IFRS 9 to assess the impairment. Please refer to Note 6.(17) for more details on loss allowance and Note 12 for details on credit risk.

(3) Accounts receivable and accounts receivable – related parties

	As of December 31,	
	2019	2018
Accounts receivable	$1,149,091	$1,070,118
Less: loss allowance	(60)	(145)
Subtotal	1,149,031	1,069,973
Accounts receivable from related parties	220,763	75,549
Less: loss allowance	-	-
Subtotal	220,763	75,549
Total	$1,369,794	$1,145,522

Accounts receivable were not pledged.

Please refer to Note 12. (11) for disclosure on information of accounts receivable transfer.

Trade receivables are generally on 5-255 day terms. The total carrying amount as of December 31, 2019 and 2018 are NT$1,369,854 thousand and NT$1,145,667 thousand, respectively. Please refer to Note 6.(17) for more details on loss allowance of trade receivables for the years ended December 31, 2019 and 2018. Please refer to Note 12 for more details on credit risk management.

(4) Other receivables, net

	As of December 31,	
	2019	2018
Other receivables	$150,155	$204,986
Less: loss allowance	-	-
Total	$150,155	$204,986

Please refer to Note 6.(17) for more details on loss allowance of trade receivables for the years ended December 31, 2019 and 2018. Please refer to Note 12 for more details on credit risk management.

(5) Inventories, net

	As of December 31,	
	2019	2018
Raw materials	$629,008	$619,754
Supplies	43,062	46,509
Work in progress	192,231	171,877
Finished goods	2,768,797	2,305,507
Total	$3,633,098	$3,143,647

The cost of inventories recognized in expenses amounted to NT$10,695,337 thousand and NT$10,811,575 thousand for the years ended December 31, 2019 and 2018, respectively, including:

	For the years ended December 31	
	2019	2018
Losses for market price decline of inventories	$161,327	$158,793
Losses on physical inventory	-	13
Loss on work stoppage	29,995	70,004
Revenue from sale of scraps	(72,787)	(85,380)
Additions (less) to operating costs	$118,535	$143,430

No inventories were pledged.

(6) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2019	2018
Debt instrument investments measured at fair value through other comprehensive income – non-current:		
Listed companies stocks	$210,970	$210,750
Unlisted companies stocks	46,697	52,582
Total	$257,667	$263,332

Financial assets at fair value through other comprehensive income were not pledged.

(7) Investments accounted for using the equity method

	As of December 31,			
	2019		2018	
Investees	Carrying amount	Percentage of Ownership	Carrying amount	Percentage of Ownership
Taiwan Glass USA Sales Corp.	$391,684	100.00%	$370,351	100.00%
Taiwan Glass China Holding Ltd.	39,480,570	93.98%	41,520,343	93.98%
Taiwan Autoglass Ind. Corp.	184,431	87.00%	256,946	87.00%
TG Teco Vacuum Insulated Glass Corp.	164,673	65.00%	193,352	65.00%
Hario TG Glass Corp.	(Note)		(Note)	
Total	$40,221,358		$42,340,992	

Note: The subsidiary has been liquidated in May 2018.

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments on the parent company only financial statements.

No investment accounted for using the equity method was pledged.

(8) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:							
As of January 1, 2018	$3,796,048	$8,308,321	$21,704,982	$259,203	$380,467	$421,578	$34,870,599
Additions	-	15,077	77,551	3,899	8,799	557,386	662,712
Disposals	-	-	(247,373)	(1,894)	(9,696)	-	(258,963)
Transfers	-	27,553	509,239	920	-	(537,712)	-
Other changes	-	-	4,597	7,056	-	471,215	482,868
As of December 31, 2018	3,796,048	8,350,951	22,048,996	269,184	379,570	912,467	35,757,216
Additions	-	21,268	72,645	77	8,499	725,449	827,938
Disposals	-	-	(125,706)	(22,712)	(5,805)	-	(154,223)
Transfers	-	75,594	1,213,092	2,856	-	(1,291,542)	-
Other changes	-	-	5,641	22,750	-	851,324	879,715
As of December 31, 2019	$3,796,048	$8,447,813	$23,214,668	$272,155	$382,264	$1,197,698	$37,310,646
Depreciation and impairment:							
As of January 1, 2018	$-	$5,377,802	$13,898,705	$233,689	$231,323	$-	$19,741,519
Depreciation	-	284,803	865,343	9,758	28,324	-	1,188,228
Disposals	-	-	(233,207)	(1,874)	(9,696)	-	(244,777)
Transfers	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
As of December 31, 2018	-	5,662,605	14,530,841	241,573	249,951	-	20,684,970
Depreciation	-	232,749	886,880	10,718	26,838	-	1,157,185
Disposals	-	-	(122,629)	(22,712)	(5,805)	-	(151,146)
Transfers	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
As of December 31, 2019	$-	$5,895,354	$15,295,092	$229,579	$270,984	$-	$21,691,009
Net carrying amount as of:							
December 31, 2019	$3,796,048	$2,552,459	$7,919,576	$42,576	$111,280	$1,197,698	$15,619,637
December 31, 2018	$3,796,048	$2,688,346	$7,518,155	$27,611	$129,619	$912,467	$15,072,246

Capitalized borrowing costs of property, plant and equipment are as follows:

Item	For the years ended December 31, 2019	2018
Construction in progress	$18,966	$12,388
Capitalization rate of borrowing costs	1.425%~1.637%	1.529%~1.748%

Components of machinery and equipment that have different useful lives are furnace and platinum, which are depreciated over 12 years and 20 years, respectively.

No property, plant and equipment was pledged.

(9) Right-of-use assets

	Land	Buildings	Machinery and equipment	Other equipment	Total
Cost:					
As of January 1, 2019	$119,932	$21,127	$15,226	$27,020	$183,305
Additions	2,756	4,347	15,251	23,697	46,051
Disposals	-	(9,575)	(15,226)	(14,679)	(39,480)
Transfers	-	-	-	-	-
Other changes	-	-	-	-	-
As of December 31, 2019	$122,688	$15,899	$15,251	$36,038	$189,876
Depreciation and impairment:					
As of January 1, 2019	$23,987	$7,704	$13,957	$17,138	$62,786
Depreciation	24,537	4,579	15,249	9,058	53,423
Disposals	-	(1,882)	(15,226)	(14,608)	(31,716)
Transfers	-	-	-	-	-
Other changes	-	-	-	-	-
As of December 31, 2019	$48,524	$10,401	$13,980	$11,588	$84,493
Net carrying amount as of:					
December 31, 2019	$74,164	$5,498	$1,271	$24,450	$105,383
December 31, 2018(Note)					

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(10) Other non-current assets

	As of December 31,	
	2019	2018
Investment property	$17,926	$17,938
Advance payments in equipment	18,056	-
Intangible assets	5,327	8,786
Overdue receivables	772,210	772,210
Less: loss allowance	(772,210)	(772,210)
Overdue receivables, net	-	-
Refundable deposits	7,193	11,517
Net	$48,502	$38,241

No investment property was pledged.

Investment properties held by the Company are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties is NT$173,677 thousand and NT$172,543 thousand, as of December 31, 2019 and 2018, respectively. The fair value has been determined based on valuations performed by an independent appraiser. The valuation method used is direct capitalized method and market approach, and the inputs used are as follows:

Direct capitalization method:

	As of December 31,	
	2019	2018
Income capitalization rate	1.42%~2.24%	1.42%~2.24%

Amortization expense of intangible assets under the statement of comprehensive income:

	For the years ended December 31,	
	2019	2018
Operating costs	$428	$428
General and administrative expense	3,830	2,963
Total	$4,258	$3,391

(11) Short-term loans

	As of December 31,	
	2019	2018
Unsecured bank loans	$2,000,000	$1,900,000
Unsecured interest rates	0.9%~1.31%	1%~1.34%

The Company’s unused short-term lines of credits amounted to NT$750,000 thousand and NT$300,000 thousand as of December 31, 2019 and 2018, respectively.

(12) Short-term bills payable

	As of December 31,	
	2019	2018
Short-term bills payable	$3,750,000	$3,300,000
Less: unamortized discount	(8,994)	(4,430)
Net	$3,741,006	$3,295,570
Interest rates	1.388%~1.568%	1.388%~1.400%

(13) Long-term loans

Details of long-term loans as of December 31, 2019 and 2018 are as follows:

				As of December 31,		
Lenders	Terms	Credit Line	Interest Rate	2019	2018	Redemption
Chang-Hwa Bank	2015.09.01-2020.09.01	NTD1,200,000	Floating interest rate	$200,000	$400,000	8 equal installments of the principal made every 6 months from the sixth year after borrowing date
Hua-Nan Bank	2015.12.23-2022.12.29	NTD3,000,000	〃	1,800,000	2,400,000	Repayable semiannually from June 23, 2018.
King's Town Bank	2016.03.30-2023.03.30	NTD1,100,000	〃	700,000	900,000	Repayable semiannually from March 30, 2018
COTA Commercial Bank	2016.09.05-2019.09.05	NTD100,000	〃	-	24,940	12 quarter installments of principal and interest from December 5, 2016
O-Bank	2016.12.06-2019.12.06	NTD1,000,000	〃	-	1,000,000	Principal repaid at maturity
KGI Bank	2017.01.05-2019.01.05	NTD300,000	〃	-	$260,000	Principal repaid at maturity
Hua-Nan Bank	2017.05.26-2019.05.26	NTD1,000,000	〃	-	1,000,000	Principal repaid at maturity
Union Bank of Taiwan	2017.09.07-2019.03.07	NTD600,000	〃	-	600,000	Principal repaid at maturity
Far Eastern International Bank	2017.12.07-2019.12.07	NTD500,000	〃	-	500,000	Principal repaid at maturity
Bank of Kaohsiung	2017.12.14-2019.12.14	NTD300,000	〃	-	300,000	Principal repaid at maturity
Bank of PanShin	2017.12.14-2019.12.14	NTD200,000	〃	-	200,000	Principal repaid at maturity
Taichung Commercial Bank	2017.12.20-2020.12.20	NTD500,000	〃	500,000	-	Principal repaid at maturity
JihSun Bank	2017.12.25-2019.12.25	NTD300,000	〃	-	300,000	Principal repaid at maturity
Taiwan Cooperative Bank	2018.06.25-2021.06.25	NTD500,000	〃	500,000	500,000	12 equal installments of principal and interest from July 25, 2020.
Shin Kong Commercial Bank	2018.06.06-2020.08.06	NTD300,000	〃	300,000	300,000	Principal repaid at maturity
The Export-Import Bank	2018.08.01-	NTD600,000	〃	533,333	600,000	9 equal installments of

Lenders	Terms	Credit Line	Interest Rate	As of December 31, 2019	2018	Redemption
of the Republic of China	2023.08.01					the principal made every 6 months from August 1, 2019.
EnTie Commercial Bank	2018.08.20-2020.08.20	NTD500,000	〃	500,000	500,000	Principal repaid at maturity
Shanghai Commercial & Savings Bank	2018.09.05-2021.09.05	NTD200,000	〃	200,000	200,000	Principal repaid at maturity
Taiwan Business Bank	2018.10.18-2025.10.18	NTD1,000,000	〃	1,000,000	$1,000,000	11 equal installments of the principal made every 6 months from October 18, 2020.
Chang Hwa Bank	2018.12.21-2021.12.21	NTD500,000	〃	500,000	500,000	4 equal installments of the principal made every 6 months from June 21, 2020.
KGI Bank	2019.01.04-2021.01.04	NTD300,000	〃	300,000	-	Principal repaid at maturity
Bank of China Limited	2019.02.01-2021.01.31	NTD400,000	〃	400,000	-	Principal repaid at maturity
Union Bank of Taiwan	2019.03.07-2020.09.07	NTD600,000	〃	600,000	-	Principal repaid at maturity
Bank SinoPac	2019.03.28-2021.03.27	NTD500,000	〃	500,000	-	Principal repaid at maturity
Hua-Nan Bank	2019.05.27-2021.05.27	NTD1,000,000	〃	1,000,000	-	Principal repaid at maturity
Mega Bank	2019.06.20-2022.06.20	NTD300,000	〃	300,000	-	The 12-month period following the drawdown is the first installment, and each of the three following months is deemed one installment. The credit limit is reduced by 30%, 30%, and 40%.
JihSun Bank	2019.08.09 2020.06.27	NTD300,000	〃	300,000	-	6 equal installments of the principal made every month from January 1, 2020.
O-Bank	2019.11.15-2022.11.15	NTD1,000,000	〃	1,000,000	-	Principal repaid at maturity
Far Eastern International	2019.12.06-	NTD500,000	〃	500,000	-	Principal repaid at

Lenders	Terms	Credit Line	Interest Rate	As of December 31, 2019	As of December 31, 2018	Redemption
Bank	2021.12.06					maturity
Bank of Kaohsiung	2019.12.13-2021.12.13	NTD300,000	〃	300,000	-	Principal repaid at maturity
Bank of PanShin	2019.12.16-2021.12.16	NTD200,000	〃	200,000	-	Principal repaid at maturity
Subtotal				12,133,333	11,484,940	
Less: current portion of long-term loans				(4,014,242)	(5,251,607)	
Total				$8,119,091	$6,233,333	

As of December 31, 2019 and 2018, part of long-term loans contained covenants that required the Company to maintain certain financial ratios such as (1) the current ratio, (2) the ratio of the total liabilities to the net tangible assets, (3) the ratio of EBITDA to interest expense and (4) the tangible assets net worth amount.

(14) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2019 and 2018 were NT$98,264 thousand and NT$94,371 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is managed in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$54,233 thousand to its defined benefit plan during the 12 months beginning after December 31, 2019.

Apart from the above-mentioned pension funds, the Company has another fund managed by the pension fund management committee, and the plan is categorized as follows:

	As of December 31,	
	2019	2018
Investments with quoted prices in an active market		
Equity instruments－domestic	92%	96%
Debt instruments－domestic	8%	4%
Other	0%	0%

The durations of the defined benefits plan obligation as of December 31, 2019 and 2018 are 5 and 6 years, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2019 and 2018:

	For the years ended December 31,	
	2019	2018
Current period service costs	$35,036	$39,054
Interest income or expense	3,223	284
Past service cost	-	-
Payments from the plan	-	-
Total	$38,259	$39,338

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	December 31, 2019	December 31, 2018	January 1, 2018
Defined benefit obligation at January 1	$2,027,676	$2,120,550	$2,084,920
Plan assets at fair value	(1,568,604)	(1,707,285)	(2,044,343)
Other non-current liabilities - Accrued pension liabilities recognized on the balance sheets	$459,072	$413,265	$40,577

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2018	$2,084,920	$2,044,343	$40,577
Current period service costs	39,054	-	39,054
Net interest expense (income)	14,594	14,310	284
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	2,138,568	2,058,653	79,915
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(946)	-	(946)
Actuarial gains and losses arising from changes in financial assumptions	(4,778)	-	(4,778)
Experience adjustments	77,904	-	77,904
Return on plan assets	-	(318,124)	318,124
Subtotal	72,180	(318,124)	390,304
Payments from the plan	(90,198)	(90,198)	-
Contributions by employer	-	56,954	(56,954)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2018	2,120,550	1,707,285	413,265
Current period service costs	35,036	-	35,036
Net interest expense (income)	16,540	13,317	3,223
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	2,172,126	1,720,602	451,524
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	399	-	399
Actuarial gains and losses arising from changes in financial assumptions	4,131	-	4,131
Experience adjustments	29,302	-	29,302
Return on plan assets	-	(30,138)	30,138
Subtotal	33,832	(30,138)	63,970
Payments from the plan	(178,282)	(178,282)	-
Contributions by employer	-	56,422	(56,422)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2019	$2,027,676	$1,568,604	$459,072

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2019	2018
Discount rate	0.66%	0.78%
Expected rate of salary increases	1.00%	1.00%

A sensitivity analysis for significant assumption as of December 31, 2019 and 2018 is as shown below:

	Effect on the defined benefit obligation			
	2019		2018	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.5%	$-	$16,484	$-	$27,753
Discount rate decrease by 0.5%	119,720	-	98,820	-
Future salary increase by 0.5%	118,430	-	97,637	-
Future salary decrease by 0.5%	-	16,508	-	27,826

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(15) Equities

A. Common stock

The Company’s authorized capital were both NT$30,000,000 thousand as of December 31, 2019 and 2018. The Company’s issued capital were both NT$29,080,608 thousand as of December 31, 2019 and 2018, each at a par value of NT$10. The Company has issued both 2,908,061 thousand common shares as of December 31, 2019 and 2018. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	As of December 31,	
	2019	2018
Additional paid-in capital	$1,540,300	$1,540,300
Increase through changes in ownership interests in subsidiaries	258,091	258,091
Expired employee stock warrants	23,661	23,661
Gains on disposal of assets	103,166	103,166
Total	$1,925,218	$1,925,218

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its stockholders in proportion to the number of shares being held by each of them.

C. Rained earnings and dividend policies

According to the Company's Articles of Incorporation, the Company's annual earnings, if any, shall first set aside 1.5% as employee bonuses and no higher than 1.5% as directors and supervisor's remunerations. Nevertheless, the Company shall first make up for losses if there are accumulated losses. The Company shall make distributions from its net income (less any deficit) in the following order:

a. Offset an accumulated deficit.
b. Set aside 10% as legal reserve.
c. Set aside or reverse special reserve.
d. Following distributions of items "a" to "c" indicated above, the remaining amount, if any, shall be proposed by the board of directors at a board meeting to be distributed as shareholders dividends and bonuses.

Based on the Company's plan to achieve healthy financial standing, whether to distribute the beginning undistributed earnings should consider the actual operation of the year and the budget planning for the following year, to evaluate the necessity of providing funding via earnings distribution so as to determine the most appropriate dividend policy for sustainable business development. The said shareholders dividend and bonus distribution shall not be less than 50% of the distributable earnings after deducting the above items "a" to "c" from current net income. The Company's Articles of Incorporation further provide that no more than 1% of the dividends to shareholders, if any, could be paid in the form of share dividends. At least 20% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the stockholders.

Following the adoption of TIFRS, the FSC on April 6, 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed. The special reserves booked from first-time adoption of International Financial Reporting Standards were both NT$3,232,749 thousand as of December 31, 2019 and 2018, respectively. The Company did not reverse special reserve to retained earnings for using, disposing of or reclassifying relevant assets in 2019 and 2018.

Details of the 2019 and 2018 earnings distribution and dividends per share as approved by Board of Directors' meeting on March 16, 2020 and by the stockholders' meeting on June 19, 2019, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2019	2018	2019	2018
Legal reserve	$-	$106,629	$-	$-
Common stock -cash dividend	-	872,418	-	0.3
Common stock-stock dividend	-	-	-	-

Please refer to Note 6. (20) for further details on employees' compensation and remuneration to directors.

(16) Operating revenue

	For the years ended December 31,	
	2019	2018
Sale of goods	$11,702,108	$12,561,584

Analysis of revenue from contracts with customers during the periods ended December 31, 2019 and 2018 are as follows:

A. Disaggregation of revenue

		Flat glass	Container	Fiber glass	Other	Total
2019	Sale of goods	$3,883,966	$3,453,165	$4,213,911	$151,066	$11,702,108
2018	Sale of goods	$4,038,056	$3,467,797	$4,890,268	$165,463	$12,561,584

The timing of revenue recognition was at a point in time.

B. Contract balances

Contract liabilities - current

	December 31, 2019	December 31, 2018	January 1, 2018
Sales of goods	$415,347	$722,780	$911,132

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2019 and 2018 are as follows:

	For the years ended December 31,	
	2019	2018
The opening balance transferred to revenue	$722,780	$911,132
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	415,347	722,780

C. Assets recognized from costs to obtain or fulfil a contract: None.

(17) Expected credit losses/ (gains)

	For the years ended December 31,	
	2019	2018
Operating expenses – Expected credit losses/(gains)		
Accounts receivables	$85	$292

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its contract assets and accounts receivables (including note receivables, accounts receivables, other receivables and overdue receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2019 and 2018 is as follows:

The Company considered the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

As of December 31, 2019

Group 1		Overdue			
	Not yet due	31-90 days	91-365 days	>=366 days	Total
Total carrying amount	$-	$-	$-	$772,210	$772,210
Loss ratio	0%	0%	0%	100%	
Lifetime expected credit losses	-	-	-	(772,210)	(772,210)
Subtotal	-	-	-	-	-

Group 2		Overdue			
	Not yet due	31-90 days	91-365 days	>=366 days	Total
Total carrying amount	$1,143,063	$6,028	$-	$-	$1,149,091
Loss ratio	0%	1%	0%	0%	
Lifetime expected credit losses	-	(60)	-	-	(60)
Subtotal	1,143,063	5,968	-	-	1,149,031

Group 3		Overdue			
	Not yet due	31-90 days	91-365 days	>=366 days	Total
Total carrying amount	$509,027	$-	$-	$-	$509,027
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	509,027	-	-	-	509,027
Carrying amount					$1,658,058

As of December 31, 2018

Group 1		Overdue			
	Not yet due	31-90 days	91-365 days	>=366 days	Total
Total carrying amount	$-	$-	$-	$772,210	$772,210
Loss ratio	0%	0%	0%	100%	
Lifetime expected credit losses	-	-	-	(772,210)	(772,210)
Subtotal	-	-	-	-	-

Group 2		Overdue			
	Not yet due	31-90 days	91-365 days	>=366 days	Total
Total carrying amount	$1,055,590	$14,528	$-	$-	$1,070,118
Loss ratio	0%	1%	0%	0%	
Lifetime expected credit losses	-	(145)	-	-	(145)
Subtotal	1,055,590	14,383	-	-	1,069,973

Group 3		Overdue			
	Not yet due	31-90 days	91-365 days	>=366 days	Total
Total carrying amount	$447,912	$-	$-	$-	$447,912
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	447,912	-	-	-	447,912
Carrying amount					$1,517,885

Group 1: The Company has exercised recourse against the individual assessment of accounts receivables, other receivables and overdue receivables.

Group 2: The Company's accounts receivables are overdue but not for more than one year.

Group 3: The Company's notes receivables, accounts receivables- related parties and other receivables are not yet due.

The movement in the provision for impairment of note receivables, accounts receivables, other receivables and overdue receivables during 2019 and 2018 was as follows:

	Notes receivables	Accounts receivables	Other receivables	Overdue receivables
As of January 1, 2019	$-	$145	$-	$772,210
Reversal for the current period	-	(85)	-	-
Write off	-	-	-	-
As of December 31, 2019	$-	$60	$-	$772,210
As of January 1, 2018	$-	$437	$-	$793,103
Reversal for the current period	-	(292)	-	-
Write off	-	-	-	(20,893)
As of December 31, 2018	$-	$145	$-	$772,210

(18) Net amount of other revenues and gains and expenses and losses

	For the years ended December 31,	
	2019	2018
Gains on disposal of property, plant, and equipment	$2,957	$25,417

(19) Leases

A. Company as a lessee (applicable to the disclosure requirement under IFRS 16)

The Company has entered into commercial leases on certain offices and plants. These leases have an average life of three to five years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases.

The Company's leases effect on the financial position, financial performance and cash flows are as follows:

1. Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As at December 31,	
	2019	2018 (Note)
Land	$74,164	
Buildings	5,498	
Machinery and equipment	1,271	
Other equipment	24,450	
Total	$105,383	

Note: The Company adopted IFRS 16 since 1 January 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

During the years period ended December 31, 2019, the Company's additions to right-of-use assets amounting to NT$46,051 thousand.

ii. Lease liabilities

	As at December 31,	
	2019	2018 (Note)
Current	$37,051	
Non-current	65,302	
Lease liabilities	$102,353	

Please refer to Note 6.(21)(c) for the interest on lease liabilities recognized during the years ended December 31, 2019 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2019.

Note: The Company adopted IFRS 16 since 1 January 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

2. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2019	2018 (Note)
Land	$24,537	
Buildings	4,579	
Machinery and equipment	15,249	
Other equipment	9,058	
Total	$53,423	

Note: The Company adopted IFRS 16 since 1 January 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

3. Income and costs relating to leasing activities

	For the years ended December 31,	
	2019	2018 (Note)
The expenses relating to short-term leases	$9,227	
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	2,834	

Note: The Company adopted IFRS 16 since 1 January 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

4. Cash outflow relating to leasing activities

During the year period ended 31 December 2019, the Company's total cash outflows for leases amounting to NT$67,953 thousand.

B. Operating lease commitments - Company as a lessee (applicable to the disclosure requirement in IAS 17)

The Company has entered into commercial leases on certain offices and plants. These leases have an average life of three to five years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as of December 31, 2019 and 2018 were as follows:

	As of December 31,	
	2019(Note)	2018
Not later than one year		$26,611
Later than one year and not later than five years		74,286
Total		$100,897

Operating lease expenses recognized were as follows:

	For the years ended December 31,	
	2019(Note)	2018
Minimum lease payments		$38,888

Note: The Company adopted IFRS 16 since 1 January 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(20) Summary statement of employee benefits, depreciation and amortization expenses by function:

	For the years ended December 31,					
	2019			2018		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$2,264,587	$324,345	$2,588,932	$2,325,641	$349,436	$2,675,077
Labor and health insurance	266,850	17,676	284,526	258,169	17,150	275,319
Pension	101,131	35,392	136,523	99,871	33,838	133,709
Directors' remuneration	-	7,922	7,922	-	25,199	25,199
Other employee benefits expense	93,364	13,339	106,703	93,828	14,360	108,188
Depreciation(Note)	1,176,973	33,647	1,210,620	1,163,360	24,869	1,188,429
Amortization	428	3,830	4,258	428	2,963	3,391

The number of employees as of December 31, 2019 and 2018 was 4,669 and 4,729, including 7 non-employee directors, respectively.

According to the Company's Articles of Incorporation, when there is profit of the current year, the Company shall distribute 1.5% of profit of the current year as employees' compensation and no higher than 1.5% of profit of the current year as remuneration to directors. However, the Company's accumulated losses shall have been covered. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit for the current year, the Company did not estimate the amounts of the employees' compensation and remuneration to directors for the year ended December 31, 2019. As such, employees' compensation and remuneration to directors for the year ended December 31, 2018 amounted to both NT$17,194 thousand, recognized as salaries expense.

A resolution was approved at the board meeting held on March 18, 2019 to distribute NT$17,194 thousand in cash as employees' compensation and remuneration to directors of 2018. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2018.

For the year ended December 31, 2019 and 2018, the average employee benefits expense amounted to NT$669 thousand and NT$676 thousand; the average salaries amounted to NT$555 thousand and NT$567 thousand. The adjustment of the average salaries is (1.97)%.

(21) Non-operating income and expenses

A. Other income

	For the years ended December 31,	
	2019	2018
Interest income		
Financial assets measured at amortized cost	$1,624	$2,594
Rental income	32,931	37,229
Dividend income	7,493	13,998
Others	182,325	172,445
Total	$224,373	$226,266

B. Other gains and losses

	For the years ended December 31,	
	2019	2018
Foreign exchange (losses) gains, net	$(21,159)	$57,321
Loss on disposal of investment	-	(86)
Others	(77,749)	(71,345)
Total	$(98,908)	$(14,110)

C. Finance costs

	For the years ended December 31,	
	2019	2018
Interest on borrowings from bank	$260,574	$237,236
Interest on borrowings from intercompany	5,014	-
Interest on lease liabilities	1,610	(Note)
Interest on factoring of accounts receivable	3,077	3,971
Total	$270,275	$241,207

Note: The Company adopted IFRS 16 since 1 January 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(22) Components of other comprehensive income

Year ended December 31, 2019

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(63,970)	$-	$(63,970)	$12,794	$(51,176)
Unrealized losses from equity instruments investments measured at fair value through other comprehensive income	(5,665)	-	(5,665)	-	(5,665)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(701)	-	(701)	-	(701)
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(1,705,017)	-	(1,705,017)	-	(1,705,017)
Total	$(1,775,353)	$-	$(1,775,353)	$12,794	$(1,762,559)

For the year ended December 31, 2018

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(390,304)	-	$(390,304)	$101,650	$(288,654)
Unrealized losses from equity instruments investments measured at fair value through other comprehensive income	(900)	-	(900)	-	(900)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(3,358)	-	(3,358)	-	(3,358)
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(932,623)	-	(932,623)	-	(932,623)
Total	$(1,327,185)	$-	$(1,327,185)	$101,650	$(1,225,535)

(23) Income tax

Based on the amendments to the Income Tax Act announced on February 7, 2018, the Company's applicable corporate income tax rate for the year ended December 31, 2018 has changed from 17% to 20%. The corporate income surtax on undistributed retained earnings has changed from 10% to 5%.

The major components of income tax expense (benefit) are as follows:

Income tax expense (benefit) recognized in profit or loss

	For the years ended December 31,	
	2019	2018
Current income tax expense (benefit):		
Current income tax charge	$11,094	$68,866
Adjustments in respect of current income tax of prior periods	-	1,662
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	(30,651)	(25,852)
Deferred income tax related to changes in tax rates	-	937
Total income tax (benefit) expense	$(19,557)	$45,613

Income tax relating to components of other comprehensive income

	For the years ended December 31	
	2019	2018
Deferred tax benefit:		
Deferred income tax related to changes in tax rates	$-	$(23,589)
Remeasurements of defined benefit plans	(12,794)	(78,061)
Total	$(12,794)	$(101,650)

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2019	2018
Accounting profit before tax from continuing operations	$(1,468,007)	$1,111,899
Tax at the domestic rates applicable to profits in the country concerned	(293,601)	222,380
Net investment income accounted for using the equity method	80,196	(276,696)
Tax effect of revenues exempt from taxation	(1,474)	(2,728)
Tax effect of expenses not deductible for tax purposes	12,439	2,434
Non-deductible offshore tax	11,094	5,242
Corporate income surtax on undistributed retained earnings	-	63,624
Tax effect of deferred tax assets/liabilities	171,789	28,758
Adjustments in respect of current income tax of prior periods	-	1,662
Deferred income tax related to changes in tax rates	-	937
Total income tax expense recognized in profit or loss	$(19,557)	$45,613

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2019

	Beginning balance as of January 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2019
Temporary differences				
Depreciation difference for tax purpose	$(67,760)	$1,682	$-	$(66,078)
Prepaid pension cost difference	82,653	(3,632)	12,794	91,815
Employee benefits	4,211	(2,120)	-	2,091
Unrealized loss due to market price decline of inventories	230,052	32,266	-	262,318
Capitalization of interest	4,318	(1,201)	-	3,117
Provisions of employee benefit obligations	22,038	795	-	22,833
Unrealized gain on foreign exchange	(22,242)	4,294	-	(17,948)
Others	1,656	(1,433)	-	223
Land value increment tax	(204,145)	-	-	(204,145)
Deferred tax (expense)/income		$30,651	$12,794	
Net deferred tax assets/(liabilities)	$50,781			$94,226
Reflected in balance sheet as follows:				
Deferred tax assets				
Deferred tax liabilities	$344,928			$382,396
	$(294,147)			$(288,170)

For the year ended December 31, 2018

	Beginning balance as of January 1, 2018	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2018
Temporary differences				
Depreciation difference for tax purpose	$(60,627)	$(7,133)	$-	$(67,760)
Loss allowance	929	(929)	-	-
Prepaid pension cost difference	6,898	(25,895)	101,650	82,653
Employee benefits	5,381	(1,170)	-	4,211
Unrealized loss due to market price decline of inventories	168,549	61,503	-	230,052
Capitalization of interest	4,691	(373)	-	4,318
Provisions of employee benefit obligations	16,591	5,447	-	22,038
Unrealized gain on foreign exchange	(15,881)	(6,361)	-	(22,242)
Others	1,830	(174)	-	1,656
Land value increment tax	(204,145)	-	-	(204,145)
Deferred tax (expense)/income		$24,915	$101,650	
Net deferred tax assets/(liabilities)	$(75,784)			$50,781
Reflected in balance sheet as follows:				
Deferred tax assets	$204,869			$344,928
Deferred tax liabilities	$(280,653)			$(294,147)

Unrecognized deferred tax assets

As of December 31, 2019 and 2018, deferred tax assets that have not been recognized as they may not be used to offset taxable profits amount to NT$491,648 thousand and NT$252,621 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Company's overseas subsidiaries, as The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2019 and 2018, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregated to NT$3,255,307 thousand and NT$2,341,393 thousand, respectively.

The assessment of income tax returns

As of December 31, 2019, the assessment of the income tax returns of the Company is to 2017.

(24) Earnings per share

Basic earnings per share amounts are calculated by dividing net (loss) profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net (loss) profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2019	2018
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$(1,448,450)	$1,066,286
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	2,908,061	2,908,061
Basic earnings per share (NT$)	$(0.50)	$0.37

	For the years ended December 31,	
	2019(Note)	2018
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)		$1,066,286
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)		2,908,061
Effect of dilution:		
Employees' compensation		1,333
Weighted average number of ordinary shares outstanding after dilution (in thousands)		2,909,394
Diluted earnings per share (NT$)		$0.37

Note：There were not potential ordinary shares as of year ended December 31, 2019, hence not necessary to calculate diluted earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(25) Changes in parent's interest in subsidiaries

Acquisition of new shares in a subsidiary not in proportionate to ownership interest

During the years ended December 31, 2018, the Company paid additional cash to acquire TGCH's new shares issued in the amount of UD$46,782 thousand (NT$1,434,797 thousand), and consequently the ownership interest in TGCH was increased to 93.98%. The difference between the cash paid and the decrease in the non-controlling interests was NT$221 thousand, and was recognized in equity.

7. Related party transactions

The significant transactions for 2019 and 2018 are summarized below:

Name and relationship of related parties

Name of related parties	Relationship with the Company
Taiwan Autoglass Ind. Corp. (TAG)	Subsidiaries
TG Teco Vacuum Insulated Glass Corp. (TVIG)	〃
Hario TG Glass Corp. (HTG) (Note)	〃
Taiwan Glass USA Sales Corp. (TGUS)	〃
Taiwan Glass China Holding Ltd. (TGCH)	〃
TG Qingdao Glass Co., Ltd. (QFG)	〃
TG Changjiang Glass Co., Ltd. (CFG)	〃
TG Donghai Glass Co., Ltd. (DHG)	〃
TG Chengdu Glass Co., Ltd. (CDG)	〃
TG Huanan Glass Co., Ltd. (HNG)	〃

Name of related parties	Relationship with the Company
TG Tianjin Glass Co., Ltd. (TJG)	Subsidiaries
TG Fujian Photovoltaic Glass Co., Ltd. (FPG)	〃
Taichia Glass Fiber Co., Ltd. (TGF)	〃
TG Fengyang Silica Sand Co., Ltd. (FYSS)	〃
TG Xianyang Glass Co., Ltd. (TXY)	〃
TG Taicang Architectural Glass Co., Ltd. (TTAR)	〃
TG Yueda Autoglass Co., Ltd. (TYAU)	〃
TG Anhui Glass Co., Ltd. (TAH)	〃
TG Wuhan Architectural Glass Co., Ltd. (TWAR)	〃
TG Yueda Solar Glass Co., Ltd. (TYSM)	〃
Taichia Chengdu Glass Fiber Co., Ltd. (TCD)	〃
Taichia Bengbu Glass Fiber Co., Ltd. (TBF)	〃
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	Associate
Tai Fong Investment Co., Ltd.	Other related parties
Tai Cheng Investment Co., Ltd.	〃
Tai Yu Investment Co., Ltd.	〃
HO-HO Investment Co., Ltd.	〃
Tai Fong Golf Club	〃
Shihlien International Investment Co., Ltd.	〃
Shihlien Fine Chemical Co., Ltd.	〃
TECO Nanotech Co., Ltd.	〃
TECO Electric & Machinery Co., Ltd.	〃
Information Technology Total Services Corp.	〃
Xue Xue Institute	〃
Xue Xue Foundation	〃
Tes Solutions Co., Ltd.	〃
Kah Hung Corp.	〃
HARIO Co., Ltd. (Note)	〃

Note: Since May 31, 2018, it was not the Company's related party.

Significant transactions with related parties

(1) Sales

	For the years ended December 31,	
	2019	2018
Subsidiaries	$686,365	$635,003
Associate	83	-
Other related parties	6,106	2,010
Total	$692,554	$637,013

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for related parties was month-end 90 days. The outstanding balance at December 31, 2019 and 2018 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Purchases

	For the years ended December 31,	
	2019	2018
Subsidiaries	$33,551	$94,830
Associate	6,790	7,074
Other related parties	395	304
Total	$40,736	$102,208

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are paid on delivery.

(3) Lease

Rental expense

	For the years ended December 31,	
	2019	2018(Note)
Subsidiaries	$-	$15,360
Other related parties	134	25,575
Total	$134	$40,935

The Company has leased offices and land for the year ended December 31, 2019.

The Company has leased offices, plant, warehouse land and equipments for the year ended December 31, 2018. The rents were based on local market price and prepaid for 1 year.

Rental income

	For the years ended December 31,	
	2019	2018
Subsidiaries	$23,698	$28,391

The rental income is due to a lease of plant and warehouse and the rent was based on local market price.

Other receivables

	As of December 31,	
	2019	2018
Subsidiaries	$9,273	$-

Other payables

	As of December 31,	
	2019	2018
Subsidiaries	$8,064	$4,671
Other related parties	422	394
Total	$8,486	$5,065

Unearned rent

	For the years ended December 31,	
	2019	2018
Subsidiaries	$-	$305

Right-of-use asset

	As of December 31,	
	2019	2018
Subsidiaries	$1,271	(Note)
Other related parties	74,954	
Total	$76,225	

Current lease liabilities

	As of December 31,	
	2019	2018
Subsidiaries	$1,280	(Note)
Other related parties	25,804	
Total	$27,084	

Non-current lease liabilities

	As of December 31,	
	2019	2018
Other related parties	$50,338	(Note)

Interest expense

	As of December 31,	
	2019	2018
Subsidiaries	$111	(Note)
Other related parties	1,252	
Total	$1,363	

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(4) Other income (Guarantee income and technical service etc.)

	For the years ended December 31,	
	2019	2018
Subsidiaries		
Taichia Bengbu Glass Fiber Co., Ltd. (TBF)	$22,548	$11,478
Other	89,484	92,024
Subtotal	112,032	103,502
Associate	619	890
Other related parties	5,902	5,968
Total	$118,553	$110,360

(5) Accounts receivable

	As of December 31,	
	2019	2018
Subsidiaries	$217,547	$75,515
Other related parties	3,216	34
Total	220,763	75,549
Less: loss allowance	-	-
Net	$220,763	$75,549

(6) Other receivables (Guarantee fee and technical service fee)

	As of December 31,	
	2019	2018
Subsidiaries		
TCD	$37,872	$37,278
TGF	17,501	25,182
TBF	3,534	24,550
CFG	935	22,064
Others	22,879	64,571
Subtotal	82,721	173,645
Associate	601	915
Other related parties	20	12
Total	$83,342	$174,572

(7) Accounts payable

	As of December 31,	
	2019	2018
Subsidiaries	$1,790	$1,201
Other related parties	-	86
Total	$1,790	$1,287

(8) Contract liabilities-Current

	As of December 31,	
	2019	2018
Subsidiaries		
TYAU	$-	$245,814
Others	20	44
Subtotal	20	245,858
Other related parties	2,065	-
Total	$2,085	$245,858

(9) Other payables

A. Entertainment and exhibition fee

	As of December 31,	
	2019	2018
Subsidiaries	$804	$178
Other related parties	1,075	1,958
Total	$1,879	$2,136

B. Financing

	For the year ended December 31, 2019				
	Maximum balance	Ending balance	rate	Interest expense	Interest payables
Tai Fong Investment Co., Ltd.	$200,000	$200,000	3%	$1,606	$1,751
Ho Ho Investment Co., Ltd.	880,000	880,000	3%	3,255	3,541
Tai Yu Investment Co., Ltd.	500,000	500,000	3%	153	164
		$1,580,000		$5,014	$5,456

Note: Interest expense including capitalized interest was NT$442 thousand.

None as of December 31, 2018.

(10) Others

The Company’s other transactions with subsidiaries and other related parties is as follows:

	As of December 31,	
Other current assets	2019	2018
Subsidiaries	$-	$3

	As of December 31,	
Other current liabilities	2019	2018
Subsidiaries	$43	$-

Operating expenses	For the years ended December 31, 2019	2018
Subsidiaries	$-	$172
Other related parties	3,191	6,328
Total	$3,191	$6,500

Other expenses	For the years ended December 31, 2019	2018
Subsidiaries	$1	$-

(11) The payment term to related parties has no significant difference to other third parties. The outstanding balance at December 31, 2019 and 2018 was unsecured, non-interest bearing and must be settled in cash. The receivables from and the payables to the related parties were not guaranteed.

(12) The Company purchased intangible assets and construction in progress from the other related parties in the amount of NT$1,632 thousand in 2018.

(13)The Company sold property, plant and equipment to the subsidiaries in the amount of NT$23,977 thousand and recognized unrealized gain in the amount of NT$6,642 thousand in 2018.

(14)The Company purchased the right-of-use assets from other related parties in the amount of NT$4,347 thousand in 2019.

(15)The Company derecognized right-of-use assets and lease liabilities from other related parties and recognized profit on disposal of right-of-use assets was NT$33 thousand for the year ended December 31, 2019.

(16) Key management personnel compensation

	For the years ended December 31, 2019	2018
Short-term employee benefits	$32,818	$50,891
Post-employment benefits	1,943	1,952
Total	$34,761	$52,843

8. Assets pledged as security

Assets pledged for security	December 31. 2019	December 31, 2018	Obligee	Secured liabilities
Bank savings (other financial assets - current)	$300	$-	Mizuho Bank	Performance bond

9. Commitments and contingencies

As of December 31, 2019, the contingency and off balance sheet commitments are as follows:

(1) As of December 31, 2019, the outstanding promissory notes signed for business needs, including importing equipment, purchase of equipment, performance bond, and loan guarantee, totaled NT$17,144,990 thousand.

(2) Commodity tax and export tariff were NT$21,213 thousand.

(3) Unsecured balance of letters of credit is as follows:

Currency	Unused Balance (in thousands)
USD	4,432
JPY	75,401
EUR	489
SEK	967
RMB	27,718

(4) Significant contracts of construction in progress and equipment are as follows:

Items	Contract amount	Amount paid	Amount unpaid
Significant contracts of construction in progress and equipment	$632,330	$448,015	$184,315

The above amount paid was recognized as construction in progress under property, plant and equipment and prepayment for equipment under noncurrent assets.

(5) The Company signed the promissory notes in amount of NT$950,000 thousand, US$333,000 thousand and RMB494,000 thousand for its subsidiaries' secured loans.

10. Losses due to major disasters

None.

11. Significant subsequent events

On March 16, 2020, the board of directors of the company approved the proposal for the Subsidiary, Taiwan Glass China Holdings Co., Ltd., to reduce capital in the amount of US$ 80,000 and repatriate the share capital.

12. Others

Financial Instruments

(1) Categories of financial instruments

Financial assets	As of December 31,	
	2019	2018
Financial assets at fair value through other comprehensive income	$257,667	$263,332
Financial assets measured at amortized cost		
Cash and cash equivalents (excluding cash on hand)	507,000	584,141
Receivables	1,658,058	1,517,885
Refundable deposits	7,192	11,517
Subtotal	2,172,250	2,113,543
Total	$2,429,917	$2,376,875

Financial liabilities	As of December 31,	
	2019	2018
Financial liabilities at amortized cost:		
Short-term loans	$2,000,000	$1,900,000
Short-term bills payable	3,741,006	3,295,570
Payables	3,601,172	1,508,398
Long-term loans (including current portion)	12,133,333	11,484,940
Lease liabilities	102,353	(Note)
Deposits-in	759	791
Total	$21,578,623	$18,189,699

Note: The Company adopted IFRS 16 since January 1, 2019. The Company elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and equity risk.

In practice, it is rarely the case that a single risk variable changes independently from other risk variables, there are usually interdependencies between risk variables. The sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency).

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars. The information of the sensitivity analysis is as follows:

When NTD weakens/strengthens against US dollars by 1%, the profit for the years ended of December 31, 2019 and 2018 is decreased/increased by NT$9,632 thousand and NT$7,782 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instrument investments and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2019 and 2018 to be decreased/increased by NT$9,840 thousand and NT$8,510 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

The amount of the investment in the unlisted equity securities is not significant. Therefore, a change in the overall earnings stream of the valuations performed on the invested company would not have a significant impact on the income nor equity attributable to the Company for the years ended December 31, 2019 and 2018.

As of December 31, 2019, a change of 10% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Company's profit by NT$21,097 thousand.

As of December 31, 2018, a change of 10% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Company's profit by NT$21,075 thousand.

(4) Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to The Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2019 and 2018, accounts receivables from top ten customers represented amounts less than 10% of the total accounts receivables of the Company. The credit concentration risk of accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.
The Company makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates. The details of the assessment for the credit risk of the Company are described as follows:

			Total carrying amount as at	
		Measurement method for	As at December 31,	
Level of credit risk	Indicator	expected credit losses	2019	2018
Credit-impaired	Other impaired evidence	Lifetime expected credit losses	$772,210	$772,210
Simplified approach (Note)	(Note)	Lifetime expected credit losses	$1,658,118	$1,518,030

Note: By using simplified approach (loss allowance is measured at lifetime expected credit losses), including accounts and notes receivables and other receivables.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2019					
Short-term loans	$2,005,834	$-	$-	$-	$2,005,834
Short-term bills payable	3,750,000	-	-	-	3,750,000
Payables	3,601,172	-	-	-	3,601,172
Lease liabilities	36,235	61,259	6,620	-	104,114
Long-term loans	4,178,673	7,466,559	606,846	184,911	12,436,989
As of December 31, 2018					
Short-term loans	$1,904,589	$-	$-	$-	$1,904,589
Short-term bills payable	3,300,000	-	-	-	3,300,000
Payables	1,508,398	-	-	-	1,508,398
Long-term loans	5,427,836	4,501,206	1,568,170	370,115	11,867,327

As of December 31, 2019, there was liquidity risk that the Company's current liability exceeded current asset. However, the Company has scheduled other financing plans as well as to approve the proposal for the Subsidiary, Taiwan Glass China Holdings Co., Ltd., to reduct the capital in the amount of US$ 80,000 and repatriate the share capital to mitigate the risk. The Company's management considers that the measures mentioned above could reduce the liquidity risk as of December 31, 2019 significantly.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2019:

	Short-term loans	Short-term bills payable	Long-term loans	Lease liabilities	Total liabilities from financing activities
As of January 1, 2019	$1,900,000	$3,300,000	$11,484,940	$118,371	$16,803,311
Cash flows	100,000	450,000	648,393	(55,892)	1,142,501
Non-cash changes:	-	-	-	39,874	39,874
As of December 31, 2019	$2,000,000	$3,750,000	$12,133,333	$102,353	$17,985,686

Reconciliation of liabilities for the year ended December 31, 2018:

	Short-term loans	Short-term bills payable	Long-term loans	Lease payable	Total liabilities from financing activities
As of January 1, 2018	$300,000	$2,200,000	$10,958,300	$-	$13,458,300
Cash flows	1,600,000	1,100,000	526,640	-	3,226,640
As of December 31, 2018	$1,900,000	$3,300,000	$11,484,940	$-	$16,684,940

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a. The carrying amount of cash and cash equivalents, receivables, payables, refundable deposit and deposits-in approximate their fair value.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.

c. Fair value of equity instruments without market quotations (including unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as recent fund raising activities, valuation of similar companies, individual company's development, market conditions and other economic indicators.

d. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial instruments measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12. (8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Assets measured at fair value

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity securities	$210,970	$-	$46,697	$257,667

As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income	$210,750	$-	$52,582	$263,332

During the years ended December 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of January 1, 2018	$44,159
Total gains and losses recognized for the year ended December 31, 2018:	
Amount recognized in profit or loss	-
Amount recognized in OCI	8,423
Ending balances as of December 31, 2018	52,582
Total gains and losses recognized for the year ended December 31, 2019:	
Amount recognized in profit or loss	-
Amount recognized in OCI	(5,885)
Ending balances as of December 31, 2019	$46,697

Total gains and losses recognized for the years ended December 31, 2019 and 2018 contained gains and losses related to such assets on hand as of December 31, 2019 and 2018 in the amount of NT$(5,885) thousand and NT$8,423 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2019

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT$467 thousand

As of December 31, 2018

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT$526 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6.(10))	$-	$-	$173,677	$173,677

As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6.(10))	$-	$-	$172,543	$172,543

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(in thousands)

	As of					
	December 31, 2019			December 31, 2018		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets						
Monetary items:						
USD	$32,146	29.98	$963,731	25,342	30.715	778,383
Non-Monetary items:						
USD	13,065	29.98	391,684	12,058	30.715	370,351

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

Since there were various functional currencies used, the Company was unable to disclose foreign exchange gains (losses) towards each foreign currency with significant impact. The realized and unrealized foreign exchange (losses) gains was NT$(21,159) thousand and NT$57,321 thousand for the years ended December 31, 2019 and 2018, respectively.

(10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize stockholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, The Company may adjust dividend payment to stockholders, return capital to stockholders or issue new shares.

(11) Information of finance assets transfer

Transferred financial assets that are partially-derecognized in their entirety

The Company entered into a factoring agreement with a financial institution, which is partly with recourse and partly non-recourse. The Company has transferred the right on those non-recourse factoring, and in accordance with the contract, the Company shall not be liable for the credit risks associated with uncollectable receivables (except for commercial disputes), which met the requirements for derecognizing financial assets. The related information is as follows:

As of December 31, 2019:

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	$320,661	$288,595	$288,529	1.08%	$605,000

As of December 31, 2018:

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	$438,775	$394,898	$397,010	1.07%~1.08%	$800,000

13. Other disclosure

(1) Information at significant transactions

A. Lending fund to others: Please refer to Attachment 1.
B. Endorsement/guarantee provided to others: Please refer to Attachment 2.
C. Securities held at the end of the period: Please refer to Attachment 3.
D. Individual securities acquired or disposed of with accumulated amount exceeding NT$300 million or 20 percent of the capital stock or more: Please refer to Attachment 4.
E. Acquisition of real estate with amount exceeding NT$300 million or 20 percent of the capital stock or more: None.
F. Disposal of real estate with amount exceeding NT$300 million or 20 percent of the capital stock or more: None.
G. Related party transactions for purchases and sales amounts exceeding NT$100 million or 20 percent of the capital stock or more: Please refer to Attachment 5.
H. Receivables from related parties with amounts exceeding NT$100 million or 20 percent of capital stock or more: Please refer to Attachment 6.
I. Financial instruments and derivative transactions: None.
J. Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between them: Please refer to Attachment 7.

(2) Information on investees

Information of the investees in which the Company directly or indirectly has significant influence or control: Please refer to Attachment 8.

(3) Information on investments in Mainland China

A. Investee’s name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income or loss, carrying value of the investments, inward remittance of earnings and limits on investments in Mainland China: Please refer to Attachment 9.

B. Directly or indirectly significant transactions through other regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition are disclosed as follows:

a. Accumulated amount and percentage of purchase and related payables at the end of the period: Please refer to Note 7 and Attachment 5.
b. Accumulated amount and percentage of sales and related receivables at the end of the period: Please refer to Note 7 and Attachment 5.
c. Amount of property transaction and related gain or loss: Note 7.
d. Endorsement/guarantee provided to others at the end of the period: Please refer to Attachment 2.
e. Financing provided to others at the end of the period: Note 7.
f. Other significant transactions, such as service provided or received: Please refer to Note 7.

Attachment 1

Financing provided to others for the year ended December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account(Note 2)	Related Party	Balance for the Period (Note 3)	Ending Balance (In Thousands) (Note 8)	Actual Amount provided	Interest Rate	Nature of Financing (Note 4)	Transaction Amounts (Note 5)	Reason for Financing (Note 6)	Allowance for Bad Debt	Collateral		Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
1	TGCH	CFG	Other receivables	Yes	$632,000	$299,800	$254,830	4.03%	2	$-	Need for operating	$-	-	$ -	42,040,544 × 40%= 16,816,218(in thousand)	42,040,544 × 40%= 16,816,218(in thousand)
1	TGCH	QFG	〃	Yes	316,000	299,800	299,800	4.21%	2	-	Need for operating	-	-	-	"	"
1	TGCH	FPG	〃	Yes	729,111	524,291	524,291	4.00%~4.35%	2	-	Need for operating	-	-	-	"	"
1	TGCH	TJG	〃	Yes	2,334,367	702,739	642,779	4.00%~4.09%	2	-	Need for operating	-	-	-	"	"
1	TGCH	TAH	〃	Yes	2,176,300	1,049,300	884,410	3.90%	2	-	Need for operating	-	-	-	"	"
1	TGCH	TCD	〃	Yes	2,483,200	1,199,200	1,199,200	3.96%~4.11%	2	-	Need for operating	-	-	-	"	"
2	CFG	TYAU	〃	Yes	91,605	-	-	-	2	-	Need for operating	-	-	-	3,166,174 × 50%= 1,583,087(in thousand)	3,166,174 × 100%= 3,166,174(in thousand)
2	CFG	TWAR	〃	Yes	23,964	-	-	-	2	-	Need for operating	-	-	-	"	"
3	CDG	TYAU	〃	Yes	158,131	-	-	-	2	-	Need for operating	-	-	-	7,647,201 × 50%= 3,823,601(in thousand)	7,647,201 × 100%= 7,647,201(in thousand)
3	CDG	TYSM	〃	Yes	87,341	81,609	81,609	6.00%	2	-	Need for operating	-	-	-	"	"
3	CDG	HZSS	〃	Yes	149,107	131,932	131,932	0.35%	2	-	Need for operating	-	-	-	"	"
3	CDG	TTAR	〃	Yes	505,927	472,722	343,797	4.13%	2	-	Need for operating	-	-	-	"	"
3	CDG	TXY	〃	Yes	1,343,005	537,184	537,184	0.35%~4.42%	2	-	Need for operating	-	-	-	"	"
3	CDG	TWAR	〃	Yes	1,844,333	1,207,589	1,207,588	0.35%~4.13%	2	-	Need for operating	-	-	-	"	"
4	QFG	TQPT	〃	Yes	107,437	107,437	107,437	-	2	-	Need for operating	-	-	-	1,312,286 × 50%= 656,143(in thousand)	1,312,286 × 100%= 1,312,286(in thousand)
4	QFG	QRG	〃	Yes	183,973	171,899	165,987	-	2	-	Need for operating	-	-	-	"	"
5	HNG	ZZSS	〃	Yes	51,048	13,608	13,608	-	2	-	Need for operating	-	-	-	3,188,157 × 50%= 1,594,079(in thousand)	3,188,157 × 100%= 3,188,157(in thousand)
5	HNG	TJG	〃	Yes	183,664	171,899	159,006	2.10%	2	-	Need for operating	-	-	-	"	"

Attachment 1

Financing provided to others for the year ended December 31, 2019(Continue)

(Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account(Note 2)	Related Party	Maximum Balance for the Period	Ending Balance (In Thousands) (Note 8)	Actual Amount provided	Interest Rate	Nature of Financing (Note 4)	Transaction Amounts (Note 5)	Reason for Financing (Note 6)	Allowance for Bad Debt	Collateral		Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
6	TGF	TCD	Other receivables	Yes	$1,379,800	$859,494	$730,570	5.51%	2	$-	Need for operating	$-	-	$ -	6,079,568 × 50%= 3,039,784(in thousand)	6,079,568 × 100%= 6,079,568(in thousand)
6	TGF	TBF	〃	Yes	1,735,469	1,718,987	1,117,342	5.51%~5.62%	2	-	Need for operating	-	-	-	"	"
7	DHG	QFG	〃	Yes	100,081	48,089	48,089	4.00%	2	-	Need for operating	-	-	-	5,241,736 × 50%= 2,620,868(in thousand)	5,241,736 × 100%= 5,241,736(in thousand)
7	DHG	FPG	〃	Yes	1,720,151	1,607,253	1,607,253	4.00%	2	-	Need for operating	-	-	-	"	"
8	TAH	FYSS	〃	Yes	55,192	51,570	51,570	4.13%	2	-	Need for operating	-	-	-	1,955,054 × 50%= 977,527(in thousand)	1,955,054 × 100%= 1,955,054(in thousand)
9	HZSS	TXY	〃	Yes	25,761	-	-	-	2	-	Need for operating	-	-	-	123,471 × 50%= 61,736(in thousand)	123,471 × 100%= 123,471(in thousand)
10	TXY	TWAR	〃	Yes	7,277	-	-	-	2	-	Need for operating	-	-	-	2,702,805 × 50%= 1,351,403(in thousand)	2,702,805 × 100%= 2,702,805(in thousand)
Total							$10,108,282									

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".

2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: If the economic substance of transactions are financing to others, regardless of which component they recognized as in the financial statements, certain transactions are included herein.

Note 3: Maximum balance of the Company and its subsidiaries' financing to others for the year ended December 31, 2019

Note 4: Nature of financing is coded as follows:

1. The financing occurred due to business transactions

2. The financing occurred due to short-term financing

Note 5: Total amount of the financing is disclosed herein if the financing was related to business transactions. The amount shall mean the transaction amount between the lending entity and the borrower within the most recent year.

Note 6: The reasons and counterparties of the financing are addressed herein as the financing associated with short-term capital needs.

Note 7: The process of providing finance to others, the limits to individual counterparties and the total financing limit for the company should be noted, as well as the computations.

Note 8: If a listed company brings the financing proposal to the board of directors according to Paragraph 1, Article 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,

the company still needs to disclose the resolution amount of the board in the balance to disclose the risk, even if the funds are not appropriated yet.

With the return of the funds afterward, the company should disclose the amount returned to reflect the adjusted risk.

If a listed company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Paragraph 2, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,

the company still needs to disclose the amount approved by the board.

Attachment 2

Endorsement/guarantee provided to others for the year ended December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Endorser/ Guarantor	Endorsee		Limits of Endorsement /Guarantee Amount for	Maximum Balance	Ending Balance (Note 5)	Actual Amount drawn	Amount of Endorsement/	Percentage of Accumulated Endorsement/Guarantee to Net	Limit on the Endorsement/Guarantee Amount (Note 3)	Parent Company Endorsed or Guaranteed for	Subsidiaries Endorsed or	Endorsement or Guarantee for
		Company Name	Relationship										
0	TGI	TAG	2	$20,082,041	$230,500	$230,500	$151,617	$ -	1%	1. In accordance with Article 4 of the Procedures for Endorsement and Guarantee, the Company may provide endorsement/guarantee to others but shall not exceed 120% of its net assets. For endorsement/guarantee to an individual entity, the amount is limited to 50% of the Company's net assets. 2.Subsidiaries may provide endorsement/guarantee to others in the amount which shall not exceed 100% of their net assets. For endorsement/guarantee to an individual entity, the amount is limited to 60% of the subsidiary's net assets. 3.TGI： 40,164,081*120％= 48,196,897(in thousand) 4.TGF： 6,079,568*100％= 6,079,568(in thousand) 5.CFG： 3,166,174*100％= 3,166,174(in thousand) 6.DHG： 5,241,736*100％= 5,241,736(in thousand) 7.TGCH： 42,040,544*100％= 42,040,544(in thousand) 8.QFG： 1,312,286*100％= 1,312,286(in thousand)	Y		
0	TGI	TGCH	2	〃	6,111,625	4,582,135	4,582,135	-	11%		Y		
0	TGI	CFG	2	〃	181,552	-	-	-	0%		Y		Y
0	TGI	FPG	2	〃	464,952	-	-	-	0%		Y		Y
0	TGI	TCD	2	〃	68,505	68,505	-	-	0%		Y		Y
0	TGI	HNG	2	〃	453,450	158,250	158,250	-	0%		Y		Y
0	TGI	TYSM	2	〃	179,820	179,820	89,910	-	0%		Y		Y
0	TGI	TGF	2	〃	853,922	225,952	225,952	-	1%		Y		Y
0	TGI	TJG	2	〃	614,225	466,400	311,875	-	1%		Y		Y
0	TGI	TYAU	2	〃	781,513	527,082	508,505	-	1%		Y		Y
0	TGI	TGF	2	〃	783,650	528,090	528,090	-	1%		Y		Y
0	TGI	TXY	2	〃	1,325,474	874,124	462,600	-	2%		Y		Y
0	TGI	TAH	2	〃	1,995,500	1,387,200	1,235,125	-	3%		Y		Y
0	TGI	TBF	2	〃	4,130,918	4,130,918	3,519,855	-	10%		Y		Y
1	TGF	CFG	4	3,647,741	137,980	85,949	42,975	-	1%				Y
1	TGF	TBF	4	〃	451,802	429,747	63,611	-	7%				Y
1	TGF	TCD	4	〃	1,287,813	1,203,291	816,519	-	20%				Y
2	CFG	TTAR	4	1,899,704	275,960	257,848	162,088	-	8%				Y
2	CFG	TGF	4	〃	505,927	472,722	450,106	-	15%				Y
3	DHG	QFG	4	3,145,042	735,893	687,595	465,803	-	13%				Y
4	TGCH	TGI	3	25,224,326	100,000	50,000	50,000	-	0%			Y	
5	TCD	TQPT	2	787,372	276,412	256,845	216,072	-	20%		Y		Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: Endorsees are disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/ guarantees fot their jointly invested company in proportion to their shareholding percentages.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The process of providing finance to others, the limits to individual counterparties and the total financing limit for the company should be noted, as well as the computations.

Note 4: The maximum amount of the Company and its subsidiaries' endorsement or guarantee to others for the year ended December 31, 2019

Note 5: The Company bears the responsibility of endorsements or guarantees as long as the ceilings on the amount of guarantees or endorsements are approved by banks.

Other occurrences related to endorsement or guarantee shall be included in the balance.

Note 6: Fill in the actual amount drawn from the balance.

Note 7: Fill in "Y" if it belongs to "Parent Company Endorsement or Guarantee for the Subsidiaries", "Subsidiaries Endorsement or Guarantee for the Parent Company", or "Endorsement or Guarantee for Entities in China".

Note 8: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 3

Securities held as of December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of December 31, 2019				Remark
				Shares	Carrying Value (Note 3)	Percentage of Ownership	Fair Value	(Note 4)
TGI	Securities－							
	China Development Financial Holdings	-	Available-for-sale financial assets - non-current	21,681,340	$210,960	0.14%	$210,960	
	Chi-Ye Chemical Corp.	-	〃	659,000	46,697	3.30%	46,697	
	Chang Hwa Commercial Bank, Ltd.	-	〃	314	7	0.00%	7	
	Hua Nan Financial Holdings Co., Ltd.	-	〃	148	3	0.00%	3	
	Total				$257,667			
	Structured deposit－							
CDG	Nanyang Commercial Bank, Chengdu Branch	-	Financial assets at fair value through profit or loss - current	-	$565,849	-	$565,849	
	Financial products－							
FYSS	Commercial Bank of China branch in Fengyang	-	〃	-	$42,974	-	$42,974	

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other marketable securities derived from the above items in the scope of IFRS 9-Financial Instruments.

Note 2: Securities issued by non-related parties are not required to fill in this column.

Note 3: For items measured at fair value, the carrying value is the balance of the book value adjusted by fair value valuation deducting accumulated impairment.

For items not measured at fair value, the carrying value is the book value balance of the historical cost or amortized cost after deducting accumulated impairment.

Note 4: Securities with restrictions because of being provided for security, as pledge or under other covenants should state the number of shares or dollar amount provided for security or pledge and the restriction terms.

Attachment 4

Individual securities acquired or disposed of with accumulated amount exceeding

NT$300 million or 20 percent of the capital stock for the year ended December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Selling Amount	Carrying Value	Gain or Loss on Disposal	Shares	Amount
CDG	Financial products－ Bank of Communications, Qingbaijiang Branch	Financial assets at fair value through profit or loss - current	-	-	-	$478,859	-	$376,214 6,141 (Note4)	-	$880,796	$861,214	$19,582	-	$-
CDG	Structured deposit－ Nanyang Commercial Bank, Chengdu Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	2,061,786 (16,830) (Note4)	-	1,502,979	1,479,107	23,872	-	565,849

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other securities derived from the above items.

Note 2: These columns are filled only if securities are investments accounted for using the equity method.

Note 3: Accumulated amount of securities purchased or sold are calculated at market value to determine whether they exceed NT$300 million or 20% of the capital stock.

Note 4: The amount includes foreign exchange adjustments.

Attachment 5

Related party transactions for purchases and sales amounts exceeding NT$100 million
or 20 percent of capital stock as of for the year ended December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Transaction Details				Details Different from Non-arm's Length Transactions (Note 1)		Notes and Accounts Receivable (Payable)		Remark (Note 2)
			Sale/Purchase	Amount	Percentage of Total Sales or Purchases	Term	Unit Price	Terms	Balance	Percentage of Total Receivable (Payable)	
TGI	QFG	Parent-subsidiary	Sales	$(407,182)	(3)%	3 months	$-	-	$197,159	13%	
TGI	TGF	Parent-subsidiary	Sales	(117,920)	(1)%	3 months	-	-	407	0 %	
TAH	CFG	Affiliate Company	Sales	(260,762)	(9)%	3 months	-	-	159,987	15%	
TAH	TTAR	Affiliate Company	Sales	(390,085)	(14)%	3 months	-	-	294,468	27%	
TAH	TWAR	Affiliate Company	Sales	(265,615)	(10)%	3 months	-	-	176,128	16%	
TCD	TGF	Affiliate Company	Sales	(172,608)	(11)%	3 months	-	-	2,051	0%	
TBF	TGF	Affiliate Company	Sales	(469,931)	(60)%	3 months	-	-	202,146	51%	
QFG	TGUS	Affiliate Company	Sales	(244,961)	(12)%	3 months	-	-	24,399	3 %	
QFG	TPMT	Other related party	Sales	(101,933)	(5)%	3 months	-	-	51,778	7 %	
TJG	TGUS	Affiliate Company	Sales	(149,780)	(8)%	3 months	-	-	11,371	2%	
TXY	XYES	Parent-subsidiary	Sales	(200,777)	(6)%	3 months	-	-	63,685	8%	
TYAU	DYK	Other related party	Sales	(216,201)	(65)%	3 months	-	-	83,235	56%	
QFG	TGI	Parent-subsidiary	Purchases	407,182	23 %	3 months	-	-	(197,159)	(22)%	
TGF	TGI	Parent-subsidiary	Purchases	117,920	4 %	3 months	-	-	(407)	(0)%	
CFG	TAH	Affiliate Company	Purchases	260,762	10 %	3 months	-	-	(159,987)	(18)%	
TTAR	TAH	Affiliate Company	Purchases	390,085	41 %	3 months	-	-	(294,468)	(46)%	
TWAR	TAH	Affiliate Company	Purchases	265,615	35 %	3 months	-	-	(176,128)	(56)%	

Attachment 5

Related party transactions for purchases and sales amounts exceeding NT$100 million
or 20 percent of capital stock as of for the year ended December 31, 2019(Continue)

(Dollar amount expressed in thousands of NTD unless otherwise specified)

			Transaction Details				Details Different from Non-arm's Length Transactions (Note 1)		Notes and Accounts Receivable (Payable)		
Company	Counterparty	Relationship	Sale/Purchase	Amount	Percentage of Total Sales or Purchases	Term	Unit Price	Terms	Balance	Total Receivable (Payable)	Remark (Note 2)
TGF	TCD	Affiliate Company	Purchases	$172,608	6 %	3 months	$-	-	(2,051)	(1)%	
TGF	TBF	Affiliate Company	Purchases	469,931	17 %	3 months	-	-	(202,146)	(68)%	
TGUS	QFG	Affiliate Company	Purchases	244,961	35 %	3 months	-	-	(24,399)	(100)%	
TGUS	TJG	Affiliate Company	Purchases	149,780	22 %	3 months	-	-	(11,371)	(60)%	
XYES	TXY	Parent-subsidiary	Purchases	200,777	100 %	3 months	-	-	(63,685)	(100)%	
HNG	SCJ	Affiliate Company	Purchases	436,498	25 %	3 months	-	-	(239,372)	(59)%	
DHG	SCJ	Affiliate Company	Purchases	523,152	29 %	3 months	-	-	(21,461)	(9)%	
TJG	SCJ	Affiliate Company	Purchases	185,524	13 %	3 months	-	-	(135,956)	(30)%	
QFG	SCJ	Affiliate Company	Purchases	218,689	13 %	3 months	-	-	(82,346)	(9)%	
TAH	SCJ	Affiliate Company	Purchases	338,800	17 %	3 months	-	-	(192,202)	(30)%	
TAH	TRAE	Affiliate Company	Purchases	214,522	11 %	3 months	-	-	(6,336)	(1)%	
CFG	SCJ	Affiliate Company	Purchases	297,090	12 %	3 months	-	-	(58,963)	(7)%	

Note 1: If the related parties' trading terms are different from the general trading terms, the differences and reasons for such differences should be stated in the "Unit price" and "Terms" columns.
Note 2: Transactions with advance receipts and prepayments should state the reasons, the terms of agreements, the amount and the difference from general transactions in the Remark column.
Note 3: Paid-in Capital shall refer to the paid-in capital of parent company.If the issuer's stock is not denominated or the denomination is not NT$10,
the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of f the parent company on the balance sheet.

Attachment 6

Receivables from related parties with amounts exceeding NT$100 million

or 20 percent of capital stock as of for the year ended December 31, 2019 (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Collection		
TGCH	CFG	Parent-subsidiary	Other receivables $279,329	-	$-	-	$-	$-
TGCH	TJG	Parent-subsidiary	Other receivables 647,226	-	-	-	-	-
TGCH	FPG	Parent-subsidiary	Other receivables 527,625	-	-	-	-	-
TGCH	QFG	Parent-subsidiary	Other receivables 305,970	-	-	-	-	-
TGCH	TCD	Parent-subsidiary	Other receivables 1,211,705	-	-	-	-	-
TGCH	TAH	Parent-subsidiary	Other receivables 890,362	-	-	-	-	-
QFG	QRG	Parent-subsidiary	Other receivables 165,987	-	-	-	-	-
QFG	TQPT	Parent-subsidiary	Other receivables 107,437	-	-	-	-	-
CDG	TWAR	Affiliate Company	Other receivables 1,219,296	-	-	-	-	-
CDG	HZSS	Affiliate Company	Other receivables 132,009	-	-	-	-	-
CDG	TXY	Affiliate Company	Other receivables 540,401	-	-	-	-	-
CDG	TTAR	Affiliate Company	Other receivables 355,828	-	-	-	-	-

Attachment 6

Receivables from related parties with amounts exceeding NT$100 million

or 20 percent of capital stock as of for the year ended December 31, 2019(Continue) (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Collection		
TGF	TCD	Affiliate Company	Other receivables $731,859	-	$-	-	$-	$-
TGF	TBF	Affiliate Company	Other receivables 1,137,308	-	-	-	-	-
DHG	FPG	Affiliate Company	Other receivables 1,644,669	-	-	-	-	-
HNG	TJG	Affiliate Company	Other receivables 180,397	-	-	-	-	-
TGI	QFG	Parent-subsidiary	Accounts receivable 197,159	-	-	-	-	-
CFG	TTAR	Affiliate Company	Accounts receivable 123,247	-	-	-	-	-
TBF	TGF	Affiliate Company	Accounts receivable 202,146	-	-	-	-	-
TAH	CFG	Affiliate Company	Accounts receivable 159,987	-	-	-	-	-
TAH	TTAR	Affiliate Company	Accounts receivable 294,468	-	-	-	-	-
TAH	TWAR	Affiliate Company	Accounts receivable 176,128	-	-	-	-	-

Note 1: Fill in information such as related parties account receivables, notes receivable, other receivables, etc.

Note 2: Paid-in Capital shall refer to the paid-in capital of parent company.If the issuer's stock is not denominated or the denomination is not NT$10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of f the parent company on the balance sheet.

Attachment 7

Significant intercompany transactions for the year ended December 31, 2019 (Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Related Party	Counterparty	Relationship with the Company (Note 2)	Transaction Details			
				Account	Amount	Terms	Percentage (Note 3)
0	TGI	QFG	1	Sales revenues	$407,182	The same as export sales	1%
0	〃	TGF	1	〃	117,920	〃	0%
1	TAH	CFG	3	〃	260,762	The same as domestic sales	1%
1	〃	TTAR	3	〃	390,085	〃	1%
1	〃	TWAR	3	〃	265,615	〃	1%
2	TCD	TGF	3	〃	172,608	〃	0%
3	TBF	TGF	3	〃	469,931	〃	1%
4	QFG	TGUS	3	〃	244,961	The same as export sales	1%
5	TJG	TGUS	3	〃	149,780	〃	0%
6	TXY	XYES	1	〃	200,777	The same as domestic sales	0%
0	TGI	QFG	1	Accounts receivable - related parties	197,159		0%
7	CFG	TTAR	3	〃	123,247		0%
3	TBF	TGF	3	〃	202,146		0%
1	TAH	CFG	3	〃	159,987		0%
1	〃	TTAR	3	〃	294,468		0%
1	〃	TWAR	3	〃	176,128		0%
8	TGCH	CFG	1	Other receivables - related parties	279,329		0%
8	〃	TJG	1	〃	647,226		1%
8	〃	FPG	1	〃	527,625		1%
8	〃	QFG	1	〃	305,970		0%
8	〃	TCD	1	〃	1,211,705		1%
8	〃	TAH	1	〃	890,362		1%
4	QFG	QRG	1	〃	165,987		0%
4	〃	TQPT	1	〃	107,437		0%
9	CDG	TWAR	3	〃	1,219,296		1%
9	〃	HZSS	3	〃	132,009		0%
9	〃	TXY	3	〃	540,401		1%
9	〃	TTAR	3	〃	355,828		0%
10	TGF	TCD	3	〃	731,859		1%
10	〃	TBF	3	〃	1,137,308		1%
11	DHG	FPG	3	〃	1,644,669		2%
12	HNG	TJG	3	〃	180,397		0%

Note 1: The Company and its subsidiaries are coded as follows:

1 The Company is coded "0".

2 Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The percentage is determined by the ratio of the transaction amount to the consolidated revenues or the total assets. Items on the balance sheet are calculated by the ending balance to total consolidated assets; items on the income statement are calculated by their cumulative balance to the total consolidated income.

Note 4: The disclosure of significant intercompany transactions in this attachment is determined by the company based on the materiality.

Attachment 8

Names, locations and related information of investee companies as of December 31, 2019 (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Investee (Note 1,2)	Area Within	Nature of Business	Initial Investment		Investment as of December 31, 2019			Profit or Loss of Investee (Note 2)	Gain or Loss on Investment (Note 2,3)	Remark
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership	Carrying Value			
TGI	TGUS	US	Investment in QRG and selling of glasses.	$17,676 USD 461	$17,676 USD 461	4,612	100.00%	$391,684	$31,482	$31,482	
〃	TGCH	Bermuda	Investment in QRG, QFG, YNSS, TGF, CFG, FYSS, CDG, DHG, HZSS, HNG, TKG, TJG, FPG, TXY, TTAR, TYAU, TAH, TYSM, TWAR, TCD, TBF, and SCH.	41,724,578 USD 1,343,151	41,724,578 USD 1,343,151	1,354,033,322	93.98%	39,480,570	(358,069)	(333,951)	
〃	TAG	Taiwan	Investment in TAGH and selling of auto glasses.	263,582	263,582	26,100,000	87.00%	184,431	(80,132)	(69,822)	
〃	TVIG	Taiwan	Selling vacuum insulation glass	438,750	438,750	43,875,000	65.00%	164,673	(43,733)	(28,427)	
TGCH	SCH	Hong Kong	Investment in Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ) and Huaian Shihyuan Brine Co., Ltd. (HSB).	7,861,681 USD 252,088	7,861,681 USD 252,088	1,904,445,986	43.99%	4,219,840	727,343	352,724	
TAG	TAGH	Bermuda	Investment in TYAU.	188,571 USD 6,000	188,571 USD 6,000	6,000,000	100.00%	66,979	(17,297)	(17,297)	

Note 1: A listed company which has a foreign holding company that uses the consolidated financial statements as the master financial report according to its local regulations may disclose information regarding foreign investees only to the extent of the holding company.

Note 2: Fill in information following the instruction below for matters not applied in Note 1 indicated above:

(1) The columns of "Name of investee", "Area Within", "Nature of Business", "Initial Investment" and "Investment as of December 31, 2019" should fill in information of the reinvestment of the listed company, reinvestment of every direct or indirect reinvestment of the investee, and disclose the relationship of the investees with the Company in the Remark column. (Such as subsidiary or sub-subsidiary)

(2) The column of "Profit or Loss of Investee" should fill in the current profit or loss of the investees.

(3) The column of "Gain or Loss on Investment" only require profit / loss of the direct investees and all investees accounted for under the equity method When filling in the above items, make sure the profit / loss of direct investee subsidiaries include the profit or loss of their reinvestments that are required to be recognized.

Attachment 9

Investment in Mainland China as of December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Investee	Nature of Business	Total Amount of Paid-in Capital	Investment Method (Note 1)	Accumulated Outflows of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflows of Investment from Taiwan as of December 31, 2019	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2(ii)c.)	Carrying Value as of December 31, 2019	Accumulated Inward Remittance of Earnings as of December 31, 2019
					Outflow	Inflow						
QRG	Manufacturing of photovoltaic glass	$878,204 USD 29,293 (Note20)	(i)	$32,199 USD 1,074	$- -	$- -	$32,199 USD 1,074	$(40,670)	94.96%	$(38,620)	$108,352	$-
QFG	Manufacturing of flat glasses	2,632,244 USD 87,800 (Note14、Note23)	(ii)	1,420,722 USD 47,389	- -	- -	1,420,722 USD 47,389	(167,352)	93.98%	(157,278)	1,233,286	-
YNSS	Manufacturing of silica sand	120,190 USD 4,009 (Note14)	(ii)	58,131 USD 1,939	- -	- -	58,131 USD 1,939	(20,840)	59.56%	(12,412)	86,680	-
CFG	Manufacturing of flat glasses & low-emission glasses	2,818,120 USD 94,000 （Note8、Note25）	(ii)	2,278,480 USD 76,000	- -	- -	2,278,480 USD 76,000	(23,695)	93.98%	(22,268)	2,975,571	-
FYSS	Manufacturing of silica sand	128,914 USD 4,300 (Note6)	(ii)	62,958 USD 2,100	- -	- -	62,958 USD 2,100	81,358	93.98%	76,460	193,018	-
TGF	Manufacturing of glass fabric & fiber	3,297,800 USD 110,000 (Note13)	(ii)	2,731,658 USD 91,116	- -	- -	2,731,658 USD 91,116	(125,741)	93.98%	(118,171)	5,713,578	-
CDG	Manufacturing of flat glasses & low-emission glasses	2,098,600 USD 70,000 (Note12)	(ii)	1,465,872 USD 48,895	- -	- -	1,465,872 USD 48,895	543,072	93.98%	510,379	7,186,840	-
HZSS	Manufacturing of silica sand	314,790 USD 10,500	(ii)	314,790 USD 10,500	- -	- -	314,790 USD 10,500	(37,287)	93.98%	(35,042)	116,038	-
HNG	Manufacturing of flat glasses & low-emission glasses	3,177,880 USD 106,000 (Note11)	(ii)	2,653,230 USD 88,500	- -	- -	2,653,230 USD 88,500	(17,743)	93.98%	(16,675)	2,996,230	-
DHG	Manufacturing of flat glasses	2,398,400 USD 80,000 (Note9、Note14、Note22)	(ii)	1,499,000 USD 50,000	- -	- -	1,499,000 USD 50,000	257,349	93.98%	241,857	4,926,184	-
TJG	Manufacturing of flat glasses & low-emission glasses	2,878,080 USD 96,000 （Note10、Note24）	(ii)	1,768,820 USD 59,000	- -	- -	1,768,820 USD 59,000	(172,469)	93.98%	(162,087)	589,808	-
FPG	Manufacturing of photovoltaic glass & cell module assembly	2,486,181 USD 82,928 (Note21)	(ii)	1,558,960 USD 52,000	- -	- -	1,558,960 USD 52,000	(417,937)	93.98%	(392,777)	(511,210)	-
SCJ	Manufacturing of soda ash	23,984,000 USD 800,000 (Note15)	(ii)	4,784,568 USD 159,592	- -	- -	4,784,568 USD 159,592	1,407,961	41.34%	582,051	7,834,989	-
HSB	Manufacturing Brine	959,360 USD 32,000 (Note16)	(ii)	179,880 USD 6,000	- -	- -	179,880 USD 6,000	139,400	41.34%	57,628	692,073	-
TXY	Manufacturing of flat glasses	2,998,000 USD 100,000 (Note17)	(ii)	1,948,700 USD 65,000	- -	- -	1,948,700 USD 65,000	268,433	93.98%	252,274	2,540,097	-
TTAR	Manufacturing of low-emission glasses	1,049,300 USD 35,000	(ii)	1,049,300 USD 35,000	- -	- -	1,049,300 USD 35,000	204,671	93.98%	192,350	769,853	-

Attachment 9

Investment in Mainland China as of December 31, 2019(Continue)

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Investee	Nature of Business	Total Amount of Paid-in Capital	Investment Method (Note 1)	Accumulated Outflows of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflows of Investment from Taiwan as of December 31, 2019	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2(ii)b.)	Carrying Value as of December 31, 2019	Accumulated Inward Remittance of Earnings as of December 31, 2019
					Outflow	Inflow						
TAH	Manufacturing of flat glasses	$2,548,300 USD 85,000	(ii)	$2,548,300 USD 85,000	$- -	$- -	$2,548,300 USD 85,000	$59,827	93.98%	$56,226	$1,837,359	$-
TYSM	Manufacturing of solar glasses	1,948,700 USD 65,000 (Note18)	(ii)	1,461,525 USD 48,750	- -	- -	1,461,525 USD 48,750	(123,129)	70.49%	(86,793)	375,307	-
TWAR	Manufacturing of low-emission glasses	1,049,300 USD 35,000	(ii)	1,049,300 USD 35,000	- -	- -	1,049,300 USD 35,000	(29,807)	93.98%	(28,012)	322,528	-
TYAU	Manufacturing of auto glasses	2,038,640 USD 68,000 (Note19)	(ii)	1,043,304 USD 34,800	- -	- -	1,043,304 USD 34,800	(191,688)	55.77%	(106,905)	451,579	-
TBF	Manufacturing of glass fabric	1,798,800 USD 60,000	(ii)	1,798,800 USD 60,000	- -	- -	1,798,800 USD 60,000	(693,983)	93.98%	(652,205)	673,794	-
TCD	Manufacturing of glass fabric	2,938,040 USD 98,000 (Note7)	(ii)	2,788,140 USD 93,000	- -	- -	2,788,140 USD 93,000	(257,398)	93.98%	(241,903)	2,412,677	-

(Dollar amount expressed in thousands of NTD; thousands of USD)

Accumulated Investment in Mainland China as of December 31, 2019	Investment Amount Authorized by Investment Commission, Ministry of Economic Affairs (Note 4)	Limit on Investment Amount to Mainland China
$34,496,637 USD 1,150,655	$40,383,451 USD 1,334,061 and CNY 90,356	(Note 5)

Note 1: The methods for engaging in investment in Mainland China include the following:
(i) Direct investment in Mainland China companies.
(ii) Investment in Mainland China companies through a company invested and established in a third region
(iii) Other methods
Note 2: In the column of profit or loss on investment:
(i) The investment still in preparation and not generating profit or loss yet should be noted.
(ii) The gain or loss on investment were determined based on the following:
a. The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm
b. The financial statements certificated by the CPA of the parent company in Taiwan
c. Others
Note 3: The amount of this attachment are expressed in New Taiwan Dollars.
Note 4: The investment amount was authorized by Investment Commission, Ministry of Economic Affairs.
Note 5: The Company does not have a limit on investment in Mainland China since it qualified as operation headquarter approved by the Industrial Development Bureau, Ministry of Economic Affairs.
Note 6: The TGCH invested the other USD 2,200 thousand to the entity with its own capital.
Note 7: The TGCH invested the other USD 5,000 thousand to the entity with its own capital.
Note 8: The other USD 12,000 thousand was invested by third party through the TGCH.
Note 9: Third party invested USD 3,000 thousand to the entity through the TGCH.
Note 10: Third party invested USD 12,000 thousand to the entity through the TGCH.
Note 11: Third party invested USD 17,000 thousand to the entity through the TGCH; TGCH also invested to the entity USD 500 thousand with its own capital.
Note 12: Third party invested USD 21,000 thousand to the entity through the TGCH.
Note 13: Third party invested USD 17,000 thousand to the entity through the TGCH.
Note 14: The QFG, YNSS, and DHG invested USD 27,800 thousand, USD 592 thousand, and USD13,000 thousand, their unappropriated earnings, respectively to the subsidiary.
Note 15: The SCH, the investee of the TGCH, invested USD 640,408 thousand to the entity with its and third party's capital.
Note 16: The SCH invested USD 26,000 thousand to the entity with third party's capital.
Note 17: The USD 35,000 thousand earnings distributed by CFG and CDG was invested by TGCH. The Company did not provide any funding.
Note 18: The USD 16,250 thousand was invested by the third party. The Company did not provide any funding.
Note 19: The TAGH and third party invested additional USD 6,000 thousand and USD 27,200 thousand to the entity, respectively.
Note 20: The QFG and TGUS invested USD 23,319 thousand and USD 4,774 thousand to the entity, respectively.
Note 21: The FPG raised capital of USD 30,928 thousand through debt for equity swap. The Company did not provide any funding.
Note 22: The DHG raised capital of USD 14,000 thousand through debt for equity swap. The Company did not provide any funding.
Note 23: The QFG raised capital of USD 5,000 thousand through debt for equity swap. The Company did not provide any funding.
Note 24: The TJG raised capital of USD 25,000 thousand through debt for equity swap. The Company did not provide any funding.
Note 25: For the period ended September 30, 2019, the Company was merged with TKG. CFG is the surving company, and TKG is the dissolved company.

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TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Address: 11th Floor, No. 261, Sec. 3, Nanjing E. Rd., Taipei, Taiwan, R.O.C.

Telephone: 886-2-2713-0333

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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Independent Auditor's Report Translated from Chinese

To Taiwan Glass Industrial Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Taiwan Glass Industrial Corporation (the "Company") and its subsidiaries as of December 31, 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2019 and 2018, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2019 and 2018, and their consolidated financial performance and cash flows for the years ended December 31, 2019 and 2018, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits of 2019 consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Order No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on 25 February 2020, and the auditing standards generally accepted in the Republic of China; we conducted our audit of 2018 consolidated financial statements in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2019 consolidated financial statements. 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.

Impairment Valuation of Non-financial assets

As of December 31, 2019, the Company and its subsidiaries' property, plant and equipment amounted to NT$47,732,878 thousand, which accounted for 55% of its total assets, which is relatively material for the consolidated financial statements. Due to the market and economic outlook fluctuations in recent years, some operating units operated in losses which indicated that assets may be impaired. Therefore, the management performed impairment test on related cash-generating units and value in use or net fair value were adopted for the recoverable amounts of different cash generating units. As the estimation of the recoverable amount of the related cash-generating unit requires significant management judgment, we determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the rationality of recoverable amounts used by management, obtaining underlying data of the recoverable amount provided by management (including cash flow forecast, growth rate, real estate and equipment valuation report) and related assumptions and discussing with management; assessing the appraiser's professional competency, experience and reputation in the related field; using the work of internal expert to assist us in considering the discount rate used by management and reviewing the appraiser's valuation and its estimation process to assess whether the reasonable value in the current real estate market were evaluated based on reasonable and supported assumptions; verifying that the source of the assessment report is relevant and reliable to account for the recoverable amounts for impairment assessment used by management.

We also assessed the adequacy of disclosures of property, plant and equipment. Please refer to Notes 4, 5 and 6 to the Company's consolidated financial statements.

Valuation of Inventories

As of December 31, 2019, the Company and its subsidiaries net inventories amounted to NT$9,045,112 thousand, which is relatively material for the consolidated financial statements. The Company and its subsidiaries are engaged in the manufacturing, processing and sale of various glasses which have a wide range of applications in various sectors such as construction, electronics and consumer products industries. Considering the fact that identification of slow-moving inventories and the assessment of the amount of inventory write-downs require significant management judgement based on market demands, we determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policies of evaluating slow-moving and obsolete inventories, understanding and testing the internal controls established by management with respect to the valuation of inventories, including the calculation of net realizable value; sample testing the accuracy of the net realizable values used by management; vouching samples to verify accuracy of inventory aging.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's consolidated financial statements.

Revenue Recognition

Operating revenues recognized by the Company and its subsidiaries amounted to NT$41,775,507 thousand for the year ended December 31, 2019. Reflecting different market demands, trade terms of different contracts varied, along with the fact that some of the sales orders included delivery services, management needed to review the sales orders or contracts to determine the performance obligations and the time of their satisfaction, there is a significant risk in revenue recognition. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the operating effectiveness of internal controls with respect to revenue recognition; selecting samples to perform tests of details and reviewing significant terms and conditions of contracts to verify reasonableness of the timing of revenue recognition; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching them to supporting evidences and reviewing significant subsequent sales return or discounts transactions to ensure the reasonableness of the timing of revenue recognition.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Company's consolidated financial statements.

Emphasis of Matter – Applying for New Accounting Standards

As stated in Note 3 of the Company's consolidated financial statements, the Company and its subsidiaries adopted the International Financial Reporting Standard 16, "Leases" on January 1, 2019, and elected not to restate the Company's consolidated financial statements for prior periods.

Other Matter

We have audited and expressed an unqualified opinion with emphasis of matter on the parent company only financial statements of the Company as of and for the years ended December 31, 2019 and 2018.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's 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 auditor's 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 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 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 internal control of the Company and its subsidiaries.

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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 2019 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Hsiao, Tsui-Hui
Fuh, Wen-Fang

Ernst & Young, Taiwan
March 16, 2020

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

The accompanying consolidated financial statements are intended only to present the financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

		As of December 31,	
ASSETS	NOTE	2019	2018
Current assets			
Cash and cash equivalents	4, 6(1)	$6,245,123	$4,707,247
Financial assets at fair value through profit or loss - current	4, 6(2)	608,823	478,859
Financial assets at amortized cost - current	4, 6(3)	105,230	30,714
Contract assets - current	4, 6(20), 6(21)	299,131	395,754
Notes receivable, net	4, 6(4), 6(21), 7, 8	8,621,448	4,955,530
Accounts receivable, net	4, 6(5), 6(21), 7, 12(11)	4,339,300	4,521,147
Other receivables, net	4, 6(6), 6(21), 7	181,219	214,602
Current income tax assets	4	25,500	28,840
Inventories, net	4, 6(7)	9,045,112	8,851,263
Prepayments	6(12)	1,676,474	1,869,832
Other current financial assets	8	167,934	165,766
Other current assets	7	4,841	6,299
Total current assets		31,320,135	26,225,853
Non-current assets			
Financial assets at fair value through other comprehensive income - non-current	4, 6(8)	257,667	263,332
Investments accounted for using the equity method	4, 6(9), 6(29)	4,231,551	4,136,312
Property, plant and equipment	4, 6(10), 8	47,732,878	50,832,520
Right-of-use assets	4, 6(23), 7	3,041,000	-
Intangible assets	4, 6(11)	54,909	69,657
Deferred tax assets	4, 6(27)	462,453	412,224
Refundable deposits		159,228	197,392
Long-term prepaid rent	6(12)	-	2,887,765
Other non-current assets	4, 6(13), 6(21), 7	64,626	43,340
Total non-current assets		56,004,312	58,842,542
Total assets		$87,324,447	$85,068,395

		As of December 31,	
LIABILITIES AND EQUITY	NOTE	2019	2018
Current liabilities			
Short-term loans	6(14), 7, 8	$7,963,287	$7,040,660
Short-term bills payable	6(15)	3,741,006	3,295,570
Contract liabilities - current	4, 6(20)	812,294	960,526
Notes payable	7	164,628	69,429
Accounts payable	7	6,917,741	3,024,749
Other payables	4, 7	4,102,834	3,070,769
Current income tax liabilities	4	199,180	169,938
Current lease liabilities	4, 6(23) ,7	38,138	-
Current portion of long-term loans	6(16), 7, 8	5,975,364	5,594,435
Other current liabilities, others	7	30,659	25,884
Total current liabilities		29,945,131	23,251,960
Non-current liabilities			
Long-term loans	6(16), 7, 8	11,418,334	11,547,246
Deferred tax liabilities	4, 6(27)	584,203	631,973
Non-current lease liabilities	4, 6(23), 7	72,881	-
Long-term deferred revenue	4, 6(17)	1,243,581	1,249,590
Accrued pension liabilities	4, 6(18)	490,331	467,262
Deposits-in		208,775	187,999
Total non-current liabilities		14,018,105	14,084,070
Total liabilities		43,963,236	37,336,030
Capital	6(19)		
Common stock		29,080,608	29,080,608
Additional paid-in capital	4, 6(19), 6(29)	1,925,218	1,925,218
Retained earnings	6(19)		
Legal reserve		5,935,764	5,829,135
Special reserve		5,102,550	5,102,550
Unappropriated retained earnings		2,496,601	4,973,947
Total retained earnings		13,534,915	15,905,632
Other components of equity	4		
Exchange differences on translation of foreign operations		(4,256,371)	(2,551,354)
Unrealized gains and losses on financial assets at fair value through other comprehensive income		(120,289)	(114,624)
Total other components of equity		(4,376,660)	(2,665,978)
Total equity attributable to stockholders of the parent		40,164,081	44,245,480
Non-controlling interests	6(19)	3,197,130	3,486,885
Total equity		43,361,211	47,732,365
Total liabilities and equity		$87,324,447	$85,068,395

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

		For the years ended December 31,	
	Note	2019	2018
Operating revenues	4, 6(20), 7	$41,775,507	$46,091,494
Operating costs	6(7), 6(11), 6(18), 6(23), 6(24), 7	(38,350,518)	(38,755,048)
Gross profit		3,424,989	7,336,446
Operating expenses	6(11), 6(18), 6(21), 6(23), 6(24), 7		
Selling and marketing expenses		(2,718,984)	(3,113,459)
General and administrative expenses		(1,426,237)	(1,515,355)
Research and development expenses		(376,258)	(425,245)
Expected credit losses and gains		(49,282)	41,113
Subtotal		(4,570,761)	(5,012,946)
Net amount of other revenues and gains and expenses and losses	6(22), 7	(23,349)	74
Operating (loss) income		(1,169,121)	2,323,574
Non-operating income and expenses	6(9), 6(25), 7		
Other income		706,853	673,663
Other gains and losses		(391,952)	(921,323)
Financial costs		(797,768)	(716,330)
Share of income of associates and joint ventures		351,565	195,081
Subtotal		(131,302)	(768,909)
(Loss) Income from continuing operations before income tax		(1,300,423)	1,554,665
Income tax expense	4, 6(27)	(306,355)	(522,685)
Net (loss) income from continuing operations		(1,606,778)	1,031,980
Other comprehensive income	4, 6(9), 6(18), 6(26), 6(27)		
Other comprehensive income that will not be reclassified subsequently:			
Remeasurement of defined benefit obligation		(65,265)	(395,128)
Unrealized losses on equity instruments investment at fair value through other comprehensive income		(5,665)	(900)
Income tax related to components of other comprehensive income that will not be reclassified subsequently		13,283	102,614
Other comprehensive income that will be reclassified subsequently:			
Exchange differences on translation of foreign operations		(1,580,000)	(688,092)
Share of other comprehensive income of associates and joint ventures		(256,326)	(317,817)
Income tax related to components of other comprehensive income that will be reclassified subsequently		-	-
Total other comprehensive income, net of tax		(1,893,973)	(1,299,323)
Total comprehensive income		$(3,500,751)	$(267,343)
Net income attributable to :			
Stockholders of the parent		$(1,448,450)	$1,066,286
Non-controlling interests		(158,328)	(34,306)
		$(1,606,778)	$1,031,980
Comprehensive income attributable to:			
Stockholders of the parent		$(3,211,009)	$(159,249)
Non-controlling interests		(289,742)	(108,094)
		$(3,500,751)	$(267,343)
Earnings per share (NT$)	6(28)		
Earnings per share-basic		$(0.50)	$0.37
Diluted earning per share			$0.37

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY									
	Capital	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
Adjusted balance as of January 1, 2018	$29,080,608	$1,921,575	$5,616,758	$5,102,550	$6,046,802	$(1,615,309)	$(113,724)	$46,039,260	$3,574,702	$49,613,962
Appropriations and distributions of 2017 earnings:										
Legal reserve			212,377		(212,377)			-		-
Cash dividends					(1,454,030)			(1,454,030)		(1,454,030)
Net income in 2018					1,066,286			1,066,286	(34,306)	1,031,980
Other comprehensive income, net of tax in 2018					(292,012)	(932,623)	(900)	(1,225,535)	(73,788)	(1,299,323)
Total comprehensive income	-	-	-	-	774,274	(932,623)	(900)	(159,249)	(108,094)	(267,343)
Increase (decrease) through changes in ownership interests in subsidiaries		3,643				(3,422)		221	(221)	-
Changes in non-controlling interests									32,074	32,074
Decrease through changes in associates accounted for using equity method					(180,722)			(180,722)	(11,576)	(192,298)
Balance as of December 31, 2018	29,080,608	1,925,218	5,829,135	5,102,550	4,973,947	(2,551,354)	(114,624)	44,245,480	3,486,885	47,732,365
Effects of retroactive application and retrospective restatement					2,028		-	2,028	(13)	2,015
Adjusted balance as of January 1, 2019	29,080,608	1,925,218	5,829,135	5,102,550	4,975,975	(2,551,354)	(114,624)	44,247,508	3,486,872	47,734,380
Appropriations and distributions of 2018 earnings:										
Legal reserve			106,629		(106,629)			-		-
Cash dividends					(872,418)			(872,418)		(872,418)
Net loss in 2019					(1,448,450)			(1,448,450)	(158,328)	(1,606,778)
Other comprehensive income, net of tax in 2019					(51,877)	(1,705,017)	(5,665)	(1,762,559)	(131,414)	(1,893,973)
Total comprehensive income	-	-	-	-	(1,500,327)	(1,705,017)	(5,665)	(3,211,009)	(289,742)	(3,500,751)
Balance as of December 31, 2019	$29,080,608	$1,925,218	$5,935,764	$5,102,550	$2,496,601	$(4,256,371)	$(120,289)	$40,164,081	$3,197,130	$43,361,211

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2019	2018
Cash flows from operating activities:		
(Loss) Income before income tax	$(1,300,423)	$1,554,665
Adjustments:		
Depreciation (including investment property)	5,343,041	5,142,696
Amortization	14,916	29,307
Expected credit losses and gains	49,282	(41,113)
Interest expenses	797,768	716,330
Interest income	(94,408)	(50,625)
Dividend income	(7,493)	(13,998)
Share of income of associates and joint ventures	(351,565)	(195,081)
Loss (Gain) on disposal of property, plant and equipment	23,349	(74)
Loss on disposal of investment	-	86
Loss on impairment of non-financial assets	-	376,672
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(129,964)	205,077
Contract assets	96,109	251,091
Notes receivable	(3,706,529)	(1,292,202)
Accounts receivable	184,184	933,157
Other receivables	34,637	(69,390)
Inventories	(193,849)	(1,465,073)
Prepayments	(33,988)	120,434
Other current assets	1,458	(5,076)
Other financial assets - current	(2,168)	54,518
Other operating assets	(3,243)	(357)
Contract liabilities	(148,232)	(239,064)
Notes payable	95,199	(173,246)
Accounts payable	3,892,992	(260,232)
Other payable	(131,007)	(180,497)
Advance receipts	-	55
Other current liabilities, others	4,775	5,634
Net accrued pension liability	(42,196)	(26,948)
Long-term deferred revenue	45,526	(61,229)
Cash inflow generated from operations	4,438,171	5,315,517
Interests received	94,408	50,625
Dividends received	7,493	13,998
Interests paid	(839,129)	(667,956)
Income tax paid	(358,489)	(467,415)
Net cash flows provided by operating activities	3,342,454	4,244,769
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(74,516)	28,494
Acquisition of investments accounted for using the equity method	-	(1,434,797)
Disposal of subsidiaries	-	(15,426)
Capital reduction of investments accounted for using equity method	-	14,788
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(3,755,492)	(4,902,999)
Capitalized borrowing costs of self-constructed assets	(27,170)	(21,040)
Proceeds from disposal of property, plant and equipment	64,379	182,498
Decrease in refundable deposits	38,164	33,757
Acquisition of intangible assets	(2,188)	(3,418)
Acquisition of right-of-use assets	(163,708)	-
Net cash flows used in investing activities	(3,920,531)	(6,118,143)
Cash flows from financing activities:		
Increase in short-term loans	4,963,555	5,321,683
Decrease in short-term loans	(3,858,802)	(4,421,779)
Increase in short-term bills payable	16,400,000	11,250,000
Decrease in short-term bills payable	(15,950,000)	(10,150,000)
Proceeds from long-term loans	2,313,044	8,310,521
Repayments of long-term loans	(1,931,154)	(5,935,167)
Increase in deposits-in	20,776	-
Decrease in deposits-in	-	(10,635)
Increase in other payables to related parties	1,624,821	14,592
Decrease in other payable to related parties	(44,821)	(1,622,016)
Decrease in lease obligations payable - non-current	-	(9,357)
Payments of lease liabilities	(43,941)	-
Cash dividends paid	(859,027)	(1,461,966)
Changes in non-controlling interests	-	58,332
Net cash flows provided by financing activities	2,634,451	1,344,208
Effects of exchange rate changes on cash and cash equivalents	(518,498)	120,576
Net increase (decrease) in cash and cash equivalents	1,537,876	(408,590)
Cash and cash equivalents at the beginning of the year	4,707,247	5,115,837
Cash and cash equivalents at the end of the year	$6,245,123	$4,707,247

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

1. History and organization

Taiwan Glass Industrial Corporation ("the Company") was incorporated on September 5, 1964 and commenced operations in 1967. The main activities of the Company are manufacturing, processing and selling of various glass products. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in July 1973. The Company's registered office and the main business location is at 11F, No. 261, Section 3, Nanjing E. Rd., Taipei, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended December 31, 2019 and 2018 were authorized for issue by the Board of Directors on March 16, 2020.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2019. Apart from the impact of the standards and interpretations which is described below, all other standards and interpretations have no material impact on the Group's financial position and performance.

(1) *IFRS 16"Leases"*

IFRS 16 "Leases" replaces IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases - Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease".

The Group followed the transition provision in IFRS 16 and the date of initial application was January 1, 2019. The impacts arising from the adoption of IFRS 16 are summarized as follows:

A. Please refer to Note 4 for the accounting policies before or after January 1, 2019.

B. For the definition of a lease, the Group elected not to reassess whether a contract was, or contained, a lease on January 1, 2019. The Group was permitted to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 but not to apply IFRS 16 to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. That is, for contracts entered into (or changed) on or after January 1, 2019, the Group need to assess whether contacts are, or contain, leases applying IFRS 16. In comparing to IAS 17, IFRS 16 provides that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assessed most of the contracts are, or contain, leases and no significant impact arose.

C. The Group is a lessee and elects not to restate comparative information in accordance with the transition provision in IFRS 16. Instead, the Group recognized the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

(a) Leases previously classified as operating leases

For leases that were previously classified as operating leases applying IAS 17, the Group measured and recognized those leases as lease liability on January 1, 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019, and; the Group chose, on a lease-by-lease basis, to measure the right-of-use asset at either:

i. its carrying amount as if IFRS 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate on January 1, 2019

On January 1, 2019, the Group's right-of-use asset increased by NT$3,104,884 thousand, prepayment decreased by NT$85,412 thousand, long-term prepaid rent decreased by NT$2,887,765 thousand, and lease liability increased by NT$129,692 thousand. The difference is adjusted to retained earnings and non-control interests for NT$2,028 thousand and NT$(13) thousand, respectively.

In accordance with the transition provision in IFRS 16, the Group used the following practical expedients on a lease-by-lease basis to leases previously classified as operating leases:

i. Apply a single discount rate to a portfolio of leases with reasonably similar characteristics.
ii. Rely on its assessment of whether leases are onerous immediately before January 1, 2019 as an alternative to performing an impairment review.
iii. Elect to account in the same way as short-term leases to leases for which the lease term ends within 12 months of January 1, 2019.
iv. Exclude initial direct costs from the measurement of the right-of-use asset on January 1, 2019.
v. Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

(b) Please refer to Note 4 and Note 6 for additional disclosure of lessee and lessor which required by IFRS 16.

(c) As of January 1, 2019, the impacts arising from the adoption of IFRS 16 are summarized as follows:

i. The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized in the balance sheet on January 1, 2019 was 1.617%~3.094%.

ii. The explanation for the difference of 32,972 thousand between: 1) operating lease commitments disclosed applying IAS 17 as of December 31, 2018, discounted using the incremental borrowing rate on January 1, 2019; and 2) lease liabilities recognized in the balance sheet as of January 1, 2019 is summarized as follows:

Operating lease commitments disclosed applying IAS 17 as of December 31, 2018	$100,897
Discounted using the incremental borrowing rate on January 1, 2019	$96,720
Add: Single immaterial operating lease commitments discounted using the incremental borrowing rate on January 1, 2019	32,972
The carrying value of lease liabilities recognized as of January 1, 2019	$129,692

D. The Group is a lessor and has not made any adjustments. Please refer to Note 4 and Note 6 for the information relating to the lessor.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below:

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Definition of a Business - Amendments to IFRS 3	January 1, 2020
b	Definition of Material - Amendments to IAS 1 and 8	January 1, 2020
c	Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7	January 1, 2020

(a) Definition of a Business - Amendments to IFRS 3

The amendments clarify the definition of a business in IFRS 3 Business Combinations. The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

IFRS 3 continues to adopt a market participant's perspective to determine whether an acquired set of activities and assets is a business. The amendments clarify the minimum requirements for a business; add guidance to help entities assess whether an acquired process is substantive; and narrow the definitions of a business and of outputs; etc.

(b) Definition of a Material - Amendments to IAS 1 and 8

The main amendment is to clarify new definition of material. It states that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

(c) Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7
The amendments include a number of exceptions, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is directly affected if the interest rate benchmark reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. Hence, the entity shall apply the exceptions to all hedging relationships directly affected by the interest rate benchmark reform.

The amendments include:

i. highly probable requirement
When determining whether a forecast transaction is highly probable, an entity shall assume that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the interest rate benchmark reform.

ii. prospective assessments
When performing prospective assessments, an entity shall assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the interest rate benchmark reform.

iii. IAS 39 retrospective assessment
An entity is not required to undertake the IAS 39 retrospective assessment (i.e. the actual results of the hedge are within a range of 80–125%) for hedging relationships directly affected by the interest rate benchmark reform.

iv. separately identifiable risk components
For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at the inception of such hedging relationships.

The amendments also include the end of application of the exceptions requirements and the related disclosures requirements of the amendments.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2020. The abovementioned standards and interpretations have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are not endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 Insurance Contracts	January 1, 2021
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2022

(a) IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full. IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise of the following:

i. estimates of future cash flows;
ii. Discount rate: an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and
iii. a risk adjustment for non-financial risk.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under (1), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2019 and 2018 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations"), IFRSs, IASs, IFRIC and SIC, which are endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
B. exposure, or rights, to variable returns from its involvement with the investee, and
C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. the contractual arrangement with the other vote holders of the investee
B. rights arising from other contractual arrangements
C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. recognizes any surplus or deficit in profit or loss; and
F. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2019	December 31, 2018	
The Company	Taiwan Glass USA Sales Corp. (TGUS)	Holding company investing in Mainland China, selling of glass and etc.	100.00%	100.00%	
〃	Taiwan Glass China Holding Ltd. (TGCH)	Holding company investing in Mainland China	93.98%	93.98%	Note 1
〃	Taiwan Autoglass Ind. Corp. (TAG)	Holding company investing in Mainland China, selling of autoglass etc.	87.00%	87.00%	
〃	TG Teco Vacuum Insulated Glass Corp. (TVIG)	Selling vacuum insulation glass	65.00%	65.00%	
Taiwan Glass USA Sales Corp.	Qingdao Rolled Glass Co., Ltd. (QRG)	Manufacturing of rolled glass	16.30%	16.30%	
Taiwan Glass China Holding Ltd.	Qingdao Rolled Glass Co., Ltd. (QRG)	Manufacturing of rolled glass	4.10%	4.10%	
〃	TG Qingdao Glass Co., Ltd. (QFG)	Manufacturing of flat	100.00%	100.00%	
〃	Yinan Silica Sand Co., Ltd. (YNSS)	Manufacturing of silica sand	63.38%	63.38%	
〃	TG Changjiang Glass Co., Ltd. (CFG)	Manufacturing of flat and low-emission glass	100.00%	100.00%	
〃	TG Fengyang Silica Sand Co., Ltd. (FYSS)	Manufacturing of silica sand	100.00%	100.00%	
〃	Taichia Glass Fiber Co., Ltd. (TGF)	Manufacturing of glass fabric & fiber	100.00%	100.00%	
〃	TG Chengdu Glass Co., Ltd. (CDG)	Manufacturing of flat and low-emission glass	100.00%	100.00%	
〃	TG Hanzhong Silica Sand Co., Ltd. (HZSS)	Manufacturing of silica sand	100.00%	100.00%	
〃	TG Donghai Glass Co., Ltd. (DHG)	Manufacturing of flat glass	100.00%	100.00%	
〃	TG Huanan Glass Co., Ltd. (HNG)	Manufacturing of flat and low-emission glass	100.00%	100.00%	
〃	TG Tianjin Glass Co., Ltd. (TJG)	Manufacturing of flat and low-emission glass	100.00%	100.00%	
〃	TG Kunshan Glass Co., Ltd. (TKG)	Manufacturing of flat glass	-	100.00%	Note 2
〃	TG Fujian Photovoltaic Glass Co., Ltd. (FPG)	Manufacturing of photovoltaic glass and cell module assembly	100.00%	100.00%	
〃	TG Xianyang Glass Co., Ltd. (TXY)	Manufacturing of flat glass and low-emission glass	100.00%	100.00%	
〃	TG Taicang Architectural Glass Co., Ltd. (TTAR)	Manufacturing of low-emission glass	100.00%	100.00%	
〃	TG Wuhan Architectural Glass Co., Ltd. (TWAR)	Manufacturing of low-emission glass	100.00%	100.00%	
〃	TG Anhui Glass Co., Ltd. (TAH)	Manufacturing of flat glass	100.00%	100.00%	

Investor	Subsidiary	Main businesses	Percentage of ownership (%) December 31, 2019	Percentage of ownership (%) December 31, 2018
〃	TG Yueda Autoglass Co., Ltd. (TYAU)	Manufacturing of autoglass	51.18%	51.18%
〃	TG Yueda Solar Glass Co., Ltd. (TYSM)	Manufacturing of solar glass	75.00%	75.00%
〃	Taichia Chengdu Glass Fiber Co., Ltd. (TCD)	Manufacturing of glass fiber	100.00%	100.00%
〃	Taichia Bengbu Glass Fiber Co., Ltd. (TBF)	Manufacturing of glass fiber	100.00%	100.00%
TG Qingdao Glass Co., Ltd.	Qingdao Rolled Glass Co., Ltd. (QRG)	Manufacturing of rolled glass	79.60%	79.60%
〃	TG (Qingdao) Photoelectric Technology Co., Ltd. (TQPT)	Manufacturing of ITO conductive glass	70.00%	70.00%
TG Huanan Glass Co., Ltd.	TG Zhangzhou Silica Sand Co., Ltd. (ZZSS)	Manufacturing of silica sand	100.00%	100.00%
〃	TG Heyuan Mineral Co., Ltd. (HYM)	Mining	60.00%	60.00%
Taiwan Autoglass Ind. Corp.	TAG China Holding Ltd. (TAGH)	Holding company investing in Mainland China	100.00%	100.00%
TAG China Holding Ltd.	TG Yueda Autoglass Co., Ltd. (TYAU)	Manufacturing of autoglass	8.82%	8.82%
TG Xianyang Glass Co., Ltd.	Xianyang Jienengdun Glass Co., Ltd. (XYES)	Selling flat glass	100.00%	100.00%
TG Wuhan Architectural Glass Co., Ltd.	Wuhan Jienengzhixing Glass Co., Ltd. (WHES)	Selling flat glass	100.00%	100.00%
TG Chang Jiang Glass Co., Ltd.	Kunshan Energy Star Glass Co., Ltd. (KSES)	Selling flat glass	100.00%	100.00%

Note 1: For the year ended December 31, 2018, the Company reinvested US$46,782 thousand (equivalent to NT$1,434,797 thousand) in its affiliate in Mainland China through TGCH. As the Company did not acquire new shares in proportion to its ownership in the subsidiary, the Company increased its ownership in TGCH to 93.98% and recognized additional paid-in capital in the amount of NT$3,643 thousand.

Note 2: For the period ended September 30, 2019, TG Kunshan Glass Co., Ltd. was merged with TG Changjiang Glass Co., Ltd.. TG Changjiang Glass Co., Ltd. is the surving company, and TG Kunshan Glass Co., Ltd. is the dissolved company.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Group: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle; or
B. The Group holds the asset primarily for the purpose of trading; or
C. The Group expects to realize the asset within twelve months after the reporting period; or
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle; or
B. The Group holds the liability primarily for the purpose of trading; or
C. The liability is due to be settled within twelve months after the reporting period; or
D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value (include fixed-term deposits that have maturities of 3 months from the date of acquisition).

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

a. the Group's business model for managing the financial assets and

b. the contractual cash flow characteristics of the financial asset.

Financial asset measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, accounts receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b. 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

a. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b. 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.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

   (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
b. the time value of money; and
c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

c. For accounts receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

d. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

a. The rights to receive cash flows from the asset have expired
b. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
c. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

<u>Classification between liabilities or equity</u>

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

A. Raw materials - Purchase cost on a weighted average cost basis.
B. Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets.* If the recoverable amount is under the investment value in use, the Group uses the following measurements to determine the relevant value:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, 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 entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~55 years
Machinery and equipment	1~20 years
Transportation equipment	4~46 years and 1 month
Office equipment	2~20 years
Lease assets	5~12 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Leases

The accounting policy from January 1, 2019 as follows:

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

The accounting policy before January 1, 2019 as follows:

Group as a lessee

Finance leases which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

Intangible assets are all finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

Research and development costs

Research costs are expensed as incurred. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate:

A. The technical feasibility of completing the intangible asset so that it will be available for use or sale
B. Its intention to complete and its ability to use or sell the asset
C. How the asset will generate future economic benefits
D. The availability of resources to complete the asset
E. The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. During the period of development, the asset is tested for impairment annually. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

Accounting policies of the Group's intangible assets are summarized as follows:

	Development costs	Mining Right
Useful lives	Finite	Finite
Amortization method used	Amortized over the period of expected future sales from the related project on a straight-line basis	Amortized over the period of estimated life on a straight-line basis
Internally generated or acquired	Internally generated	Acquired

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is glass(flat glass, glass fiber, and glass container) and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. to the Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The credit period of the Group's sale of goods is from 5 to 255 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. For other services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as advance receipts or temporary receipts.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component arosed.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(18) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(19) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(20) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Inventories

The Group estimates the net realizable value of inventory for damage, obsolescence and price decline. The net realizable value of the inventory is mainly determined based on reliable evidence of expected cash flow. Please refer to Note 6.

C. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

D. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of thefuture salary etc.

E. Revenue recognition – sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Please refer to Note 6 for more details.

F. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for more details on unrecognized deferred tax assets.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2019	2018
Cash on hand	$2,093	$2,159
Checking and savings accounts	4,813,326	4,471,432
Time deposits	1,391,666	92,361
Equivalent cash, including investments in bonds with resale agreements	38,038	141,295
Total	$6,245,123	$4,707,247

(2) Financial assets at fair value through profit or loss

	As of December 31,	
	2019	2018
Financial assets mandatorily measured at fair value through profit or loss:		
Structured deposit	$565,849	$-
Guaranteed financial products	42,974	478,859
Total	$608,823	$478,859

	2019.12.31	2018.12.31
Current	$608,823	$478,859
Non-current	-	-
Total	$608,823	$478,859

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets measured at amortized cost

	As of December 31,	
	2019	2018
Time deposit	$105,230	$30,714

	2019.12.31	2018.12.31
Current	$105,230	$30,714
Non-current	-	-
Total	$105,230	$30,714

Financial assets measured at amortized cost were not pledged. Please refer to Note 12 for more details on credit risk.

(4) Notes receivable and notes receivable – related parties

	As of December 31,	
	2019	2018
Notes receivable arising from operating activities	$8,562,403	$4,853,940
Less: loss allowance	(40,611)	-
Subtotal	8,521,792	4,853,940
Notes receivable from related parties	99,656	101,590
Less: loss allowance	-	-
Subtotal	99,656	101,590
Total	$8,621,448	$4,955,530

As of December 31, 2019, the Group's discounted note receivable amounted to NTD246,942 thousand. Please refer to Note 6.(14) for more details on short-term loans.

The Group assesses impairments according to IFRS 9 to assess the impairment. Please refer to Note 6.(21) for more details on loss allowance and Note 12 for details on credit risk.

(5) Accounts receivable and accounts receivable – related parties

	As of December 31,	
	2019	2018
Accounts receivable	$4,453,886	$4,665,141
Less: loss allowance	(199,328)	(212,423)
Subtotal	4,254,558	4,452,718
Accounts receivable from related parties	84,742	68,429
Less: loss allowance	-	-
Subtotal	84,742	68,429
Total	$4,339,300	$4,521,147

Accounts receivables were not pledged.

Please refer to Note 12.(11) for disclosure on information of accounts receivable transferred.

Trade receivables are generally on 5-255 day terms. The total carrying amount as of December 31, 2019 and 2018 are NT$4,538,628 thousand and NT$4,733,570 thousand, respectively. Please refer to Note 6.(21) for more details on loss allowance of trade receivables for the years ended December 31, 2019 and 2018. Please refer to Note 12 for more details on credit risk management.

(6) Other receivables, net

	As of December 31,	
	2019	2018
Other receivables	$211,538	$246,175
Less: loss allowance	(30,319)	(31,573)
Total	$181,219	$214,602

Please refer to Note 6.(21) for more details on loss allowance of trade receivables for the years ended December 31, 2019 and 2018. Please refer to Note 12 for more details on credit risk management.

(7) Inventories, net

	As of December 31,	
	2019	2018
Raw materials	$2,654,596	$2,449,022
Supplies	685,497	746,507
Work in progress	606,236	601,466
Finished goods	5,098,417	5,053,849
Commodities	366	419
Total	$9,045,112	$8,851,263

The cost of inventories recognized in expenses amounted to NT$38,350,518 thousand and NT$38,755,048 thousand for the years ended December 31, 2019 and 2018, respectively, including:

	For the years ended December 31,	
	2019	2018
Losses for market price decline of inventories	$288,255	$283,044
(Gains) on physical inventory	(6,407)	(41,480)
Loss on work stoppage	560,414	363,866
Revenue from sale of scraps	(163,928)	(179,715)
Additions to operating costs	$678,334	$425,715

No inventories were pledged.

(8) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2019	2018
Equity instrument investments measured at fair value through other comprehensive income – non-current:		
Listed companies stocks	$210,970	$210,750
Unlisted companies stocks	46,697	52,582
Total	$257,667	$263,332

Financial assets at fair value through other comprehensive income were not pledged.

(9) Investments accounted for using the equity method

The following table lists the investments in the associate of the Group:

	As of December 31,			
	2019		2018	
Investees	Carrying amount	Percentage of Ownership	Carrying amount	Percentage of Ownership
Shihlien China Holding Co., Ltd.	$4,219,840	43.99%	$4,122,959	43.99%
Taibo Anhui Energy Co., Ltd.	11,711	20.00%	13,353	20.00%
Totals	$4,231,551		$4,136,312	

A. Information on the material associate of the Group:

Company name: Shihlien China Holding Co., Ltd. (SCH)

Nature of the relationship with the joint venture: SCH is in the business of manufacturing and selling related products in the Group's industry chain. The Group invested in SCH for the purpose of upstream/downstream integration.

Principal place of business (country of incorporation): Hong Kong

The summarized financial information of the associate is as follows:

	As of December 31,	
	2019	2018
Current assets	$5,718,324	$4,201,540
Non-current assets	20,225,286	22,832,238
Current liabilities	(6,941,809)	(8,093,682)
Non-current liabilities	(9,354,077)	(9,438,121)
Equity	9,647,724	9,501,975
the Group's ownership percentage	43.99%	43.99%
Subtotal	4,244,034	4,179,919
Eliminations from intercompany transactions	(24,194)	(56,960)
Carrying amount of the investment	$4,219,840	$4,122,959

	For the years ended December 31,	
	2019	2018
Operating revenue	$11,989,686	$11,596,190
Net income from continuing operations	727,343	532,595
Total other comprehensive income, net of tax	(581,594)	(724,500)
Total comprehensive income	145,749	(191,905)

B. The Group's investments in Taibo Anhui Energy Co., Ltd. (TRAE) is not individually material. The aggregate carrying amount of the Group's interests in TRAE was NT$11,711 thousand and NT$13,353 thousand for the years ended December 31, 2019 and 2018, respectively. The aggregate financial information based on the Group's share of TRAE is as follows:

	For the years ended December 31,	
	2019	2018
Net losses from continuing operations	$(1,159)	$(2,267)
Total other comprehensive income, net of tax	(483)	890
Total comprehensive income	(1,642)	(1,377)

The associates had no contingent liabilities or capital commitments as of December 31, 2019 and 2018, and were not pledged.

(10) Property, plant and equipment

A. Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Lease assets	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2018	$3,805,822	$28,933,860	$73,559,875	$967,397	$2,607,374	$137,127	$2,110,574	$112,122,029
Additions	-	42,602	381,513	30,677	64,668	-	3,896,475	4,415,935
Disposals	-	-	(911,629)	(11,173)	(91,022)	(137,289)	(290)	(1,151,403)
Transfers	-	235,685	1,317,468	18,116	30,347	-	(1,601,616)	-
Exchange effect	314	(363,127)	(870,325)	(12,740)	(38,264)	162	(78,897)	(1,362,877)
Other changes	-	9,734	(185,365)	7,056	80,854	-	900,841	813,120
As of December 31, 2018	3,806,136	28,858,754	73,291,537	999,333	2,653,957	-	5,227,087	114,836,804
Additions	-	149,360	255,092	10,807	115,954	-	1,883,207	2,414,420
Disposals	-	(650)	(509,487)	(38,523)	(52,793)	-	-	(601,453)
Transfers	-	1,314,464	4,567,970	11,385	25,568	-	(5,919,387)	-
Exchange effect	(241)	(871,306)	(2,141,841)	(29,000)	(90,064)	-	(35,710)	(3,168,162)
Other changes	-	741	34,812	25,765	13,645	-	1,025,367	1,100,330
As of December 31, 2019	$3,805,895	$29,451,363	$75,498,083	$979,767	$2,666,267	$-	$2,180,564	$114,581,939

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Lease assets	Construction in progress and equipment awaiting examination	Total
Depreciation and impairment:								
As of January 1, 2018	$-	$13,268,443	$44,223,750	$651,443	$2,011,236	$35,805	$-	$60,190,677
Depreciation	-	1,167,036	3,832,730	30,356	110,941	1,433	-	5,142,496
Transfers	-	-	376,672	-	-	-	-	376,672
Disposals	-	-	(838,872)	(10,248)	(82,579)	(37,280)	-	(968,979)
Transfers	-	-	-	-	-	-	-	-
Exchange effect	-	(153,628)	(571,527)	(7,308)	(30,482)	42	-	(762,903)
Other changes	-	4,758	(31,647)	-	53,210	-	-	26,321
As of December 31, 2018	-	14,286,609	46,991,106	664,243	2,062,326	-	-	64,004,284
Depreciation	-	1,159,446	3,864,136	35,868	154,201	-	-	5,213,651
Disposals	-	(283)	(425,691)	(37,231)	(50,421)	-	-	(513,626)
Transfers	-	-	-	-	-	-	-	-
Exchange effect	-	(380,865)	(1,385,097)	(16,990)	(71,746)	-	-	(1,854,698)
Other changes	-	(577)	27	-	-	-	-	(550)
As of December 31, 2019	$-	$15,064,330	$49,044,481	$645,890	$2,094,360	$-	$-	$66,849,061
Net carrying amount as of:								
December 31, 2019	$3,805,895	$14,387,033	$26,453,602	$333,877	$571,907	$-	$2,180,564	$47,732,878
December 31, 2018	$3,806,136	$14,572,145	$26,300,431	$335,090	$591,631	$-	$5,227,087	$50,832,520

With respect to the flat glass business department, some of the subsidiaries in China suffered operating loss due to market impact and economic outlook, as a result the Group wrote off some machinery equipment to recoverable amount, and its fair value hierarchy was categorized at Level 3. The above fair value was evaluated by an independent external appraiser, and the evaluation methods adopted include comparison method and cost method. The key assumptions included replacement costs, physical depreciation, and economic devaluation. Based on the assessment results, the Group recognized impairment loss in the amount of NT$376,672 thousand in 2018 under other gains and losses. Please refer to Note 6.(25) for more details.

B. Capitalized borrowing costs of property, plant and equipment are as follows:

Item	For the years ended December 31, 2019	2018
Construction in progress	$27,170	$21,040
Capitalization rate of borrowing costs	1.43%~5.23%	1.53%~5.20%

C. Components of machinery and equipment that have different useful lives are furnace and platinum, which are depreciated over 12 years and 20 years, respectively.

D. Please refer to Note 8 for more details on property, plant and equipment under pledge.

(11) Intangible assets

	Development costs	Mining rights	Other intangible assets	Total
Cost:				
As of January 1, 2018	$66,730	$109,273	$33,251	$209,254
Addition-internal development	-	-	3,418	3,418
Addition-acquired separately	-	-	(295)	(295)
Transfers	-	-	5,467	5,467
Exchange effect	(1,160)	(1,900)	(120)	(3,180)
As of December 31, 2018	65,570	107,373	41,721	214,664
Addition-internal development	-	-	2,188	2,188
Addition-acquired separately	-	-	-	-
Transfers	-	-	-	-
Exchange effect	(2,606)	(4,267)	(327)	(7,200)
As of December 31, 2019	$62,964	$103,106	$43,582	$209,652
Amortization and impairment:				
As of January 1, 2018	$51,849	$42,099	$24,226	$118,174
Amortization	14,898	8,349	6,060	29,307
Disposal	-	-	(295)	(295)
Transfers	-	880	(880)	-
Exchange effect	(1,177)	(903)	(99)	(2,179)
As of December 31, 2018	65,570	50,425	29,012	145,007
Amortization	-	8,069	6,847	14,916
Disposal	-	-	-	-
Transfers	-	-	-	-
Exchange effect	(2,606)	(2,336)	(238)	(5,180)
As of December 31, 2019	$62,964	$56,158	$35,621	$154,743
Net carrying amount as of:				
December 31, 2019	$-	$46,948	$7,961	$54,909
December 31, 2018	$-	$56,948	$12,709	$69,657

Amortization expense of intangible assets under the statement of comprehensive income:

	For the years ended December 31,	
	2019	2018
Operating costs	$1,930	$16,852
General and administrative expenses	10,986	10,455
Research and development costs	-	-
Other losses	2,000	2,000
Total	$14,916	$29,307

(12) Prepaid rent

	As of December 31,	
	2019(Note)	2018
Current (recorded as prepayments)		$84,680
Non-current (recorded as long-term prepaid rent)		2,887,765
Total		$2,972,445

Prepaid rent above is the land use right for the subsidiaries in Mainland China.

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(13) Other non-current assets

	As of December 31,	
	2019	2018
Investment property	$17,926	$17,938
Advance payments in equipment	18,056	-
Overdue receivables	772,210	772,210
Less: loss allowance	(772,210)	(772,210)
Overdue receivables, net	-	-
Others	28,644	25,402
Net	$64,626	$43,340

No investment property was pledged.

Please refer to Note 6.(21) for more details on loss allowance of trade receivables for the years ended December 31, 2019 and 2018. Please refer to Note 12 for more details on credit risk management.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties is NT$173,677 thousand and NT$172,543 thousand, as of December 31, 2019 and 2018 respectively. The fair value has been determined based on valuations performed by an independent appraiser. The valuation method used is direct capitalized method and market approach, and the inputs used are as follows:

Direct capitalization method:

	As of December 31,	
	2019	2018
Income capitalization rate	1.42%~2.24%	1.42%~2.24%

(14) Short-term loans

	As of December 31,	
	2019	2018
Discounted note receivable	$246,942	$-
Unsecured bank loans	2,348,095	2,123,766
Secured bank loans	5,368,250	4,916,894
Total	$7,963,287	$7,040,660
Discount rates	2.90%~3.40%	-
Unsecured interest rates	0.90%~4.57%	1.00%~5.44%
Secured interest rates	1.63%~6.09%	3.76%~6.41%

A. The Group's unused short-term lines of credits amounted to NT$2,390,677 thousand and NT$3,260,074 thousand as of December 31, 2019 and 2018 respectively.

B. The above loans were guaranteed by the Company, its subsidiaries and other related parties. Please refer to Note 7.(16) for more details. Furthermore, please refer to Note 8 for more details on pledge.

(15) Short-term bills payable

	As of December 31,	
	2019	2018
Short-term bills payable	$3,750,000	$3,300,000
Less: unamortized discount	(8,994)	(4,430)
Net	$3,741,006	$3,295,570
Interest rates	1.388%~1.568%	1.388%~1.400%

(16) Long-term loans

Details of long-term loans as of December 31, 2019 and 2018 are as follows:

				As of December 31,		
Lenders	Terms	Credit Line	Interest Rate	2019	2018	Redemption
Chang-Hwa Bank	2015.09.01-2020.09.01	NTD1,200,000	Floating interest rate	$200,000	$400,000	8 equal installments of the principal made every 6 months from the sixth year after borrowing date
Hua-Nan Bank	2015.12.23-2022.12.29	NTD3,000,000	〃	1,800,000	2,400,000	Repayable semiannually from June 23, 2018.
Hua-Nan Bank	2017.05.26-2019.05,26	NTD1,000,000	〃	-	1,000,000	Principal repaid at maturity
Hua-Nan Bank	2019.05.27-2021.05,27	NTD1,000,000	〃	1,000,000	-	Principal repaid at maturity
King's Town Bank	2016.03.30-2023.03.30	NTD1,100,000	〃	700,000	900,000	Repayable semiannually from March 30, 2018
COTA Commercial Bank	2016.09.05-2019.09.05	NTD100,000	〃	-	24,940	12 quarter installments of principal and interest from December 5, 2016
KGI Bank	2017.01.05-2019.01.05	NTD300,000	〃	-	260,000	Principal repaid at maturity

Lenders	Terms	Credit Line	Interest Rate	As of December 31, 2019	2018	Redemption
KGI Bank	2019.01.04-2021.01,04	NTD300,000	〃	300,000	-	Principal repaid at maturity
O-Bank	2016.12.06-2019.12.06	NTD1,000,000	〃	-	1,000,000	Principal repaid at maturity
O-Bank	2019.11.15-2022.11.15	NTD1,000,000	〃	1,000,000	-	Principal repaid at maturity
Mega Bank	2019.06.20-2022.06.20	NTD300,000	〃	300,000	-	The 12-month period following the drawdown is the first installment, and each of the three following months is deemed one installment. The credit limit is reduced by 30%, 30%, and 40%.
Taichung Commercial Bank	2017.12.20-2020.12.20	NTD500,000	〃	500,000	-	Principal repaid at maturity
JihSun Bank	2017.12.25-2019.12.25	NTD300,000	〃	-	300,000	Principal repaid at maturity
JihSun Bank	2019.08.09-2020.06.27	NTD300,000	〃	300,000	-	6 equal installments of the principal made every month from January 1, 2020.
Far Eastern International Bank	2017.12.07-2019.12.07	NTD500,000	〃	-	500,000	Principal repaid at maturity
Far Eastern International Bank	2019.12.06-2021.12.06	NTD500,000	〃	500,000	-	Principal repaid at maturity
Bank of PanShin	2017.12.14-2019.12.14	NTD200,000	〃	-	200,000	Principal repaid at maturity
Bank of PanShin	2019.12.16-2021.12.16	NTD200,000	〃	200,000	-	Principal repaid at maturity
Bank of Kaohsiung	2017.12.14-2019.12.14	NTD300,000	〃	-	300,000	Principal repaid at maturity
Bank of Kaohsiung	2019.12.13-2021.12.13	NTD300,000	〃	300,000	-	Principal repaid at maturity
Union Bank of Taiwan	2017.09.07-2019.03.07	NTD600,000	〃	-	600,000	Principal repaid at maturity
Union Bank of Taiwan	2019.03.07-2020.09.07	NTD600,000	〃	600,000	-	Principal repaid at maturity
Taiwan Cooperative Bank	2018.06.25-2021.06.25	NTD500,000	〃	500,000	500,000	12 equal installments of principal and interest from July 25, 2020.
Bank of China	2019.02.01-2021.01.31	NTD400,000	〃	400,000	-	Principal repaid at maturity
Shin Kong Commercial Bank	2018.06.27-2020.08.06	NTD300,000	〃	300,000	300,000	Principal repaid at maturity
The Export-Import Bank of the Republic of China	2018.08.01-2023.08.01	NTD600,000	〃	533,333	600,000	9 equal installments of the principal made every 6 months from August 1, 2019.
EnTie Commercial Bank	2018.08.20-2020.08.20	NTD500,000	〃	500,000	500,000	Principal repaid at maturity
Shanghai Commercial & Savings Bank	2018.09.05-2021.09.05	NTD200,000	〃	200,000	200,000	Principal repaid at maturity
Taiwan Business Bank	2018.10.18-2025.10.18	NTD1,000,000	〃	1,000,000	1,000,000	11 equal installments of the principal made every 6 months from October 18, 2020.

Lenders	Terms	Credit Line	Interest Rate	As of December 31, 2019	2018	Redemption
Chang Hwa Bank	2018.12.21-2021.12.21	NTD500,000	〃	500,000	500,000	4 equal installments of the principal made every 6 months from June 21, 2020.
Bank SinoPac	2019.03.28-2021.03.27	NTD500,000	〃	500,000	-	Principal repaid at maturity
Cathay United Bank	2018.11.20-2023.11.20	USD25,000	〃	749,500	460,725	7 equal installments of principal and interest made every 6 months from November 20, 2020
Mega Bank	2018.01.22-2023.01.16	USD60,000	〃	1,798,800	1,842,900	7 installments of principal and interest made every 6 months from January 22, 2020
Mega Bank	2018.06.12-2021.06.12	USD30,000	〃	899,400	921,450	3 installments of principal and interest starting from June 12, 2020
Shanghai Commercial & Savings Bank	2016.04.07-2019.04.07	USD10,000	〃	-	46,073	6 equal installments of the principal made every 6 months. US$1.7 million were repaid for the first 5 installments, and the last installment were repaid at US$1.5 million.
Shanghai Commercial & Savings Bank	2016.04.19-2019.04.18	USD15,000	〃	-	76,788	6 equal installments of the principal made from October 18, 2016.
Shanghai Commercial & Savings Bank	2018.12.20-2021.07.24	USD15,000	〃	499,700	307,150	Principal repaid US$ 10 million on December 19, 2021 and US$ 5 million on July 24, 2022
Far Eastern International Bank	2018.12.24-2020.12.24	USD15,000	〃	449,700	460,725	Principal repaid at maturity
Bank of Kaohsiung	2018.12.24-2021.12.24	USD10,000	〃	299,800	307,150	Principal repaid at maturity
KGI Bank	2018.11.27-2020.11.27	USD16,000	〃	-	491,440	Principal repaid at maturity
O-Bank	2017.08.17-2020.08.17	USD7,000	〃	89,940	153,575	6 installments of the principal made every 6 months from February 17, 2018. US$1 million were repaid for the first 5 periods , and the last installment were repaid at US$2 million.
O-Bank	2018.05.14-2021.05.14	USD10,000	〃	164,890	261,078	6 equal installments of the principal made every 6 months from November 14, 2018. US$1.5 million were repaid for the first 5 installments, and the last installment were repaid at US$2.5 million.

Lenders	Terms	Credit Line	Interest Rate	As of December 31, 2019	As of December 31, 2018	Redemption
First bank	2018.05.28-2021.05.28	USD12,000	〃	176,886	233,000	6 installments of principal and interest starting from November 28, 2019. 10% each repaid in the first 4 installments and 30% each in the last two installments.
Chailease International Finance Corporation	2017.07.06-2020.05.30	RMB12,000	Fixed Rate	4,693	19,502	Principal repaid by month.
Rural Commercial Bank	2018.10.16-2021.10.15	RMB50,000	〃	177,056	75,185	10 equal installments of the principal made from February 8, 2019. RMD300 thousand repaid at the first 5 installments, RMB24,100 thousand at the 9th repayment, and RMB15,300 thousand the last repayment
Subtotal				17,393,698	17,141,681	
Less: current portion of long-term loans				(5,975,364)	(5,594,435)	
Total				$11,418,334	$11,547,246	

Note 1: As of December 31, 2019 and 2018, part of long-term loans contained covenants that required the Group to maintain certain financial ratios such as (1) the current ratio, (2) the ratio of the total liabilities to the net tangible assets, (3) the ratio of EBITDA to interest expense and (4) the tangible assets net worth amount.

Note 2: The above loans were guaranteed by the Company, its subsidiaries and other related parties. Please refer to Note 7.(16) for more details. Furthermore, please refer to Note 8 for more details on pledge.

(17) Long-term deferred revenue

Government grant

	For the years ended December 31, 2019	For the years ended December 31, 2018
Beginning balance	$1,249,590	$1,332,855
Received during the period	118,423	41
Released to the statement of comprehensive income	(72,897)	(61,270)
Exchange effect	(51,535)	(22,036)
Ending balance	$1,243,581	$1,249,590

	As of December 31, 2019	As of December 31, 2018
Non-current deferred revenue - government grants related to assets	$1,243,581	$1,249,590

Government grants have been received for prepaid long-term rent and property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

(18) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2019 and 2018 were NT$322,181 thousand and NT$324,419 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is managed in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT$77,843 thousand to its defined benefit plan during the 12 months beginning after December 31, 2019.

Apart from the abovementioned pension funds, the Group has another fund managed by the pension fund management committee, and the plan is categorized as follows:

	As of December 31,	
	2019	2018
Investments with quoted prices in an active market		
Equity instruments-domestic	92%	96%
Debt instruments-domestic	8%	4%
Others	0%	0%

The durations of the defined benefits plan obligation as of December 31, 2019 and 2018 are 5 and 6 years, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2019 and 2018 are as follows:

	For the years ended December 31,	
	2019	2018
Current period service costs	$36,217	$40,542
Interest income or expense	3,634	694
Past service cost	-	-
Payments from the plan	-	-
Total	$39,851	$41,236

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	December 31, 2019	December 31, 2018	January 1, 2018
Defined benefit obligation at January 1,	$2,098,802	$2,203,668	$2,181,935
Plan assets at fair value	(1,608,471)	(1,736,406)	(2,082,853)
Other non-current liabilities - Accrued pension liabilities recognized on the consolidated balance sheets	$490,331	$467,262	$99,082

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2018	$2,181,935	$2,082,853	$99,082
Current period service costs	40,542	-	40,542
Net interest expense (income)	15,274	14,580	694
Subtotal	2,237,751	2,097,433	140,318
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(983)	-	(983)
Actuarial gains and losses arising from changes in financial assumptions	(4,852)	-	(4,852)
Experience adjustments	83,983	-	83,983
Return on plan assets	-	(316,980)	316,980
Subtotal	78,148	(316,980)	395,128
Payments from the plan	(112,231)	(112,231)	-
Contributions by employer	-	68,184	(68,184)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2018	2,203,668	1,736,406	467,262
Current period service costs	36,217	-	36,217
Net interest expense (income)	17,172	13,538	3,634
Subtotal	2,257,057	1,749,944	507,113
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	443	-	443
Actuarial gains and losses arising from changes in financial assumptions	4,241	-	4,241
Experience adjustments	31,950	-	31,950
Return on plan assets	-	(28,631)	28,631
Subtotal	36,634	(28,631)	65,265
Payments from the plan	(194,889)	(194,889)	-
Contributions by employer	-	82,047	(82,047)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2019	$2,098,802	$1,608,471	$490,331

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2019	2018
Discount rate	0.66%	0.76%~0.78%
Expected rate of salary increases	1.00%	1.00%

A sensitivity analysis for significant assumption as of December 31, 2019 and 2018 is as shown below:

	Effect on the defined benefit obligation			
	2019		2018	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.5%	$-	$17,010	$-	$28,325
Discount rate decrease by 0.5%	124,801	-	102,981	-
Future salary increase by 0.5%	123,458	-	101,747	-
Future salary decrease by 0.5%	-	17,035	-	28,399

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(19) Equities

A. Common stock

The Company's authorized capital were both NT$30,000,000 thousand as of December 31, 2019 and 2018. The Company's issued capital were both NT$29,080,608 thousand as of December 31, 2019 and 2018, each at a par value of NT$10. The Company has issued both 2,908,061 thousand common shares as of December 31, 2019 and 2018. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	As of December 31,	
	2019	2018
Additional paid-in capital	$1,540,300	$1,540,300
Increase through changes in ownership interests in subsidiaries	258,091	258,091
Expired employee stock warrants	23,661	23,661
Gains on disposal of assets	103,166	103,166
Total	$1,925,218	$1,925,218

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its stockholders in proportion to the number of shares being held by each of them.

C. Rained earnings and dividend policies

According to the Company's Articles of Incorporation, the Company's annual earnings, if any, shall first set aside 1.5% as employee bonuses and no higher than 1.5% as directors and supervisor's remunerations. Nevertheless, the Company shall first make up for losses if there is accumulated losses. The Company shall make distributions from its net income (less any deficit) in the following order:

a. Offset an accumulated deficit.
b. Set aside 10% as legal reserve.
c. Set aside or reverse special reserve.
d. Following distributions of items "a" to "c" indicated above, the remaining amount, if any, shall be proposed by the board of directors at a board meeting to be distributed as shareholders dividends and bonuses.

Based on the Company's plan to achieve healthy financial standing, whether to distribute the beginning undistributed earnings should consider the actual operation of the year and the budget planning for the following year, to evaluate the necessity of providing funding via earnings distribution so as to determine the most appropriate dividend policy for sustainable business development. The said shareholders dividend and bonus distribution shall not be less than 50% of the distributable earnings after deducting the above items "a" to "c" from current net income. The Company's Articles of Incorporation further provide that no more than 1% of the dividends to shareholders, if any, could be paid in the form of share dividends. At least 20% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the stockholders.

Following the adoption of TIFRS, the FSC on April 6, 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to stockholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company's adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from stockholders' equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from stockholders' equity. For any subsequent reversal of other net deductions from stockholders' equity, the amount reversed may be distributed. The special reserves booked from first-time adoption of International Financial Reporting Standards were both NT$3,232,749 thousand as of December 31, 2019 and 2018, respectively. The Company did not reverse special reserve to retained earnings for using, disposing of or reclassifying relevant assets in 2019 and 2018.

Details of the 2019 and 2018 earnings distribution and dividends per share as approved by Board of Directors' meeting on March 16, 2020 and by the stockholders' meeting on June 19, 2019, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2019	2018	2019	2018
Legal reserve	$-	$106,629	$-	$-
Common stock-cash dividend	-	872,418	-	0.3
Common stock-stock dividend	-	-	-	-

Please refer to Note 6.(24) for further details on employees' compensation and remuneration to directors.

D. Non-controlling interests

	For the years ended December 31,	
	2019	2018
Beginning balance	$3,486,885	$3,574,702
The effects arising from adoption of IFRS 16	(13)	-
Net gains (losses) attributable to non-controlling interests	(158,328)	(34,306)
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	(115,878)	(54,734)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(15,431)	(18,552)
Actuarial (losses) gains on defined benefit	(105)	(502)
Acquisition of new shares in a subsidiary not in proportionate to ownership interest	-	(221)
Changes in associates accounted for using equity method	-	(11,576)
Capital increased by cash	-	58,332
Cash dividends from a subsidiary	-	(8,000)
Other	-	(18,258)
Ending balance	$3,197,130	$3,486,885

(20) Operating revenues

	For the years ended December 31,	
	2019	2018
Sale of goods	$41,775,507	$46,091,494

Analysis of revenue from contracts with customers during the years ended December 31, 2019 and 2018 are as follows:

A. Disaggregation of revenue:

The timing of revenue recognition was at a point in time. Please refer to Note 14 Segment Information for more details.

B. Contract balances

a. Contract assets - current

	December 31, 2019	December 31, 2018	January 1, 2018
Sales of goods	$314,267	$410,376	$661,467
Less: loss allowance	(15,136)	(14,622)	-
Net	$299,131	$395,754	$661,467

Please refer to Note 6.(21) for more details on the impairment impact

The significant changes in the Group's balances of contract assets during the years ended December 31, 2019 and 2018 are as follows:

	For the years ended December 31,	
	2019	2018
The opening balance transferred to trade receivables	$395,754	$661,467
Acquisition	314,267	410,376
Impairment	(15,136)	(14,622)

b. Contract liabilities - current

	December 31 2019	December 31 2018	January 1, 2018
Sales of goods	$812,294	$960,526	$1,199,590

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2019 and 2018 are as follows:

	For the years ended December 31,	
	2019	2018
The opening balance transferred to revenue	$960,526	$1,199,590
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	812,294	960,526

C. Assets recognized from costs to obtain or fulfil a contract: None.

(21) Expected credit losses/ (gains)

	For the years ended December 31,	
	2019	2018
Operating expenses – Expected credit losses/(gains)		
Contract assets	$(1,142)	$(14,898)
Notes receivables	(39,219)	-
Accounts receivables	(8,921)	56,011
Total	$(49,282)	$41,113

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its contract assets and accounts receivables (including note receivables, accounts receivables, other receivables and overdue receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2019 and 2018 are as follows:

A. The total carrying amount of contract asset for the years ended December 31, 2019 and 2018 amounted to NT$314,267 thousand and NT$410,376 thousand, respectively. Loss allowance for the years ended December 31, 2019 and 2018 were NT$15,136 thousand and NT$14,622 thousand which were both measured at expected credit loss ratio of 0% ~ 20%.

B. The Group considered the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

As of December 31, 2019

Group 1		Overdue			
	Not yet due	31-90 days	91-360 days	>=361 days	Total
Total carrying amount	$-	$-	$-	$1,053,610	$1,053,610
Loss ratio	-	-	-	96.59%	
Lifetime expected credit losses	-	-	-	(1,017,653)	(1,017,653)
Subtotal	-	-	-	35,957	35,957

Group 2

	Overdue				
	Not yet due	31-90 days	91-360 days	>=361 days	Total
Total carrying amount	$3,597,543	$524,960	$156,870	$-	$4,279,373
Loss ratio	0.28%	1.30%	5.00%	0%	
Lifetime expected credit losses	(10,160)	(6,804)	(7,851)	-	(24,815)
Subtotal	3,587,383	518,156	149,019	-	4,254,558

Group 3

	Overdue				
	Not yet due	31-90 days	91-360 days	>=361 days	Total
Total carrying amount	$8,851,452	$-	$-	$-	$8,851,452
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	8,851,452	-	-	-	8,851,452
Carrying amount					$13,141,967

As of December 31, 2018

Group 1

	Overdue				
	Not yet due	31-90 days	91-360 days	>=361 days	Total
Total carrying amount	$-	$-	$-	$1,034,788	$1,034,788
Loss ratio				96.30%	
Lifetime expected credit losses	-	-	-	(996,456)	(996,456)
Subtotal	-	-	-	38,332	38,332

Group 2

	Overdue				
	Not yet due	31-90 days	91-360 days	>=361 days	Total
Total carrying amount	$3,832,515	$555,482	$84,471	$-	$4,472,468
Loss ratio	0.27%	0.95%	4.87%	0%	
Lifetime expected credit losses	(10,376)	(5,263)	(4,111)	-	(19,750)
Subtotal	3,822,139	550,219	80,360	-	4,452,718

Group 3		Overdue			
	Not yet due	31-90 days	91-360 days	>=361 days	Total
Total carrying amount	$5,200,229	$-	$-	$-	$5,200,229
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	5,200,229	-	-	-	5,200,229
Carrying amount					$9,691,279

Group 1: The Group has exercised recourse against the individual assessment of accounts receivables, other receivables and overdue receivables.

Group 2: The Group's accounts receivables are overdue but not for more than one year.

Group 3: The Group's notes receivables, accounts receivables- related parties and other receivables are not yet due.

The movement in the provision for impairment of contract assets, note receivables, accounts receivables, other receivables and overdue receivables during 2019 and 2018 was as follows:

	Contract assets	Notes receivables	Accounts receivables	Other receivables	Overdue receivables
As of January 1, 2019	$14,622	$-	$212,423	$31,573	$772,210
Reversal for the current period	1,142	39,219	8,921	-	-
Write off	-	-	(10,758)	-	-
Reclass	-	3,008	(3,008)	-	-
Foreign exchange effects	(628)	(1,616)	(8,250)	(1,254)	-
As of December 31, 2019	$15,136	$40,611	$199,328	$30,319	$772,210
As of January 1, 2018	$-	$-	$280,928	$32,132	$793,103
Reversal for the current period	14,898	-	(56,011)	-	-
Write off	-	-	(9,164)	-	(20,893)
Foreign exchange effects	(276)	-	(3,330)	(559)	-
As of December 31, 2018	$14,622	$-	$212,423	$31,573	$772,210

(22) Net amount of other revenues and gains and expenses and losses

	For the years ended December 31,	
	2019	2018
Gains (losses) on disposal of property, plant, and equipment	$(23,448)	$74
Gain on disposal of right-of-use asset	99	-
	$(23,349)	$74

(23) Leases

A. Group as a lessee (applicable to the disclosure requirement under IFRS 16)

The Group leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment, office equipment and other equipment. The lease terms range from three to five years. There are no restrictions placed upon the Group by entering into these leases.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

a. Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2019	2018 (Note)
Land	$3,000,969	
Buildings	12,785	
Other equipment	27,246	
Total	$3,041,000	

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

During the years ended December 31, 2019, the Group's additions to right-of-use assets amounting to NT$195,792 thousand.

ii. Lease liabilities

	As of December 31,	
	2019	2018 (Note)
Current	$38,138	
Non-current	72,881	
Lease liabilities	$111,019	

Please refer to Note 6.(25)(c) for the interest on lease liabilities recognized during the years ended December 31, 2019 and refer to Note 12.(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2019.

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

b. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2019	2018 (Note)
Land	$112,010	
Buildings	6,013	
Other equipment	11,354	
Total	$129,377	

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

c. Income and costs relating to leasing activities

	For the years ended December 31,	
	2019	2018 (Note)
The expenses relating to short-term leases	$15,768	
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	4,656	

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

d. Cash outflow relating to leasing activities

During the year ended December 31, 2019, the Group's total cash outflows for leases amounting to NT$228,073 thousand.

B. Operating lease commitments - Group as a lessee (applicable to the disclosure requirement in IAS 17)

The Group has entered into commercial leases on certain offices and plants. These leases have an average life of three to five years with no renewal option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases as of December 31, 2019 and 2018 are as follows:

	As of December 31,	
	2019(Note)	2018
Not later than one year		$26,611
Later than one year and not later than five years		74,286
Total		$100,897

Operating lease expenses recognized are as follows:

	For the years ended December 31,	
	2019(Note)	2018
Minimum lease payments		$38,888

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(24) Summary statement of employee benefits, depreciation and amortization expenses by function:

	For the years ended December 31,					
	2019			2018		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$4,658,969	$1,064,426	$5,723,395	$4,791,033	$1,199,927	$5,990,960
Labor and health insurance	370,490	59,346	429,836	369,943	59,724	429,667
Pension	258,355	103,590	361,945	257,905	107,670	365,575
Other employee benefits expense	144,848	34,463	179,311	138,331	37,453	175,784
Depreciation(Note)	4,934,283	362,063	5,296,346	4,854,851	258,981	5,113,832
Amortization(Note)	1,930	10,986	12,916	16,852	10,455	27,307

Note: The differences between the amount stated above and the depreciation stated in the Consolidated Statements of Cash Flows was recognized in other gains and losses.

According to the Company's Articles of Incorporation, when there is profit of the current year, the Company shall distribute 1.5% of profit of the current year as employees' compensation and no higher than 1.5% of profit of the current year as remuneration to directors. However, the Company's accumulated losses shall have been covered. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit for the current year, the Company did not estimate the amounts of the employees' compensation and remuneration to directors for the year ended December 31, 2019. As such, employees' compensation and remuneration to directors for the year ended December 31, 2018 amounted to both NT$17,194 thousand, recognized as salaries expense.

A resolution was approved at the board meeting held on March 18, 2019 to distribute NT$17,194 thousand in cash as employees' compensation and remuneration to directors of 2018. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2018.

(25) Non-operating income and expenses

A. Other income

	For the years ended December 31,	
	2019	2018
Interest income		
Financial assets measured at amortized cost	$94,408	$50,625
Rental income	52,444	10,570
Dividend income	7,493	13,998
Others	552,508	598,470
Total	$706,853	$673,663

B. Other gains and losses

	For the years ended December 31,	
	2019	2018
Foreign exchange (losses) , net	$(187,442)	$(336,786)
Impairment losses (Note)	-	(376,672)
Loss on disposal of investment	-	(86)
Others	(204,510)	(207,779)
Total	$(391,952)	$(921,323)

Note: The Group wrote off part of machinery equipment to recoverable amount in 2018. Please refer to Note 6.(10).

C. Finance costs

	For the years ended December 31,	
	2019	2018
Interest on borrowings from bank	$785,189	$664,981
Interest on borrowings from intercompany	7,788	46,406
Interest on lease liabilities	1,714	(Note)
Interest for finance lease	(Note)	41
Interest on factoring of accounts receivable	3,077	4,902
Total	$797,768	$716,330

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(26) Components of other comprehensive income

Year ended December 31, 2019

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(65,265)	$-	$(65,265)	$13,283	$(51,982)
To be reclassified to profit or loss in subsequent periods:	(5,665)	-	(5,665)	-	(5,665)
Exchange differences resulting from translating the financial statements of foreign operations					
Unrealized gains from available-for-sale financial assets	(1,580,000)	-	(1,580,000)	-	(1,580,000)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(256,326)	-	(256,326)	-	(256,326)
Total	$(1,907,256)	$-	$(1,907,256)	$13,283	$(1,893,973)

Year ended December 31, 2018

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(395,128)	$-	$(395,128)	$102,614	$(292,514)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(900)	-	(900)	-	(900)
Unrealized gains from available-for-sale financial assets	(688,092)	-	(688,092)	-	(688,092)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(317,817)	-	(317,817)	-	(317,817)
Total	$(1,401,937)	$-	$(1,401,937)	$102,614	$(1,299,323)

(27) Income tax

Based on the amendments to the Income Tax Act announced on February 7, 2018, the Company’s applicable corporate income tax rate for the year ended December 31, 2018 has changed from 17% to 20%. The corporate income surtax on undistributed retained earnings has changed from 10% to 5%.

The major components of income tax expense (benefit) are as follows:

Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2019	2018
Current income tax expense:		
Current income tax charge	$356,259	$466,519
Adjustments in respect of current income tax of prior periods	25,180	42,153
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	(75,084)	13,067
Deferred income tax related to changes in tax rates	-	946
Total income tax expense	$306,355	$522,685

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2019	2018
Deferred tax expense:		
Deferred income tax related to changes in tax rates	$-	$23,589
Remeasurement of defined benefit plans	13,283	79,025
Total	$13,283	$102,614

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2019	2018
Accounting (loss) profit before tax from continuing operations	$(1,300,423)	$1,554,665
Tax at the domestic rates applicable to profits in the country concerned	(515,965)	373,028
Net investment income accounted for using the equity method	83,943	(274,793)
Tax effect of revenues exempt from taxation	(1,474)	(2,727)
Tax effect of expenses not deductible for tax purposes	56,327	2,770
Tax effect of income tax deduction	(84,003)	(16,460)
Non-deductible offshore tax	11,093	5,243
Corporate income surtax on undistributed retained earnings	-	63,624
Tax effect of other deferred tax assets/liabilities	687,768	325,759
Adjustments in respect of current income tax of prior periods	27,778	39,750
Deferred income tax related to changes in tax rates	-	937
Others	40,888	5,554
Total income tax expense recognized in profit or loss	$306,355	$522,685

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2019

	Beginning balance as of January 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance as of December 31, 2019
Temporary differences					
Depreciation difference for tax purpose	$(67,760)	$1,682	$-	$-	$(66,078)
Loss allowance	312	(270)	-	-	42
Unrealized allowance for receivables	9,436	3,590	-	(523)	12,503
Prepaid pension cost difference	91,920	(7,137)	13,283	-	98,066
Employee benefits	4,211	(2,120)	-	-	2,091
Unrealized loss due to market price decline of inventories	247,787	46,432	-	(1,199)	293,020
Unrealized intragroup profits and losses	5,240	3,529	-	-	8,769
Capitalization of interest	4,318	(1,201)	-	-	3,117
Provisions of employee benefit obligations	23,066	807	-	-	23,873
Unrealized loss on foreign exchange	-	58	-	-	58
Unrealized gain on foreign exchange	(22,291)	4,345	-	-	(17,946)
Government grants	(337,777)	29,538	-	12,205	(296,034)
Amortization of government grants	24,279	(2,736)	-	(851)	20,692
Others	1,655	(1,433)	-	-	222
Land value increment tax	(204,145)	-	-	-	(204,145)
Deferred tax income/ (expense)		$75,084	$13,283	$9,632	
Net deferred tax assets/(liabilities)	$(219,749)				$(121,750)
Reflected in balance sheet as follows:					
Deferred tax assets	$412,224				$462,453
Deferred tax liabilities	$(631,973)				$(584,203)

For the year ended December 31, 2018

	Beginning balance as of January 1, 2019	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance as of December 31, 2019
Temporary differences					
Depreciation difference for tax purpose	$(60,627)	$(7,133)	$-	$-	$(67,760)
Loss allowance	929	(617)	-	-	312
Unrealized allowance for receivables	20,664	(11,074)	-	(154)	9,436
Prepaid pension cost difference	16,467	(27,161)	102,614	-	91,920
Employee benefits	5,381	(1,170)	-	-	4,211
Unrealized loss due to market price decline of inventories	227,970	20,052	-	(235)	247,787
Unrealized intragroup profits and losses	17,525	(12,285)	-	-	5,240
Capitalization of interest	4,691	(373)	-	-	4,318
Provisions of employee benefit obligations	17,736	5,330	-	-	23,066
Unrealized loss on foreign exchange	39	(39)	-	-	-
Unrealized gain on foreign exchange	(15,965)	(6,326)	-	-	(22,291)
Government grants	(373,768)	30,050	-	5,941	(337,777)
Amortization of government grants	27,797	(3,092)	-	(426)	24,279
Others	1,830	(175)	-	-	1,655
Land value increment tax	(204,145)	-	-	-	(204,145)
Deferred tax income/ (expense)		$(14,013)	$102,614	$5,126	
Net deferred tax assets/(liabilities)	$(313,476)				$(219,749)
Reflected in balance sheet as follows:					
Deferred tax assets	$341,029				$412,224
Deferred tax liabilities	$(654,505)				$(631,973)

The following table contains information of the unused tax losses of the Group:

Year	Tax losses for the period	Unused tax losses as of December 31, 2019	2018	Expiration year
2012	$38,793	$8,881	$8,881	2022
2013	337,600	47,427	47,427	2023
2014	2,582,174	838,435	1,702,939	2019
2014	236,539	76,462	76,462	2024
2015	4,155,645	2,424,314	2,584,028	2020
2015	97,612	97,612	97,612	2025
2016	2,202,249	1,451,985	1,593,611	2021
2016	53,200	53,200	53,200	2026
2017	1,131,146	984,299	1,164,206	2022
2017	173,796	111,265	173,796	2027
2018	1,125,237	1,083,849	1,348,796	2023
2018	216,746	172,945	216,746	2028
2019	1,500,226	1,403,693	-	2024
2019	851,450	851,450	-	2029
Total		$9,605,817	$9,067,704	

Unrecognized deferred tax assets

As of December 31, 2019 and 2018, deferred tax assets that have not been recognized as they may not be used to offset taxable profits amounted to NT$2,450,973 thousand and NT$2,157,421 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2019 and 2018, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregated to NT$3,255,307 thousand and NT$2,341,393 thousand, respectively.

The assessment of income tax returns

As of December 31, 2019, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2017
TAG	Assessed and approved up to 2017
TVIG	Assessed and approved up to 2017
TGCH	Not required
TAGH	Not required
Subsidiaries in Mainland China	Assessed and approved up to 2018

(28) Earnings per share

Basic earnings per share amounts are calculated by dividing net (loss) profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net (loss) profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2019	2018
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$(1,448,450)	$1,066,286
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	2,908,061	2,908,061
Basic earnings per share (NT$)	$(0.50)	$0.37

	For the years ended December 31,	
	2019	2018
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)		$1,066,286
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)		2,908,061
Effect of dilution:		
Employees' compensation		1,333
Weighted average number of ordinary shares outstanding after dilution (in thousands)		2,909,394
Diluted earnings per share (NT$)		$0.37

There were not potential ordinary shares as of year ended December 31, 2019, hence not necessary to calculate diluted earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(29) Changes in parent's interest in subsidiaries

Losing control of a subsidiary

The Company disposed of 50% ownership of HTG on May 31, 2018 and lost its control. The price was NT$18,258 thousand.

As of May 31, 2018, the book value of HTG's assets and liabilities is as follows:

	Book value
Cash and cash equivalents	$33,598
Receivables	3,669
Prepayments	22
Refundable deposits	9
Payables	(135)
Current income tax liabilities	(628)
Other current liabilities	(19)
Identifiable net assets	$36,516

Proceeds of disposal (under other receivable)	$18,258
Add: non-Controlling interest (50% of identifiable net assets)	18,258
Less: identifiable net assets	(36,516)
Net	$-

Acquisition of new shares in a subsidiary not in proportion to ownership interest

For the year ended December 31, 2018 the Company paid additional cash to acquire TGCH's new shares issued in the amount of US$46,782 thousand (NT$1,434,797 thousand), and consequently its ownership interest in TGCH was increased to 93.98%. Following is a schedule of interests owned in TGCH including changes in non-controlling interests and adjustments to accumulated other comprehensive income:

	For the years ended December 31,	
	2019	2018
Cash consideration receive	$-	$-
Adjustment to non-controlling interests	-	221
Recognized in the capital reserve attributable to parent company	$-	$221

(30) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of Incorporation and operation	As of December 31, 2019	As of December 31, 2018
TGCH and subsidiaries	Bermuda	6.02%	6.02%

	As of December 31, 2019	As of December 31, 2018
Accumulated balances of material non-controlling interest:		
TGCH and subsidiaries	$3,080,632	$3,344,154

	For the years ended December 31, 2019	For the years ended December 31, 2018
Profit (losses) allocated to material non-controlling interest:		
TGCH and subsidiaries	$(132,588)	$(13,415)

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized information of profit or loss of TGCH and subsidiaries for the years ended December 31, 2019 and 2018:

	For the years ended December 31, 2019	For the years ended December 31, 2018
Operating revenue	$29,989,090	$33,304,357
Profit or loss for the period from continuing operations	(493,727)	1,398,229
Total comprehensive income for the period	(2,320,663)	382,245

Summarized information of financial position of TGCH and subsidiaries of December 31, 2019 and 2018:

	As of December 31, 2019	As of December 31, 2018
Current assets	$24,773,919	$20,267,755
Non-current assets	39,259,745	42,752,634
Current liabilities	16,307,055	10,932,179
Non-current liabilities	5,047,626	7,088,487

Summarized cash flow information of TGCH and subsidiaries for the years ended December 31, 2019 and 2018:

	For the years ended December 31,	
	2019	2018
Operating activities	$1,550,388	$3,904,730
Investing activities	(2,376,075)	(4,949,784)
Financing activities	707,682	1,018,422
Net increase in cash and cash equivalents	3,830,132	108,218

7. Related party transactions

The significant transactions for 2019 and 2018 are summarized below:

Name and Relationship of Related Parties

Name of related parties	Relationship with the Company
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	Associates
Taibo Anhui Energy Co., Ltd.	〃
Tai Fong Investment Co., Ltd.	Other related parties
Ho Ho Investment Co., Ltd.	〃
Tai Cheng Investment Co., Ltd.	〃
Tai Yu Investment Co., Ltd.	〃
Tai Chia Investment Co., Ltd.	〃
Lim Ken Seng Kah Kai Co., Ltd.	〃
Tai Fong Golf Club	〃
Shihlien Apex Huaian Technology Co., Ltd.	〃
Shihlien Apex Yancheng Technology Co., Ltd.	〃
Shihlien Apex EV Leasing Jiangsu	〃
Shihlien Apex EV Leasing Huaian	〃
Shihlien International Investment Co., Ltd.	〃
Shihlien Fine Chemical Co., Ltd.	〃
Power Source New Energy Jian	〃
Shenzhen Taizhi Photoelectric Materials Technology Co., Ltd. (TPMT)	〃
Xue Xue Institute	〃
Xue Xue Foundation	〃
Dongfeng Yueda Kia Motors Co., Ltd. (DYK)	〃
Jiangsu Yueda Mobis Trade Co., Ltd.	〃
Jiangsu Yueda Group Co., Ltd.	〃
Jiangsu Yueda Group Finance Co., Ltd.	〃
Yueda Automobile Development Co., Ltd.	〃
Jiangsu Yueda Xingye Auto Parts Co., Ltd.	〃
Jiangsu Yueda Printing Co., Ltd.	〃
Jiangsu Yueda Auto Parts Logistics Co., Ltd.	〃

Name of related parties	Relationship with the Company
Jiangsu Yueda Advertising Media Co., Ltd.	〃
Jiangsu Yueda Package & Transportation Co., Ltd.	〃
Yancheng Yueda Can Green Photovoltaic Power Co., Ltd.	〃
Jiangsu Yueda Health Management Service Co., Ltd.	〃
Global Car Sharing & Rental Yueda Yancheng Co., Ltd.	〃
Jiangsu Yueda Glovis Logistic Co., Ltd.	〃
TECO Nanotech Co., Ltd.	〃
TECO Electric & Machinery Co., Ltd.	〃
Tong-An Investment Co., Ltd.	〃
Information Technology Total Services Corp.	〃
T E S Solutions Co., Ltd.	〃
KAH HUNG CORP.	〃
Nippon Parts Co., Ltd.	〃
Pilkington Automotive Belgium NV.	〃
Pilkington Automotive Finland OY	〃
Nippon Sheet Glass Co., Ltd.	〃
NSG Purchase&Supply Co., Ltd.	〃
Pilkington North America Inc.	〃
Pilkington Technology Management Limited	〃
HARIO Co., Ltd. (Note)	〃

Note: Since May 31, 2018, it was no longer Group's related party.

Significant transactions with related parties

(1) Sales

	For the years ended December 31,	
	2019	2018
Associates	$29,920	$19,469
Other related parties	469,231	504,554
Total	$499,151	$524,023

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for related parties was month-end 90 days. The outstanding balance at December 31, 2019 and 2018 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Purchases

	For the years ended December 31,	
	2019	2018
Associates	$2,227,343	$2,520,085
Other related parties	13,427	44,736
Total	$2,240,770	$2,564,821

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are paid on delivery.

(3) Lease

Rental expense

	For the years ended December 31,	
	2019	2018(Note)
Other related parties	$378	$26,422

The Group has leased offices, land and cars for the year ended December 31, 2019.

The Group has leased offices, plant, warehouse land and cars for the year ended December 31, 2018. The rents were based on local market price and prepaid for 1 year.

Rental income

	For the years ended December 31,	
	2019	2018
Other related parties	$2,766	$2,789

Other receivables

	As of December 31,	
	2019	2018
Other related parties	$394	$412

Other payables

	As of December 31,	
	2019	2018
Other related parties	$422	$-

Right-of-use asset

	As of December 31,	
	2019	2018
Other related parties	$74,954	(Note)

Current lease liabilities

	As of December 31,	
	2019	2018
Other related parties	$25,804	(Note)

Non-current lease liabilities

	As of December 31,	
	2019	2018
Other related parties	$50,338	(Note)

Interest expense

	For the years ended December 31,	
	2019	2018
Other related parties	$1,253	(Note)

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(4) Notes receivable

	As of December 31,	
	2019	2018
Associates	$-	$56,389
Other related parties	99,656	45,201
Total	$99,656	$101,590

(5) Accounts receivable

	As of December 31,	
	2019	2018
Associates	$2,884	$122
Other related parties	81,858	68,307
Total	84,742	68,429
Less: loss allowance	-	-
Net	$84,742	$68,429

(6) Notes payable

	As of December 31,	
	2019	2018
Associate	$15,041	$-

(7) Accounts payable

	As of December 31,	
	2019	2018
Associates		
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	$729,229	$297,211
Others	6,336	-
Subtotal	735,565	297,211
Other related parties	2,869	2,465
Total	$738,434	$299,676

(8) Short-term loans

	For the year ended December 31, 2019				
	Maximum balance	Ending balance	rate	Interest expense	Interest payables
Other related parties	$45,993 (RMB10,000 thousand)	$-	6%	$725	$-

	For the year ended December 31, 2018				
	Maximum balance	Ending balance	rate	Interest expense	Interest payables
Other related parties	$133,915 (RMB28,681 thousand)	$-	6%	$2,803	$-

(9) Other payables

A. Rental payable, technical service fee and others

	As of December 31,	
	2019	2018
Other related parties	$13,509	$15,124

B. Financing

	For the year ended December 31, 2019				
	Maximum balance	Ending balance	rate	Interest expense	Interest payables
Tai Fong Investment Co., Ltd.	$200,000	$200,000	3%	$1,606	$1,751
Ho Ho Investment Co., Ltd.	880,000	880,000	3%	3,255	3,541
Tai Yu Investment Co., Ltd.	500,000	500,000	3%	153	164
Other related parties	14,043	13,752	6%	2,049	147
	(RMB3,200 thousand)				
		$1,593,752		$7,063	$5,603

Note: Interest expense including capitalized interest was NT$442 thousand.

	For the year ended December 31, 2018				
	Maximum balance	Ending balance	rate	Interest expense	Interest payables
Other related parties	$1,570,691	$14,321	3%~6%	$43,603	$36,881
	(USD53,800 thousand)				

(10) Others

The Group's other transactions with associates and other related parties are as follows:

	As of December 31,	
Other current assets	2019	2018
Associates	$1,772	$22,433
Other related parties	8,752	10,376
Total	$10,524	$32,809

	As of December 31,	
	2019	2018
Other non-current assets		
Other related parties	$93	$119

	As of December 31,	
	2019	2018
Other current liabilities		
Other related parties	$2,064	$-

	As of December 31,	
	2019	2018
Other non-current liabilities		
Other related parties	$2,183	$2,685

	For the years ended December 31, 2019	2018
Operating expense		
Other related parties	$18,485	$16,885

	For the years ended December 31, 2019	2018
Other income		
Associates	$1,823	$2,095
Other related parties	5,935	5,968
Total	$7,758	$8,063

(11) The payment term to related parties has no significant difference to other third parties. The outstanding balance at December 31, 2019 and 2018 was unsecured, non-interest bearing and must be settled in cash. The receivables from and the payables to the related parties were not guaranteed.

(12) The Group purchased intangible assets and property, plant and equipment from other related parties in amount of NT$11,409 thousand and NT$113,515 thousand for the years ended December 31, 2019 and 2018, respectively.

(13) The Group disposed of property, plant and equipment to other related parties in the amount of NT$9,067 thousand and recognized gain on disposal of property, plant and equipment in the amount of NT$1,665 thousand for the year ended December 31, 2019. No such occurrence for the year ended December 31, 2018.

(14) The Group purchased right-of-use asset from other related parties in the amount of NT$4,347 thousand for the year ended December 31, 2019.

(15) The Group derecognized right-of-use assets and lease liabilities from other related parties and recognized loss on disposal of right-of-use assets was NT$54 thousand for the year ended December 31, 2019.

(16) As of December 31, 2019 and 2018, other related parties guaranteed for the Company's subsidiaries' bank loans. The balances as of December 31, 2019 and 2018 were RMB107,000 thousand and RMB127,000 thousand, respectively. Thus, the subsidiaries were entitled to a guaranteed fee of NT$1,755 thousand and NT$1,914 thousand for the years ended December 31, 2019 and 2018, respectively, recorded as non-operating expense.

(17) Key management personnel compensation

	For the years ended December 31, 2019	2018
Short-term employee benefits	$35,792	$55,455
Post-employment benefits	1,943	1,952
Total	$37,735	$57,407

8. Assets pledged as security

As of December 31, 2019:

Assets pledged for security	Carrying amount	Obligee	Secured liabilities
Bank savings (other financial assets - current)	$24,474	Rural Commercial Bank	Performance bond
〃	8,815	Industrial and Commercial Bank of China	〃
〃	27,053	Bank of China	〃
〃	8,419	Bank of Communications	〃
〃	9,799	Bank of Nanjing	〃
〃	3,249	China Merchant Bank	〃
〃	76,065	Zheshang Bank	〃
〃	300	Mizuho Bank	〃
〃	9,760	Bank of China	Marginal deposit
Machinery equipment	46,628	Chailease International Finance Corporation	Long-term loans
Notes receivables	90,338	Industrial and Commercial Bank of China	Discounted notes receivable
〃	146,570	Industrial Bank	〃
〃	10,034	Postal Savings Bank of China	〃
Total	$461,504		

As of December 31, 2018:

Assets pledged for security	Carrying amount	Obligee	Secured liabilities
Bank savings (other financial assets - current)	$23,495	Rural Commercial Bank	Performance bond
〃	54,364	Industrial and Commercial Bank of China	〃
〃	33,626	Bank of China	〃
〃	8,712	Bank of Communications	〃
〃	6,574	Bank of Nanjing	〃
〃	9,363	First Bank	〃
〃	456	China Merchant Bank	〃
〃	11,193	Bank of China	Marginal deposit
〃	17,983	First Bank	〃
Machinery equipment	79,660	Chailease International Finance Corporation	Long-term loans
Total	$245,426		

9. Commitments and contingencies

As of December 31, 2019, the contingency and off balance sheet commitments are as follows:

(1) As of December 31, 2019, the outstanding promissory notes signed for business needs, including importing equipment, purchase of equipment, performance bond, and loan guarantee, totaled NT$17,144,990 thousand.

(2) Commodity tax and export tariff were NT$21,213 thousand.

(3) Discounted notes receivable was RMB1,000 thousand.

(4) Unsecured balance of letters of credit is as follows:

Currency	Unused Balance (in thousands)
JPY	$91,201
USD	5,342
EUR	489
SEK	967
RMB	27,718

(5) Significant contracts of construction in progress and equipment are as follows:

Items	Contract amount	Amount paid	Amount unpaid
Significant contracts of construction in progress and equipment	$1,622,441	$1,070,573	$551,868

The above amount paid was recognized as construction in progress under property, plant and equipment and prepayment for equipment under other noncurrent assets.

10. Losses due to major disasters

None.

11. Significant subsequent events

On March 16, 2020, the board of directors of the company approved the proposal for the Subsidiary, Taiwan Glass China Holdings Co., Ltd., to reduce capital in the amount of US$ 80,000 and repatriate the share capital.

12. Others

Financial Instruments

(1) Categories of financial instruments

Financial assets	As of December 31,	
	2019	2018
Financial assets at fair value through profit or loss:		
Designated at fair value through profit or loss at initial recognition	$608,823	$478,859
Financial assets at fair value through other comprehensive income	257,667	263,332
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	6,243,030	4,705,088
Financial assets measured at amortized cost	105,230	30,714
Receivables	13,141,967	9,691,279
Other financial assets	167,934	165,766
Refundable deposits	159,228	197,392
Subtotal	19,817,389	14,790,239
Total	$20,683,879	$15,532,430

Financial liabilities	As of December 31,	
	2019	2018
Financial liabilities at amortized cost:		
Short-term loans	$7,963,287	$7,040,660
Short-term bills payable	3,741,006	3,295,570
Payables	11,185,203	6,164,947
Long-term loans (including current portion)	17,393,698	17,141,681
Lease liabilities	111,019	(Note)
Deposits-in	208,775	187,999
Total	$40,602,988	$33,830,857

Note: The Group adopted IFRS 16 since January 1, 2019. The Group elected not to restate prior periods in accordance with the transition provision in IFRS 16.

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and equity risk.

In practice, it is rarely the case that a single risk variable changes independently from other risk variables, there are usually interdependencies between risk variables. The sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars and RMB. The information of the sensitivity analysis is as follows:

A. When NTD weakens/strengthens against US dollars by 1%, the profit for the years ended December 31, 2019 and 2018 is decreased/increased by NT$21,292 thousand and NT$24,757 thousand, respectively.

B. When CNY strengthens/weakens against US dollars by 1%, the profit for the years ended December 31, 2019 and 2018 is increased/decreased by NT$10,869 thousand and NT$55,531 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2019 and 2018 to decrease/increase by NT$17,545 thousand and NT$13,727 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

The amount of the investment in the unlisted equity securities is not significant. Therefore, a change in the overall earnings stream of the valuations performed on the invested company would not have a significant impact on the income nor equity attributable to the Group for the years ended December 31, 2019 and 2018.

At the reporting date, a change of 10% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended December 31, 2019 and 2018 by NT$21,097 thousand and NT$21,075 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2019 and 2018, accounts receivables from top ten customers represented amounts less than 10% of the total accounts receivables of the Group. The credit concentration risk of accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit ratings and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for contract assets and trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.
The Group makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates. The details of the assessment for the credit risk of the Group are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	**Total carrying amount** As of December 31, 2019	**Total carrying amount** As of December 31, 2018
Low credit risk	Counterparty with good credit risk	Lifetime expected credit losses	$105,230	$30,714
Credit-impaired	Other impaired evidence	Lifetime expected credit losses	1,053,610	1,034,788
Simplified approach (Note)	(Note)	Lifetime expected credit losses	13,445,092	10,083,073

Note: By using simplified approach (loss allowance is measured at lifetime expected credit losses), including contract assets, accounts receivables and other receivables.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as at the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2019					
Short-term loans	$8,112,886	$-	$-	$-	$8,112,886
Short-term bills payable	3,750,000	-	-	-	3,750,000
Payables	11,185,203	-	-	-	11,185,203
Long-term loans	6,303,427	10,415,776	1,083,330	184,911	17,987,444
Lease liabilities	37,407	64,830	9,554	1,402	113,193
As of December 31, 2018					
Short-term loans	$7,169,821	$-	$-	$-	$7,169,821
Short-term bills payable	3,300,000	-	-	-	3,300,000
Payables	6,164,947	-	-	-	6,164,947
Long-term loans	6,023,934	9,078,803	2,661,886	370,115	18,134,738

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2019:

	Short-term loans	Short-term bills payable	Long-term loans	Other payable	Lease payable	Total liabilities from financing activities
As of January 1, 2019	$7,040,660	$3,300,000	$17,141,681	$14,321	$129,692	$27,626,354
Cash flows	1,104,753	450,000	381,890	1,580,000	(43,941)	3,472,702
Non-cash changes:	-	-	-	-	25,508	25,508
Foreign exchange movement	(182,126)	-	(129,873)	(569)	(240)	(312,808)
As of December 31, 2019	$7,963,287	$3,750,000	$17,393,698	$1,593,752	$111,019	$30,811,756

Reconciliation of liabilities for the year ended December 31, 2018:

	Short-term loans	Short-term bills payable	Long-term loans	Other payable	Lease payable	Total liabilities from financing activities
As of January 1, 2018	$6,373,954	$2,200,000	$14,319,892	$1,601,088	$9,357	$24,504,291
Cash flows	599,904	1,100,000	2,677,143	(1,607,425)	(9,357)	2,760,265
Non-cash changes:						
Foreign exchange movement	66,802	-	144,646	20,658	-	232,106
As of December 31, 2018	$7,040,660	$3,300,000	$17,141,681	$14,321	$-	$27,496,662

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a. The carrying amount of cash and cash equivalents, receivables, payables, refundable deposits and deposits-in approximate their fair value.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.

c. Fair value of equity instruments without market quotations (including unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as recent fund raising activities, valuation of similar companies, individual company's development, market conditions and other economic indicators.

d. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Assets measured at fair value

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Structured deposit	$-	$-	$565,849	$565,849
Guaranteed financial products	-	-	42,974	42,974
Financial assets at fair value through other comprehensive income				
Equity securities	210,970	-	46,697	257,667

As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Guaranteed financial products	$-	$-	$478,859	$478,859
Available-for-sale financial assets				
Equity securities	210,750	-	52,582	263,332

During the years ended December 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy is as follows:

	Assets		
	At fair value through profit or loss	At fair value through other comprehensive income	
	Structured deposit and Guaranteed financial product	Stocks	Total
Beginning balances as of January 1, 2018	$683,936	$44,159	$728,095
Total gains and losses recognized for the year ended December 31, 2018:			
Amount recognized in profit or loss	-	-	-
Amount recognized in OCI	-	8,423	8,423
Acquisition for the year ended December 31, 2018	1,469,648	-	1,469,648
Disposals	(1,666,485)	-	(1,666,485)
Exchange effect	(8,240)	-	(8,240)
Ending balances as of December 31, 2018	478,859	52,582	531,441
Total gains and losses recognized for the year ended December 31, 2019:			
Amount recognized in profit or loss	7,486	-	7,486
Amount recognized in OCI	-	(5,885)	(5,885)
Acquisition for the year ended December 31, 2019	3,034,411	-	3,034,411
Disposals	(2,886,500)	-	(2,886,500)
Exchange effect	(25,433)	-	(25,433)
Ending balances as of December 31, 2019	$608,823	$46,697	$655,520

Total gains and losses recognized for the years ended December 31, 2019 and 2018 contained gains and losses related to securities and derivatives on hand as of December 31, 2019 and 2018 in the amount of NT$(5,885) thousand and NT$8,423 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2019

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Structured deposit and Guaranteed financial product	Market approach	Financial product pricing	Not applicable	No need to apply	Because it is mainly a currency transaction, its value is equal to its fair value.
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT$467 thousand

As of December 31, 2018

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Guaranteed financial product	Market approach	Financial product pricing	Not applicable	No need to apply	Because guaranteed financial products are currency transactions, their value is equivalent to fair value.
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT$526 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2019

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property (please refer to Note 6.(13))	$-	$-	$173,677	$173,677

As of December 31, 2018

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property (please refer to Note 6.(13))	$-	$-	$172,543	$172,543

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(in thousands)

	As of					
	December 31, 2019			December 31, 2018		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets						
Monetary items:						
USD	$57,122	29.98	$1,712,524	72,523	30.715	2,227,545
RMB	4,170,979	4.2975	17,924,651	2,641,755	4.4753	11,822,692

	As of					
	December 31, 2019			December 31, 2018		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Non-Monetary items:						
USD	140,755	29.98	4,219,840	134,233	30.715	4,122,959
RMB	2,725	4.2975	11,711	2,984	4.4753	13,353
Financial liabilities						
Monetary items:						
USD	279,321	29.98	8,374,051	288,071	30.715	8,848,100
RMB	2,461,922	4.2975	10,580,034	1,527,371	4.4753	6,835,468

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

Since there were various functional currencies used within the subsidiaries of the Group, the Group was unable to disclose foreign exchange gains (losses) towards each foreign currency with significant impact. The realized and unrealized foreign exchange (losses) gains was NT$(187,442) thousand and NT$(336,786) thousand for the years ended December 31, 2019 and 2018, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize stockholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to stockholders, return capital to stockholders or issue new shares.

(11) Information of financial asset transferred

A. Transferred financial assets that are partially-derecognized in their entirety

The Group entered into a factoring agreement with a financial institution, which is partly with recourse and partly non-recourse. The Group has transferred the right on those non-recourse factoring, and in accordance with the contract, the Group shall not be liable for the credit risks associated with uncollectable receivables (except for commercial disputes), which met the requirements for derecognizing financial assets. The related information is as follows:

As of December 31, 2019

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	$320,661	$288,595	$288,529	1.08%	$605,000

As of December 31, 2018

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	$438,775	$394,898	$397,010	1.07%~1.08%	$800,000

13. Other disclosure

(1) Information at significant transactions

A. Lending fund to others: Please refer to Attachment 1.
B. Endorsement/guarantee provided to others: Please refer to Attachment 2.
C. Securities held at the end of the period: Please refer to Attachment 3.
D. Individual securities acquired or disposed of with accumulated amount exceeding NT$300 million or 20 percent of the capital stock or more: Please refer to Attachment 4.
E. Acquisition of real estate with amount exceeding NT$300 million or 20 percent of the capital stock or more: None.
F. Disposal of real estate with amount exceeding NT$300 million or 20 percent of the capital stock or more: None.
G. Related party transactions for purchases and sales amounts exceeding NT$100 million or 20 percent of the capital stock or more: Please refer to Attachment 5.
H. Receivables from related parties with amounts exceeding NT$100 million or 20 percent of capital stock or more: Please refer to Attachment 6.
I. Financial instruments and derivative transactions: None.
J. Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between them: Please refer to Attachment 7.

(2) Information on investees

Information of the investees in which the Company directly or indirectly has significant influence or control: Please refer to Attachment 8.

(3) Information on investments in Mainland China

A. Investee’s name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income or loss, carrying value of the investments, inward remittance of earnings and limits on investments in Mainland China: Please refer to Attachment 9.

B. Directly or indirectly significant transactions through other regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition are disclosed as follows:

a. Accumulated amount and percentage of purchase and related payables at the end of the period: None. *
b. Accumulated amount and percentage of sales and related receivables at the end of the period: None. *
c. Amount of property transaction and related gain or loss: None. *
d. Endorsement/guarantee provided to others at the end of the period: None. *
e. Financing provided to others at the end of the period: None. *
f. Other significant transactions, such as service provided or received: None. *

* The transactions have been eliminated in the consolidation financial statements.

14. Segment information

(1) General Information

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

A. Flat Glass Segment: Manufacturing and selling of flat glasses.
B. Glass Container Segment: Manufacturing and selling of glass containers.
C. Glass Fiber Segment: Manufacturing and selling of glass fibers.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm’s length basis in a manner similar to transactions with third parties.

(2) Reportable segment information

For the year ended December 31, 2019

	Flat Glass	Glass Container	Glass Fiber	Subtotal	Other Operating Segments (Note 1)	Adjustment and Elimination	Consolidated
Revenue							
External customer	$28,760,531	$3,451,644	$9,362,244	$41,574,419	$201,088	$-	$41,775,507
Inter-segment (Note 2)	43,003	1,521	386	44,910	257,348	(302,258)	-
Total revenue	$28,803,534	$3,453,165	$9,362,630	$41,619,329	$458,436	$(302,258)	$41,775,507
Depreciation	$3,572,041	$409,758	$1,263,164	$5,244,963	$98,078	$-	$5,343,041
Segment profit	$90,713	$(83,431)	$(1,184,389)	$(1,177,107)	$7,986	$-	$(1,169,121)

For the year ended December 31, 2018

	Flat Glass	Glass Container	Glass Fiber	Subtotal	Other Operating Segments (Note 1)	Adjustment and Elimination	Consolidated
Revenue							
External customer	$31,640,421	$3,527,071	$10,871,007	$46,038,499	$52,995	$-	$46,091,494
Inter-segment (Note 2)	43,358	70	327	43,755	374,062	(417,817)	-
Total revenue	$31,683,779	$3,527,141	$10,871,334	$46,082,254	$427,057	$(417,817)	$46,091,494
Depreciation	$3,696,487	$363,973	$997,546	$5,058,006	$84,691	$-	$5,142,697
Segment profit	$887,502	$72,574	$1,366,612	$2,326,688	$(3,114)	$-	$2,323,574

1 Revenue from other operating segments are operating segments that do not meet the quantitative thresholds for reportable segments.

2 Inter-segment revenues are eliminated on consolidation and recorded under the "adjustment and elimination" column.

(3) Other reconciliations of reportable segments

	For the years ended December 31, 2019	For the years ended December 31, 2018
Segment profit	$(1,177,107)	$2,326,688
Profit (losses) from other operating segments	7,986	(3,114)
Non-operating income and expenses	(131,302)	(768,909)
Income before income tax from continuing operations	$(1,300,423)	$1,554,665

(4) Geographical information

Revenue from external customers

	For the years ended December 31,	
	2019	2018
Taiwan	$6,516,331	$7,320,117
China	30,132,194	31,853,437
Other countries (not account for 10%)	5,126,982	6,917,940
Total	$41,775,507	$46,091,494

The revenue information above is based on the location of the customer.

Noncurrent assets

	As of December 31,	
	2019	2018
Taiwan	$16,045,464	$15,425,659
China	34,802,173	35,484,368
Other countries (not account for 10%)	17,132	10,088
Total	$50,864,769	$50,920,115

(5) Information about major customers (account for over 10% operating revenue)

The revenue from single external customer accounts for over 10% net consolidated operating revenue: None.

Attachment 1

Financing provided to others for the year ended December 31, 2019 (Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account(Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (In Thousands) (Note 8)	Actual Amount provided	Interest Rate	Nature of Financing (Note 4)	Transaction Amounts (Note 5)	Reason for Financing (Note 6)	Allowance for Bad Debt	Collateral		Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
1	TGCH	CFG	Other receivables	Yes	$632,000	$299,800	$254,830	4.03%	2	$-	Need for operating	$-	-	$ -	42,040,544 × 40%= 16,816,218(in thousand)	42,040,544 × 40%= 16,816,218(in thousand)
1	TGCH	QFG	〃	Yes	316,000	299,800	299,800	4.21%	2	-	Need for operating	-	-	-	"	"
1	TGCH	FPG	〃	Yes	729,111	524,291	524,291	4.00%~4.35%	2	-	Need for operating	-	-	-	"	"
1	TGCH	TJG	〃	Yes	2,334,367	702,739	642,779	4.00%~4.09%	2	-	Need for operating	-	-	-	"	"
1	TGCH	TAH	〃	Yes	2,176,300	1,049,300	884,410	3.90%	2	-	Need for operating	-	-	-	"	"
1	TGCH	TCD	〃	Yes	2,483,200	1,199,200	1,199,200	3.96%~4.11%	2	-	Need for operating	-	-	-	"	"
2	CFG	TYAU	〃	Yes	91,605	-	-	-	2	-	Need for operating	-	-	-	3,166,174 × 50%= 1,583,087(in thousand)	3,166,174 × 100%= 3,166,174(in thousand)
2	CFG	TWAR	〃	Yes	23,964	-	-	-	2	-	Need for operating	-	-	-	"	"
3	CDG	TYAU	〃	Yes	158,131	-	-	-	2	-	Need for operating	-	-	-	7,647,201 × 50%= 3,823,601(in thousand)	7,647,201 × 100%= 7,647,201(in thousand)
3	CDG	TYSM	〃	Yes	87,341	81,609	81,609	6.00%	2	-	Need for operating	-	-	-	"	"
3	CDG	HZSS	〃	Yes	149,107	131,932	131,932	0.35%	2	-	Need for operating	-	-	-	"	"
3	CDG	TTAR	〃	Yes	505,927	472,722	343,797	4.13%	2	-	Need for operating	-	-	-	"	"
3	CDG	TXY	〃	Yes	1,343,005	537,184	537,184	0.35%~4.42%	2	-	Need for operating	-	-	-	"	"
3	CDG	TWAR	〃	Yes	1,844,333	1,207,589	1,207,588	0.35%~4.13%	2	-	Need for operating	-	-	-	"	"
4	QFG	TQPT	〃	Yes	107,437	107,437	107,437	-	2	-	Need for operating	-	-	-	1,312,286 × 50%= 656,143(in thousand)	1,312,286 × 100%= 1,312,286(in thousand)
4	QFG	QRG	〃	Yes	183,973	171,899	165,987	-	2	-	Need for operating	-	-	-	"	"
5	HNG	ZZSS	〃	Yes	51,048	13,608	13,608	-	2	-	Need for operating	-	-	-	3,188,157 × 50%= 1,594,079(in thousand)	3,188,157 × 100%= 3,188,157(in thousand)
5	HNG	TJG	〃	Yes	183,664	171,899	159,006	2.10%	2	-	Need for operating	-	-	-	"	"

Attachment 1

Financing provided to others for the year ended December 31, 2019(Continue) (Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account(Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (In Thousands) (Note 8)	Actual Amount provided	Interest Rate	Nature of Financing (Note 4)	Transaction Amounts (Note 5)	Reason for Financing (Note 6)	Allowance for Bad Debt	Collateral Item	Collateral Value	Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
6	TGF	TCD	Other receivables	Yes	$1,379,800	$859,494	$730,570	5.51%	2	$-	Need for operating	$-	-	$ -	6,079,568 × 50%= 3,039,784(in thousand)	6,079,568 × 100%= 6,079,568(in thousand)
6	TGF	TBF	〃	Yes	1,735,469	1,718,987	1,117,342	5.51%~5.62%	2	-	Need for operating	-	-	-	"	"
7	DHG	QFG	〃	Yes	100,081	48,089	48,089	4.00%	2	-	Need for operating	-	-	-	5,241,736 × 50%= 2,620,868(in thousand)	5,241,736 × 100%= 5,241,736(in thousand)
7	DHG	FPG	〃	Yes	1,720,151	1,607,253	1,607,253	4.00%	2	-	Need for operating	-	-	-	"	"
8	TAH	FYSS	〃	Yes	55,192	51,570	51,570	4.13%	2	-	Need for operating	-	-	-	1,955,054 × 50%= 977,527(in thousand)	1,955,054 × 100%= 1,955,054(in thousand)
9	HZSS	TXY	〃	Yes	25,761	-	-	-	2	-	Need for operating	-	-	-	123,471 × 50%= 61,736(in thousand)	123,471 × 100%= 123,471(in thousand)
10	TXY	TWAR	〃	Yes	7,277	-	-	-	2	-	Need for operating	-	-	-	2,702,805 × 50%= 1,351,403(in thousand)	2,702,805 × 100%= 2,702,805(in thousand)
Total							$10,108,282									

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: If the economic substance of transactions are financing to others, regardless of which component they recognized as in the financial statements, certain transactions are included herein.

Note 3: Maximum balance of the Company and its subsidiaries' financing to others for the year ended December 31, 2019

Note 4: Nature of financing is coded as follows:

1. The financing occurred due to business transactions
2. The financing occurred due to short-term financing

Note 5: Total amount of the financing is disclosed herein if the financing was related to business transactions. The amount shall mean the transaction amount between the lending entity and the borrower within the most recent year.

Note 6: The reasons and counterparties of the financing are addressed herein as the financing associated with short-term capital needs.

Note 7: The process of providing finance to others, the limits to individual counterparties and the total financing limit for the company should be noted, as well as the computations.

Note 8: If a listed company brings the financing proposal to the board of directors according to Paragraph 1, Article 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the resolution amount of the board in the balance to disclose the risk, even if the funds are not appropriated yet.

With the return of the funds afterward, the company should disclose the amount returned to reflect the adjusted risk.

If a listed company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Paragraph 2, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount approved by the board.

Note 9: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 2

Endorsement/guarantee provided to others for the year ended December 31, 2019 (Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Endorser/ Guarantor	Endorsee Company Name	Endorsee Relationship	Limits of Endorsement /Guarantee Amount for	Maximum Balance	Ending Balance (Note 5)	Actual Amount drawn	Amount of Endorsement/	Percentage of Accumulated Endorsement/Guarantee to Net	Limit on the Endorsement/Guarantee Amount (Note 3)	Parent Company Endorsed or Guaranteed for	Subsidiaries Endorsed or	Endorsement or Guarantee for
0	TGI	TAG	2	$20,082,041	$230,500	$230,500	$151,617	$ -	1%	1. In accordance with Article 4 of the Procedures for Endorsement and Guarantee, the Company may provide endorsement/guarantee to others but shall not exceed 120% of its net assets. For endorsement/guarantee to an individual entity, the amount is limited to 50% of the Company's net assets. 2.Subsidiaries may provide endorsement/guarantee to others in the amount which shall not exceed 100% of their net assets. For endorsement/guarantee to an individual entity, the amount is limited to 60% of the subsidiary's net assets. 3.TGI： 40,164,081*120%= 48,196,897(in thousand) 4.TGF： 6,079,568*100%= 6,079,568(in thousand) 5.CFG： 3,166,174*100%= 3,166,174(in thousand) 6.DHG： 5,241,736*100%= 5,241,736(in thousand) 7.TGCH： 42,040,544*100%= 42,040,544(in thousand) 8.QFG： 1,312,286*100%= 1,312,286(in thousand)	Y		
0	TGI	TGCH	2	〃	6,111,625	4,582,135	4,582,135	-	11%		Y		
0	TGI	CFG	2	〃	181,552	-	-	-	0%		Y		Y
0	TGI	FPG	2	〃	464,952	-	-	-	0%		Y		Y
0	TGI	TCD	2	〃	68,505	68,505	-	-	0%		Y		Y
0	TGI	HNG	2	〃	453,450	158,250	158,250	-	0%		Y		Y
0	TGI	TYSM	2	〃	179,820	179,820	89,910	-	0%		Y		Y
0	TGI	TGF	2	〃	853,922	225,952	225,952	-	1%		Y		Y
0	TGI	TJG	2	〃	614,225	466,400	311,875	-	1%		Y		Y
0	TGI	TYAU	2	〃	781,513	527,082	508,505	-	1%		Y		Y
0	TGI	TGF	2	〃	783,650	528,090	528,090	-	1%		Y		Y
0	TGI	TXY	2	〃	1,325,474	874,124	462,600	-	2%		Y		Y
0	TGI	TAH	2	〃	1,995,500	1,387,200	1,235,125	-	3%		Y		Y
0	TGI	TBF	2	〃	4,130,918	4,130,918	3,519,855	-	10%		Y		Y
1	TGF	CFG	4	3,647,741	137,980	85,949	42,975	-	1%				Y
1	TGF	TBF	4	〃	451,802	429,747	63,611	-	7%				Y
1	TGF	TCD	4	〃	1,287,813	1,203,291	816,519	-	20%				Y
2	CFG	TTAR	4	1,899,704	275,960	257,848	162,088	-	8%				Y
2	CFG	TGF	4	〃	505,927	472,722	450,106	-	15%				Y
3	DHG	QFG	4	3,145,042	735,893	687,595	465,803	-	13%				Y
4	TGCH	TGI	3	25,224,326	100,000	50,000	50,000	-	0%			Y	
5	TCD	TQPT	2	787,372	276,412	256,845	216,072	-	20%		Y		Y

Note 1: The Company and its subsidiaries are coded as follows:
1. The Company is coded "0".
2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: Endorsees are disclosed as one of the following:
1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/ guarantees fot their jointly invested company in proportion to their shareholding percentages.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The process of providing finance to others, the limits to individual counterparties and the total financing limit for the company should be noted, as well as the computations.

Note 4: The maximum amount of the Company and its subsidiaries' endorsement or guarantee to others for the year ended December 31, 2019

Note 5: The Company bears the responsibility of endorsements or guarantees as long as the ceilings on the amount of guarantees or endorsements are approved by banks.
Other occurrences related to endorsement or guarantee shall be included in the balance.

Note 6: Fill in the actual amount drawn from the balance.

Note 7: Fill in "Y" if it belongs to "Parent Company Endorsement or Guarantee for the Subsidiaries", "Subsidiaries Endorsement or Guarantee for the Parent Company", or "Endorsement or Guarantee for Entities in China".

Note 8: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 3

Securities held as of December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of December 31, 2019 Shares	Carrying Value (Note 3)	Percentage of Ownership	Fair Value	Remark (Note 4)
TGI	Securities－							
	China Development Financial Holdings	-	Available-for-sale financial assets - non-current	21,681,340	$210,960	0.14%	$210,960	
	Chi-Ye Chemical Corp.	-	〃	659,000	46,697	3.30%	46,697	
	Chang Hwa Commercial Bank, Ltd.	-	〃	314	7	0.00%	7	
	Hua Nan Financial Holdings Co., Ltd.	-	〃	148	3	0.00%	3	
	Total				$257,667			
	Structured deposit－							
CDG	Nanyang Commercial Bank, Chengdu Branch		Financial assets at fair value through profit or loss - current	-	$565,849	-	$565,849	
	Financial products－							
FYSS	Commercial Bank of China branch in Fengyang	-	〃	-	$42,974	-	$42,974	

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other marketable securities derived from the above items in the scope of IFRS 9-Financial Instruments.

Note 2: Securities issued by non-related parties are not required to fill in this column.

Note 3: For items measured at fair value, the carrying value is the balance of the book value adjusted by fair value valuation deducting accumulated impairment.

For items not measured at fair value, the carrying value is the book value balance of the historical cost or amortized cost after deducting accumulated impairment.

Note 4: Securities with restrictions because of being provided for security, as pledge or under other covenants should state the number of shares or dollar amount provided for security or pledge and the restriction terms.

Attachment 4

Individual securities acquired or disposed of with accumulated amount exceeding

NT$300 million or 20 percent of the capital stock for the year ended December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Selling Amount	Carrying Value	Gain or Loss on Disposal	Shares	Amount
CDG	Financial products－Bank of Communications, Qingbaijiang Branch	Financial assets at fair value through profit or loss - current	-	-	-	$478,859	-	$376,214 6,141 (Note4)	-	$880,796	$861,214	$19,582	-	$-
CDG	Structured deposit－Nanyang Commercial Bank, Chengdu Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	2,061,786 (16,830) (Note4)	-	1,502,979	1,479,107	23,872	-	565,849

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other securities derived from the above items.

Note 2: These columns are filled only if securities are investments accounted for using the equity method.

Note 3: Accumulated amount of securities purchased or sold are calculated at market value to determine whether they exceed NT$300 million or 20% of the capital stock.

Note 4: The amount includes foreign exchange adjustments.

Attachment 5

Related party transactions for purchases and sales amounts exceeding NT$100 million
or 20 percent of capital stock as of for the year ended December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

			Transaction Details				Details Different from Non-arm's Length Transactions (Note 1)		Notes and Accounts Receivable (Payable)		
Company	Counterparty	Relationship	Sale/Purchase	Amount	Percentage of Total Sales or Purchases	Term	Unit Price	Terms	Balance	Total Receivable (Payable)	Remark (Note 2)
TGI	QFG	Parent-subsidiary	Sales	$(407,182)	(3)%	3 months	$-	-	$197,159	13%	
TGI	TGF	Parent-subsidiary	Sales	(117,920)	(1)%	3 months	-	-	407	0 %	
TAH	CFG	Affiliate Company	Sales	(260,762)	(9)%	3 months	-	-	159,987	15%	
TAH	TTAR	Affiliate Company	Sales	(390,085)	(14)%	3 months	-	-	294,468	27%	
TAH	TWAR	Affiliate Company	Sales	(265,615)	(10)%	3 months	-	-	176,128	16%	
TCD	TGF	Affiliate Company	Sales	(172,608)	(11)%	3 months	-	-	2,051	0%	
TBF	TGF	Affiliate Company	Sales	(469,931)	(60)%	3 months	-	-	202,146	51%	
QFG	TGUS	Affiliate Company	Sales	(244,961)	(12)%	3 months	-	-	24,399	3%	
QFG	TPMT	Other related party	Sales	(101,933)	(5)%	3 months	-	-	51,778	7%	
TJG	TGUS	Affiliate Company	Sales	(149,780)	(8)%	3 months	-	-	11,371	2%	
TXY	XYES	Parent-subsidiary	Sales	(200,777)	(6)%	3 months	-	-	63,685	8%	
TYAU	DYK	Other related party	Sales	(216,201)	(65)%	3 months	-	-	83,235	56%	
QFG	TGI	Parent-subsidiary	Purchases	407,182	23 %	3 months	-	-	(197,159)	(22)%	
TGF	TGI	Parent-subsidiary	Purchases	117,920	4 %	3 months	-	-	(407)	(0)%	
CFG	TAH	Affiliate Company	Purchases	260,762	10 %	3 months	-	-	(159,987)	(18)%	
TTAR	TAH	Affiliate Company	Purchases	390,085	41 %	3 months	-	-	(294,468)	(46)%	
TWAR	TAH	Affiliate Company	Purchases	265,615	35 %	3 months	-	-	(176,128)	(56)%	

Attachment 5

Related party transactions for purchases and sales amounts exceeding NT$100 million

or 20 percent of capital stock as of for the year ended December 31, 2019(Continue)

(Dollar amount expressed in thousands of NTD unless otherwise specified)

			Transaction Details				Details Different from Non-arm's Length Transactions (Note 1)		Notes and Accounts Receivable (Payable)		
Company	Counterparty	Relationship	Sale/Purchase	Amount	Percentage of Total Sales or Purchases	Term	Unit Price	Terms	Balance	Total Receivable (Payable)	Remark (Note 2)
TGF	TCD	Affiliate Company	Purchases	$172,608	6 %	3 months	$-	-	(2,051)	(1)%	
TGF	TBF	Affiliate Company	Purchases	469,931	17 %	3 months	-	-	(202,146)	(68)%	
TGUS	QFG	Affiliate Company	Purchases	244,961	35 %	3 months	-	-	(24,399)	(100)%	
TGUS	TJG	Affiliate Company	Purchases	149,780	22 %	3 months	-	-	(11,371)	(60)%	
XYES	TXY	Parent-subsidiary	Purchases	200,777	100 %	3 months	-	-	(63,685)	(100)%	
HNG	SCJ	Affiliate Company	Purchases	436,498	25 %	3 months	-	-	(239,372)	(59)%	
DHG	SCJ	Affiliate Company	Purchases	523,152	29 %	3 months	-	-	(21,461)	(9)%	
TJG	SCJ	Affiliate Company	Purchases	185,524	13 %	3 months	-	-	(135,956)	(30)%	
QFG	SCJ	Affiliate Company	Purchases	218,689	13 %	3 months	-	-	(82,346)	(9)%	
TAH	SCJ	Affiliate Company	Purchases	338,800	17 %	3 months	-	-	(192,202)	(30)%	
TAH	TRAE	Affiliate Company	Purchases	214,522	11 %	3 months	-	-	(6,336)	(1)%	
CFG	SCJ	Affiliate Company	Purchases	297,090	12 %	3 months	-	-	(58,963)	(7)%	

Note 1: If the related parties' trading terms are different from the general trading terms, the differences and reasons for such differences should be stated in the "Unit price" and "Terms" columns.

Note 2: Transactions with advance receipts and prepayments should state the reasons, the terms of agreements, the amount and the difference from general transactions in the Remark column.

Note 3: Paid-in Capital shall refer to the paid-in capital of parent company.If the issuer's stock is not denominated or the denomination is not NT$10,
the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of f the parent company on the balance sheet.

Note 4: All transactions listed above are eliminated in the consolidated financial statements except for SCJ, TPMT and DYK.

Attachment 6

Receivables from related parties with amounts exceeding NT$100 million

or 20 percent of capital stock as of for the year ended December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Collection		
TGCH	CFG	Parent-subsidiary	Other receivables $279,329	-	$-	-	$-	$-
TGCH	TJG	Parent-subsidiary	Other receivables 647,226	-	-	-	-	-
TGCH	FPG	Parent-subsidiary	Other receivables 527,625	-	-	-	-	-
TGCH	QFG	Parent-subsidiary	Other receivables 305,970	-	-	-	-	-
TGCH	TCD	Parent-subsidiary	Other receivables 1,211,705	-	-	-	-	-
TGCH	TAH	Parent-subsidiary	Other receivables 890,362	-	-	-	-	-
QFG	QRG	Parent-subsidiary	Other receivables 165,987	-	-	-	-	-
QFG	TQPT	Parent-subsidiary	Other receivables 107,437	-	-	-	-	-
CDG	TWAR	Affiliate Company	Other receivables 1,219,296	-	-	-	-	-
CDG	HZSS	Affiliate Company	Other receivables 132,009	-	-	-	-	-
CDG	TXY	Affiliate Company	Other receivables 540,401	-	-	-	-	-
CDG	TTAR	Affiliate Company	Other receivables 355,828	-	-	-	-	-

Attachment 6

Receivables from related parties with amounts exceeding NT$100 million

or 20 percent of capital stock as of for the year ended December 31, 2019(Continue) (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Collection		
TGF	TCD	Affiliate Company	Other receivables $731,859	-	$-	-	$-	$-
TGF	TBF	Affiliate Company	Other receivables 1,137,308	-	-	-	-	-
DHG	FPG	Affiliate Company	Other receivables 1,644,669	-	-	-	-	-
HNG	TJG	Affiliate Company	Other receivables 180,397	-	-	-	-	-
TGI	QFG	Parent-subsidiary	Accounts receivable 197,159	-	-	-	-	-
CFG	TTAR	Affiliate Company	Accounts receivable 123,247	-	-	-	-	-
TBF	TGF	Affiliate Company	Accounts receivable 202,146	-	-	-	-	-
TAH	CFG	Affiliate Company	Accounts receivable 159,987	-	-	-	-	-
TAH	TTAR	Affiliate Company	Accounts receivable 294,468	-	-	-	-	-
TAH	TWAR	Affiliate Company	Accounts receivable 176,128	-	-	-	-	-

Note 1: Fill in information such as related parties account receivables, notes receivable, other receivables, etc.

Note 2: Paid-in Capital shall refer to the paid-in capital of parent company.If the issuer's stock is not denominated or the denomination is not NT$10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of f the parent company on the balance sheet.

Note 3: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 7

Significant intercompany transactions for the year ended December 31, 2019 (Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Related Party	Counterparty	Relationship with the Company (Note 2)	Transaction Details			
				Account	Amount	Terms	Percentage (Note 3)
0	TGI	QFG	1	Sales revenues	$407,182	The same as export sales	1%
0	〃	TGF	1	〃	117,920	〃	0%
1	TAH	CFG	3	〃	260,762	The same as domestic sales	1%
1	〃	TTAR	3	〃	390,085	〃	1%
1	〃	TWAR	3	〃	265,615	〃	1%
2	TCD	TGF	3	〃	172,608	〃	0%
3	TBF	TGF	3	〃	469,931	〃	1%
4	QFG	TGUS	3	〃	244,961	The same as export sales	1%
5	TJG	TGUS	3	〃	149,780	〃	0%
6	TXY	XYES	1	〃	200,777	The same as domestic sales	0%
0	TGI	QFG	1	Accounts receivable - related parties	197,159		0%
7	CFG	TTAR	3	〃	123,247		0%
3	TBF	TGF	3	〃	202,146		0%
1	TAH	CFG	3	〃	159,987		0%
1	〃	TTAR	3	〃	294,468		0%
1	〃	TWAR	3	〃	176,128		0%
8	TGCH	CFG	1	Other receivables - related parties	279,329		0%
8	〃	TJG	1	〃	647,226		1%
8	〃	FPG	1	〃	527,625		1%
8	〃	QFG	1	〃	305,970		0%
8	〃	TCD	1	〃	1,211,705		1%
8	〃	TAH	1	〃	890,362		1%
4	QFG	QRG	1	〃	165,987		0%
4	〃	TQPT	1	〃	107,437		0%
9	CDG	TWAR	3	〃	1,219,296		1%
9	〃	HZSS	3	〃	132,009		0%
9	〃	TXY	3	〃	540,401		1%
9	〃	TTAR	3	〃	355,828		0%
10	TGF	TCD	3	〃	731,859		1%
10	〃	TBF	3	〃	1,137,308		1%
11	DHG	FPG	3	〃	1,644,669		2%
12	HNG	TJG	3	〃	180,397		0%

Note 1: The Company and its subsidiaries are coded as follows:

1 The Company is coded "0".

2 Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The percentage is determined by the ratio of the transaction amount to the consolidated revenues or the total assets. Items on the balance sheet are calculated by the ending balance to total consolidated assets; items on the income statement are calculated by their cumulative balance to the total consolidated income.

Note 4: The disclosure of significant intercompany transactions in this attachment is determined by the company based on the materiality.

Attachment 8

Names, locations and related information of investee companies as of December 31, 2019 (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Investee (Note 1,2)	Area Within	Nature of Business	Initial Investment		Investment as of December 31, 2019			Profit or Loss of Investee (Note 2)	Gain or Loss on Investment (Note 2,3)	Remark
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership	Carrying Value			
TGI	TGUS	US	Investment in QRG and selling of glasses.	$17,676 USD 461	$17,676 USD 461	4,612	100.00%	$391,684	$31,482	$31,482	
〃	TGCH	Bermuda	Investment in QRG, QFG, YNSS, TGF, CFG, FYSS, CDG, DHG, HZSS, HNG, TKG, TJG, FPG, TXY, TTAR, TYAU, TAH, TYSM, TWAR, TCD, TBF, and SCH.	41,724,578 USD 1,343,151	41,724,578 USD 1,343,151	1,354,033,322	93.98%	39,480,570	(358,069)	(333,951)	
〃	TAG	Taiwan	Investment in TAGH and selling of auto glasses.	263,582	263,582	26,100,000	87.00%	184,431	(80,132)	(69,822)	
〃	TVIG	Taiwan	Selling vacuum insulation glass	438,750	438,750	43,875,000	65.00%	164,673	(43,733)	(28,427)	
TGCH	SCH	Hong Kong	Investment in Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ) and Huaian Shihyuan Brine Co., Ltd. (HSB).	7,861,681 USD 252,088	7,861,681 USD 252,088	1,904,445,986	43.99%	4,219,840	727,343	352,724	
TAG	TAGH	Bermuda	Investment in TYAU.	188,571 USD 6,000	188,571 USD 6,000	6,000,000	100.00%	66,979	(17,297)	(17,297)	

Note 1: A listed company which has a foreign holding company that uses the consolidated financial statements as the master financial report according to its local regulations may disclose information regarding foreign investees only to the extent of the holding company.

Note 2: Fill in information following the instruction below for matters not applied in Note 1 indicated above:

(1) The columns of "Name of investee", "Area Within", "Nature of Business", "Initial Investment" and "Investment as of December 31, 2019" should fill in information of the reinvestment of the listed company, reinvestment of every direct or indirect reinvestment of the investee, and disclose the relationship of the investees with the Company in the Remark column. (Such as subsidiary or sub-subsidiary)

(2) The column of "Profit or Loss of Investee" should fill in the current profit or loss of the investees.

(3) The column of "Gain or Loss on Investment" only require profit / loss of the direct investees and all investees accounted for under the equity method When filling in the above items, make sure the profit / loss of direct investee subsidiaries include the profit or loss of their reinvestments that are required to be recognized.

Note 3: All transactions listed above are eliminated in the consolidated financial statements except for SCH and its investments in mainland China.

Attachment 9

Investment in Mainland China as of December 31, 2019

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Investee	Nature of Business	Total Amount of Paid-in Capital	Investment Method (Note 1)	Accumulated Outflows of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflows of Investment from Taiwan as of December 31, 2019	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2(ii)c.)	Carrying Value as of December 31, 2019	Accumulated Inward Remittance of Earnings as of December 31, 2019
					Outflow	Inflow						
QRG	Manufacturing of photovoltaic glass	$878,204 USD 29,293 (Note20)	(i)	$32,199 USD 1,074	$- -	$- -	$32,199 USD 1,074	$(40,670)	94.96%	$(38,620)	$108,352	$-
QFG	Manufacturing of flat glasses	2,632,244 USD 87,800 (Note14、Note23)	(ii)	1,420,722 USD 47,389	- -	- -	1,420,722 USD 47,389	(167,352)	93.98%	(157,278)	1,233,286	-
YNSS	Manufacturing of silica sand	120,190 USD 4,009 (Note14)	(ii)	58,131 USD 1,939	- -	- -	58,131 USD 1,939	(20,840)	59.56%	(12,412)	86,680	-
CFG	Manufacturing of flat glasses & low-emission glasses	2,818,120 USD 94,000 （Note8、Note25）	(ii)	2,278,480 USD 76,000	- -	- -	2,278,480 USD 76,000	(23,695)	93.98%	(22,268)	2,975,571	-
FYSS	Manufacturing of silica sand	128,914 USD 4,300 (Note6)	(ii)	62,958 USD 2,100	- -	- -	62,958 USD 2,100	81,358	93.98%	76,460	193,018	-
TGF	Manufacturing of glass fabric & fiber	3,297,800 USD 110,000 (Note13)	(ii)	2,731,658 USD 91,116	- -	- -	2,731,658 USD 91,116	(125,741)	93.98%	(118,171)	5,713,578	-
CDG	Manufacturing of flat glasses & low-emission glasses	2,098,600 USD 70,000 (Note12)	(ii)	1,465,872 USD 48,895	- -	- -	1,465,872 USD 48,895	543,072	93.98%	510,379	7,186,840	-
HZSS	Manufacturing of silica sand	314,790 USD 10,500	(ii)	314,790 USD 10,500	- -	- -	314,790 USD 10,500	(37,287)	93.98%	(35,042)	116,038	-
HNG	Manufacturing of flat glasses & low-emission glasses	3,177,880 USD 106,000 (Note11)	(ii)	2,653,230 USD 88,500	- -	- -	2,653,230 USD 88,500	(17,743)	93.98%	(16,675)	2,996,230	-
DHG	Manufacturing of flat glasses	2,398,400 USD 80,000 (Note9、Note14、Note22)	(ii)	1,499,000 USD 50,000	- -	- -	1,499,000 USD 50,000	257,349	93.98%	241,857	4,926,184	-
TJG	Manufacturing of flat glasses & low-emission glasses	2,878,080 USD 96,000 （Note10、Note24）	(ii)	1,768,820 USD 59,000	- -	- -	1,768,820 USD 59,000	(172,469)	93.98%	(162,087)	589,808	-
FPG	Manufacturing of photovoltaic glass & cell module assembly	2,486,181 USD 82,928 (Note21)	(ii)	1,558,960 USD 52,000	- -	- -	1,558,960 USD 52,000	(417,937)	93.98%	(392,777)	(511,210)	-
SCJ	Manufacturing of soda ash	23,984,000 USD 800,000 (Note15)	(ii)	4,784,568 USD 159,592	- -	- -	4,784,568 USD 159,592	1,407,961	41.34%	582,051	7,834,989	-
HSB	Manufacturing Brine	959,360 USD 32,000 (Note16)	(ii)	179,880 USD 6,000	- -	- -	179,880 USD 6,000	139,400	41.34%	57,628	692,073	-
TXY	Manufacturing of flat glasses	2,998,000 USD 100,000 (Note17)	(ii)	1,948,700 USD 65,000	- -	- -	1,948,700 USD 65,000	268,433	93.98%	252,274	2,540,097	-
TTAR	Manufacturing of low-emission glasses	1,049,300 USD 35,000	(ii)	1,049,300 USD 35,000	- -	- -	1,049,300 USD 35,000	204,671	93.98%	192,350	769,853	-

Attachment 9

Investment in Mainland China as of December 31, 2019(Continue)

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Investee	Nature of Business	Total Amount of Paid-in Capital	Investment Method (Note 1)	Accumulated Outflows of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflows of Investment from Taiwan as of December 31, 2019	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2(ii)b.)	Carrying Value as of December 31, 2019	Accumulated Inward Remittance of Earnings as of December 31, 2019
					Outflow	Inflow						
TAH	Manufacturing of flat glasses	$2,548,300 USD 85,000	(ii)	$2,548,300 USD 85,000	$- -	$- -	$2,548,300 USD 85,000	$59,827	93.98%	$56,226	$1,837,359	$-
TYSM	Manufacturing of solar glasses	1,948,700 USD 65,000 (Note18)	(ii)	1,461,525 USD 48,750	- -	- -	1,461,525 USD 48,750	(123,129)	70.49%	(86,793)	375,307	-
TWAR	Manufacturing of low-emission glasses	1,049,300 USD 35,000	(ii)	1,049,300 USD 35,000	- -	- -	1,049,300 USD 35,000	(29,807)	93.98%	(28,012)	322,528	-
TYAU	Manufacturing of auto glasses	2,038,640 USD 68,000 (Note19)	(ii)	1,043,304 USD 34,800	- -	- -	1,043,304 USD 34,800	(191,688)	55.77%	(106,905)	451,579	-
TBF	Manufacturing of glass fabric	1,798,800 USD 60,000	(ii)	1,798,800 USD 60,000	- -	- -	1,798,800 USD 60,000	(693,983)	93.98%	(652,205)	673,794	-
TCD	Manufacturing of glass fabric	2,938,040 USD 98,000 (Note7)	(ii)	2,788,140 USD 93,000	- -	- -	2,788,140 USD 93,000	(257,398)	93.98%	(241,903)	2,412,677	-

(Dollar amount expressed in thousands of NTD; thousands of USD)

Accumulated Investment in Mainland China as of December 31, 2019	Investment Amount Authorized by Investment Commission, Ministry of Economic Affairs (Note 4)	Limit on Investment Amount to Mainland China
$34,496,637 USD 1,150,655	$40,383,451 USD 1,334,061 and CNY 90,356	(Note 5)

Note 1: The methods for engaging in investment in Mainland China include the following:
- (i) Direct investment in Mainland China companies.
- (ii) Investment in Mainland China companies through a company invested and established in a third region
- (iii) Other methods

Note 2: In the column of profit or loss on investment:
- (i) The investment still in preparation and not generating profit or loss yet should be noted.
- (ii) The gain or loss on investment were determined based on the following:
  - a. The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm
  - b. The financial statements certificated by the CPA of the parent company in Taiwan
  - c. Others

Note 3: The amount of this attachment are expressed in New Taiwan Dollars.
Note 4: The investment amount was authorized by Investment Commission, Ministry of Economic Affairs.
Note 5: The Company does not have a limit on investment in Mainland China since it qualified as operation headquarter approved by the Industrial Development Bureau, Ministry of Economic Affairs.
Note 6: The TGCH invested the other USD 2,200 thousand to the entity with its own capital.
Note 7: The TGCH invested the other USD 5,000 thousand to the entity with its own capital.
Note 8: The other USD 12,000 thousand was invested by third party through the TGCH.
Note 9: Third party invested USD 3,000 thousand to the entity through the TGCH.
Note 10: Third party invested USD 12,000 thousand to the entity through the TGCH.
Note 11: Third party invested USD 17,000 thousand to the entity through the TGCH; TGCH also invested to the entity USD 500 thousand with its own capital.
Note 12: Third party invested USD 21,000 thousand to the entity through the TGCH.
Note 13: Third party invested USD 17,000 thousand to the entity through the TGCH.
Note 14: The QFG, YNSS, and DHG invested USD 27,800 thousand, USD 592 thousand, and USD13,000 thousand, their unappropriated earnings, respectively to the subsidiary.
Note 15: The SCH, the investee of the TGCH, invested USD 640,408 thousand to the entity with its and third party's capital.
Note 16: The SCH invested USD 26,000 thousand to the entity with third party's capital.
Note 17: The USD 35,000 thousand earnings distributed by CFG and CDG was invested by TGCH. The Company did not provide any funding.
Note 18: The USD 16,250 thousand was invested by the third party. The Company did not provide any funding.
Note 19: The TAGH and third party invested additional USD 6,000 thousand and USD 27,200 thousand to the entity, respectively.
Note 20: The QFG and TGUS invested USD 23,319 thousand and USD 4,774 thousand to the entity, respectively.
Note 21: The FPG raised capital of USD 30,928 thousand through debt for equity swap. The Company did not provide any funding.
Note 22: The DHG raised capital of USD 14,000 thousand through debt for equity swap. The Company did not provide any funding.
Note 23: The QFG raised capital of USD 5,000 thousand through debt for equity swap. The Company did not provide any funding.
Note 24: The TJG raised capital of USD 25,000 thousand through debt for equity swap. The Company did not provide any funding.
Note 25: For the period ended September 30, 2019, the Company was merged with TKG. CFG is the surving company, and TKG is the dissolved company.
Note 26: All amount listed above are eliminated in the consolidated financial statements except for SCJ and HSB.

VI. If the Company or any of its affiliates has encountered any financial difficulties from the most recent years until the date the Annual Report was printed, the impact on the Company's financial condition shall be set forth: None.

Seven. Financial Highlights:

I. 2019 vs. 2018 financial analysis

The causes resulting in material changes in assets, liabilities and shareholders' equity in the most recent two years and the effect thereof:

Currency Unit: NTD thousand

Year / Item	2019	2018	Increase (decrease) in amount	Variation Ratio %
Current assets	31,320,135	26,225,853	5,094,282	+19.42
Investments accounted for using the equity method	4,231,551	4,136,312	95,239	+2.30
Property, plant and equipment	47,732,878	50,832,520	(3,099,642)	-6.10
Other noncurrent assets	4,039,883	3,873,710	166,173	+4.29
Total assets	87,324,447	85,068,395	2,256,052	+2.65
Current liabilities	29,945,131	23,251,960	6,693,171	+28.79
Long-term liabilities	11,418,334	11,547,246	(128,912)	-1.12
Other noncurrent liabilities	2,599,771	2,536,824	62,947	+2.48
Total liabilities	43,963,236	37,336,030	6,627,206	+17.75
Capital	29,080,608	29,080,608	0	-0.00
Additional paid-in capital	1,925,218	1,925,218	0	-0.00
Retained earnings	13,534,915	15,905,632	(2,370,717)	-14.90
Other components of equity	(4,376,660)	(2,665,978)	(1,710,682)	-64.17
Non-controlling interests	3,197,130	3,486,885	(289,755)	-8.31
Total equity	43,361,211	47,732,365	(4,371,154)	-9.16

Changes in the Company's assets, liabilities and equity by more than 20% in the previous and subsequent periods and by more than NT$10,000,000, if any, in the most recent two years:

1. Root cause:

(1). Current Liabilities: This is due to the reversal of bills receivable and payables and increase of loan in this period which is conducted according to the "Q&A - Can the transfer of bills receivable in mainland China be excluded" released by the Securities and Futures Bureau of the Financial Supervisory Commission.

(2). Other components of equity: This differential is caused by exchange differences on financial report of foreign operation in this period.

II. 2019 vs. 2018 financial performance analysis:

The causes resulting in material changes in operating revenues, operating income and income before income tax in the most recent two years:

(I) Comparison and analysis of operating results

Currency Unit: NTD thousand

Item \ Yeaer	2019	2018	Increase (decrease) in amount	Variation Ratio %
Operating revenues	41,775,507	46,091,494	(4,315,987)	-9.36
Operating costs	38,350,518	38,755,048	(404,530)	-1.04
Gross profit	3,424,989	7,336,446	(3,911,457)	-53.32
Operating expenses	4,570,761	5,012,946	(442,185)	-8.82
Net amount of other revenues and gains and expenses and losses	(23,349)	74	(23,423)	-31,652.70
Operating gain (loss)	(1,169,121)	2,323,574	(3,492,695)	-150.32
Non-operating income and expenses	(131,302)	(768,909)	637,607	+82.92
Gain (Loss) from continuing operations before income tax	(1,300,423)	1,554,665	(2,855,088)	-183.65
Income tax (expenses) benefits	(306,355)	(522,685)	216,330	+41.39
Net gain (loss) from continuing operations	(1,606,778)	1,031,980	(2,638,758)	-255.70

Variation of more than 20% and explanation of such variation:

(1) The decrease in the operating gross profit was due to the slowdown in the demand for flat glass and fiberglass fabric in 2019 and the adjustment of production capacity, raw materials and fuel, etc.

(2) Decrease in other expenses due to the loss from selling real property, plant and equipment recognized in 2019.

(3) Loss from continuing operations before income tax decreased significantly because U.S.-China trade war in 2018 and exchange rate fluctuations lead to more recognition of exchange losses.

(4) The significant decrease in pre-tax net profit was due to the slowdown in the demand for flat glass and fiberglass fabric in 2019 and adjustment of production capacity, raw materials and fuels that resulted in increase of production costs.

(5) Decrease in income tax expense is due to operating loss.

(6) Decrease in pre-tax net gain from continuing operations was due to the slowdown in the demand for flat glass and fiberglass fabric in 2019 and adjustment of production capacity, raw materials and fuels that resulted in increase of

(II) Analysis of changes in gross profit:

Product type	Increase/decrease in previous and subsequent periods	Cause of Variation			
		Variation in selling price	Variation in cost price	Variation in portfolio	Variation in quantity
Flat glass	(1,238,875)	1,031,761	(1,928,490)	107,359	(449,505)
Fiberglass	(2,602,398)	(2,060,444)	(550,584)	(163,492)	172,122
Glass Container	(218,277)	(76,591)	(141,876)	(74)	264
Others	148,093	148,093	0	0	0
Total	(3,911,457)	(957,181)	(2,620,950)	(56,207)	(277,119)

Notes:

The decrease in operating gross profit in the current period was mainly due to unfavorable cost differences. The significant decrease in the gross profit of flat glass was due to the adjustment of production capacity, raw materials and energy that resulted in increase of production costs, favorable sales differences and unfavorable cost differences; the significant decrease in the gross profit of fiberglass was due to the continuous imbalance in supply and demand for the global smartphone market in 2019 that resulted in downward demand for the fiberglass fabric, unfavorable sales differences and unfavorable cost differences; the slight decrease in the gross profit of glassware was due to the production suspension of tableware glass and increase in production costs of raw materials and energy that resulted in unfavorable sales differences and unfavorable cost differences.

(III) Anticipated sales volume and the basis thereof, and the potential effect against the Company's finances and business and remedial measures thereof:

The Company has not yet started to disclose the financial forecast in 2020, and no financial forecast was disclosed to the public. Explanation: omitted.

III. Cash flows analysis: Any cash flow changes during the most recent fiscal year, corrective measures to be taken in response to illiquidity, and a liquidity analysis for the coming year.

Currency Unit: NTD thousand

Cash balance-beginning	Annual net cash flow from operating activities	Annual cash outflow	Cash balance-ending (shortage)	Plan for cash balance-ending shortage	
				Investment activities	Financing activities
4,707,247	3,342,454	1,804,578	6,245,123	-	-

1. Analysis of changes in cash flows this year:

	2019	2018	Change	Variation Ratio (%)
(1) Operating activities:	3,342,454	4,244,769	(902,315)	(21.26)
(2) Investing activities:	(3,920,531)	(6,118,143)	2,197,612	35.92
(3) Financing activities:	2,634,451	1,344,208	1,290,243	95.99
Total	2,056,374	(529,166)	2,585,540	488.61

During this period, the cash flow increased compared with the previous period, which was mainly due to the construction of Bengbu Plant in the previous period but there is no factory expansion in this period.

2. Plan for cash balance-ending shortage and liquidity analysis:

The Company's operating profit appears to be normal each year, and there is no likelihood for deficit in cash in the future.

3. Analysis of liquidity for next year

Cash balance-beginning	Annual net cash flow from operating activities	Annual cash outflow	Cash balance-ending (shortage)
6,245,123	4,793,000	5,850,000	5,188,123

(1) Operating activities: The normal operation is estimated to generate a cash inflow of NT$4,793,000 thousand.

(2) Investing activities: In order to optimize manufacturing process and replace equipment routinely, the Company plans to purchase additional machine and equipment in 2020 to generate cash outflow.

(3) Financing activities: Repayments of bank loans will be granted and thereby generate cash outflow.

IV. Significant capitalized expenditure analysis

(I)Utilization of material capital expenditure and source of funds

None.

V. Long-term reinvestment policy, main reasons for gain or loss, improvement plan and the coming year investment plan

(I) Reinvestment policy: Based on the existing Company's scale, all of the Group's employees are required to do their jobs, develop business, solidify the foundation, work hard to carry out business, rise from little winnings to greatness, and exert the maximum economic effect.

(II) Main reasons for gain or loss, and improvement plan:

The net investment gain from investment in Mainland companies recognized in 2019 was NT$351,565 thousand. It is mainly the finished goods of the invested company rising prices and increasing sales volume in 2019.

(III) The coming year investment plan: None.

VI. Risk Management:

1. Effect of interest rate, change in foreign exchange rate and inflation to the Company, and countermeasures:
   1. Effect of interest rate risk:

      The Company maintains a fair financial structure as a favorable counter for price negotiation and bargain with financial institutions, and keeping in touch with various banks in order to seek more favorable lending rates.
   2. Effect of foreign exchange rate fluctuation risk:

      Given that the foreign exchange rate risk generated from the sale or purchase valued based on non-functional currency may offset against each other, no material foreign exchange rate risk would be generated.
   3. Effect of inflation: No material effect generated.
2. Policies to engage in high-risk and high-leverage investment, granting loan to others, making endorsements/guarantees and transactions of derivative instruments, the main reasons for profit or loss, and countermeasures:

   The Company did not engage in any high-risk or high-leverage investment, or granting loan to others, but did engage in granting loan and making endorsements/guarantees to/for subsidiaries in Mainland China for the funding or turnover for establishment of factories, in 2019.
3. Projected R&D plans and R&D expenditure:
   (1) The Company's product life is long and investment in equipment is large. Main production technologies are also matured upon improvement. Meanwhile, the Company is able to research and develop the items with such functions as energy-saving, energy-generation, pollution-reduction and maintenance of product quality.
   (2) Continue to introduce the technology and equipment for TCO glass.
   (3) Future expected R&D Spending: NT$269,484 thousand.
4. Changes in Government Apparatus policies and legal environment domestically and overseas, and the effect on the Financial Status and operation of the Company, and Countermeasures N/A
5. The effect of technological and industrial changes on the Financial Status and operation of the Company and countermeasures N/A
6. Effect of change in corporate identity to an enterprise's crisis management, and countermeasures: N/A
7. Anticipated benefit for merger and acquisition, potential risk and countermeasures: N/A
8. Anticipated benefit for expansion and potential risk, and countermeasures: Please see Page 298.
9. Risk encountered by centralization of purchases or sales, and countermeasures: N/A
10. Effect and risk of mass transfer or exchange of equity of directors, supervisors and shareholders who hold more than 10% of the Company's shares to the Company, and countermeasures: N/A
11. The effect of change in the management of the Company, possible risk and countermeasures: N/A
12. Litigations, non-litigations or administrative actions of the Company and the Company's directors, supervisors, presidents, responsible persons in fact, shareholders who hold more than 10% of the Company's shares and affiliates which became final or are still pending may result in major impacts on shareholders' equity or stock price of the Company are disclosed by the facts, value of object, commencing date of the action, concerned parties, and treatment thereof until the date the Annual Report was printed: N/A
13. Other significant risk and countermeasures:

    Information security risk assessment

    The company adheres to the concept of sustainable management, in order to reduce the risk of the security crisis, the following responses to the information environment and system were implemented:
    (1) Purchase and build equipment and safety protection systems,update system vulnerabilities instantly and strengthen the protection of information security.
    (2) Formulate relevant information security policy specifications and authority control, requiring employees to use information equipment and access information correctly.
    (3) Regularly hold training seminars and emergency response drills to enhance employees' awareness of

legal responsibilities and security awareness.

(4) Strengthen the information backup and recovery mechanism to reduce the possible impact of disasters and improve system recovery timeliness.

The company did not have any major capital security incidents in 2019.

VII. Other important notes: N/A

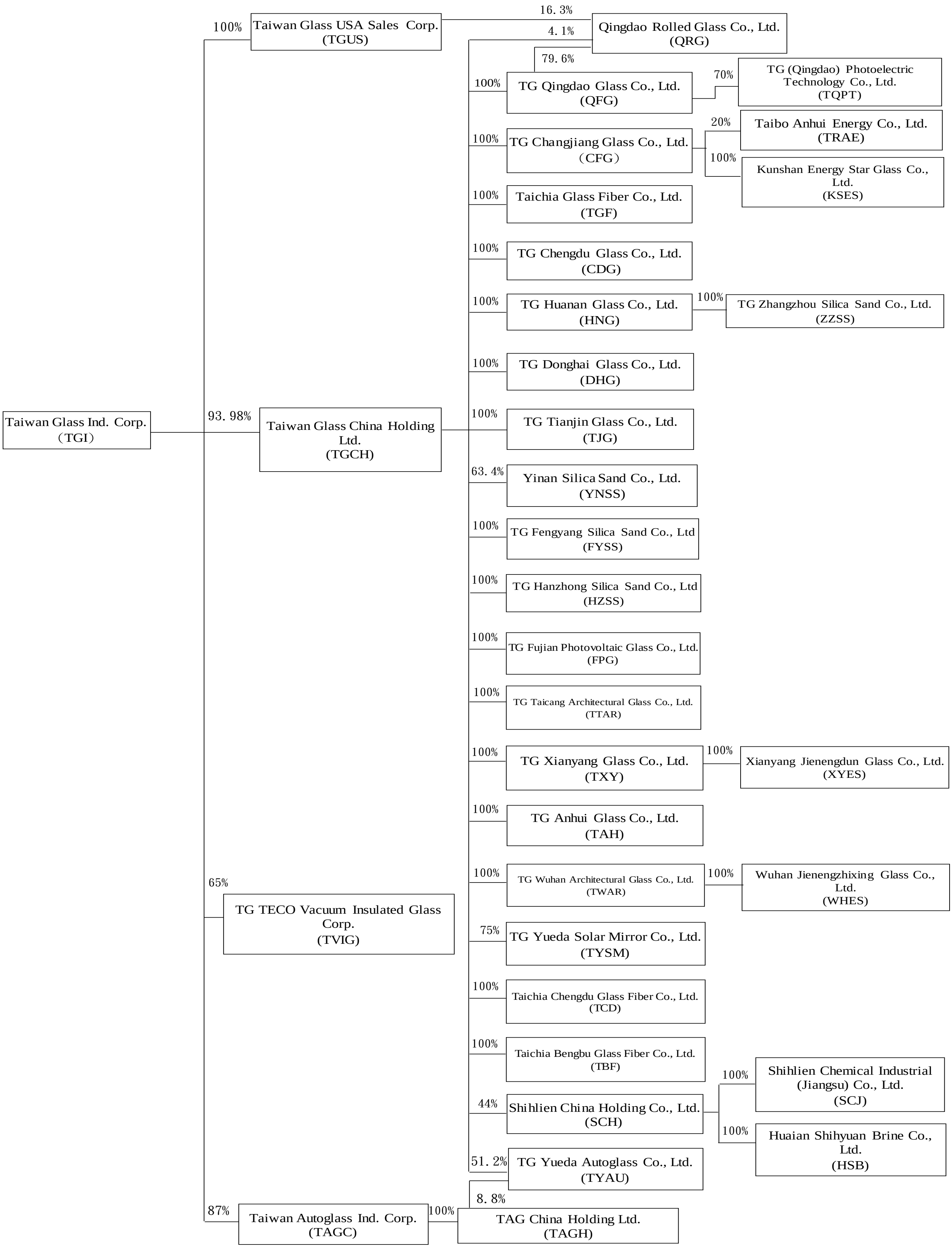
Eight. Special Notes

I. Affiliates

(I) Consolidated report on operation of affiliates:

1. Organizational Chart of Affiliates

2019-12-31



2 · Profile of Affiliated Companies

Currency Unit: US$ 000；NT$ 000；RMB 000

Company Name	Establish Date	Address	Issued capital stock until 2019-12-31	Main Business or Production
Taiwan Glass China Holding Ltd.	September 1, 1993	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	US$ 1,440,758	Holding company investing in Mainland China
Qingdao Rolled Glass Co., Ltd.	May 27, 1993	NO.69 Hong Liu River Road Huangdao District, Qingdao, China	US$ 29,293	Production of rolled glasses
TG Qingdao Glass Co., Ltd.	October 16,1993	NO.69 Hong Liu River Road Huangdao District, Qingdao, China	US$ 87,800	Production of flat glasses
TG Changjiang Glass Co., Ltd.	September 5, 1994	No. 1, Taibo Rd., Zhangpu Town, Kunshan City, Jiangsu, China	US$ 94,000	Production of flat glasses and LOW-E glasses
TG Chengdu Glass Co., Ltd.	May 20, 2002	No. 501, Sec. 1, Huajin Ave, Chingpaijiang District, Chengdu, Sichang, China	US$ 70,000	Production of flat glasses and LOW-E glasses
TG Huanan Glass Co., Ltd.	March 10, 2003	Taiying Ind. Park, Hongmei, Dongguang, Guangdong, China	US$ 106,000	Production of flat glasses and LOW-E glasses
TG Donghai Glass Co., Ltd.	November 18, 2003	No.1, Hudong South Road, Hitech District, Niushan Town, Donghai County, Jiangsu, China	US$ 80,000	Production of flat glasses
TG Tianjin Glass Co., Ltd.	August 12, 2004	Tianyu Science Park, Jinghai County, Tianjin, China	US$ 96,000	Production of flat glasses and LOW-E glasses
TG Fujian Photovoltaic Glass Co., Ltd.	November 25, 2006	TG Ind. District, Jiuzhen Town, Zhangpu County, Zhangzhou City, Fujian, China	US$ 82,928	Production of photovoltaic glass
TG Taicang Architectural Glass Co., Ltd.	April 22, 2010	No.9 Shenjiang Road, Gangkou Area, Taicang City, Jiansu, China	US$ 35,000	Production of LOW-E glasses
TG Xianyang Glass Co., Ltd.	April 29, 2010	Qili Street Xicheng Xingping City, Xianyang, Shaanxi, China	US$ 100,000	Production of flat glasses and LOW-E glasses
TG Anhui Glass Co., Ltd.	May 11, 2010	Kwei Ind. Park, Banqiao Town, Fengyang County, Anhui, China	US$ 85,000	Production of flat glasses
TG Yueda Autoglass Co., Ltd.	May 12, 2010	No. 78, Nanhuan East Rd., Yancheng Economic Development Area, Yancheng, Jiangsu, China	US$ 68,000	Production of auto glasses
TG Wuhan Architectural Glass Co., Ltd.	December 2, 2010	NO.188, Tuanjie street, Changqing street office, Dongxihu district, Wuhan, China	US$ 35,000	Production of LOW-E glasses
TG Yueda Solar Mirror Co., Ltd.	January 7, 2011	No.88 Nanhuan Rd., Yancheng EDZ, Yancheng, JiangSu, China	US$ 65,000	Production of solar mirror glasses
Taichia Glass Fiber Co., Ltd.	June 19, 2001	No. 3, Taibo Rd., Zhangpu Town, Kunshan City, Jiangsu, China	US$ 110,000	Production of fiberglass fabric
Taichia Chengdu Glass Fiber Co., Ltd.	August 8, 2011	NO.1000, Tongxin Road, Qingbaijiang Dis., Chengdu City, Sichuan, China	US$ 98,000	Production of fiberglass fabric
Taichia Bengbu Glass Fiber Co., Ltd.	September 5, 2012	Taibo Ave, Longzihu District, Bengbu, Anhui, China	US$ 60,000	Production of fiberglass fabric
Yinan Silica Sand Co., Ltd.	November 10, 1994	Beiyanwen Village, Zhangzhuang Town., Yinan, Shangdong, China	RMB 32,800	Mining of silica sand
TG Fengyang Silica Sand Co., Ltd.	December 3, 1999	Damiao Town, Fengyang, Anhui, China	US$ 4,300	Mining of silica sand
TG Hanzhong Silica Sand Co., Ltd.	February 11, 2004	Xizhengying Village,Longjiang Town, Hantai District, Hangzhong City, Shaanxi, China	US$ 10,500	Mining of silica sand
TG Zhangzhou Silica Sand Co., Ltd.	July 3, 2007	Aodong Village, Liuao Town, Zhangpu County, Zhangzhou City, Fujian, China	RMB 90,000	Mining of silica sand
Xianyang Jienengdun Glass Co., Ltd.	August 26, 2014	Qili Street Xicheng Xingping City, Xianyang, Shaanxi, China	RMB 100	Sale of LOW-E glasses
Wuhan Jienengzhixing Glass Co., Ltd.	August 27, 2014	NO.188, Tuanjie street, Changqing street office, Dongxihu district, Wuhan, China	RMB 100	Sale of LOW-E glasses
Kunshan Energy Star Glass Co., Ltd.	November 12, 2014	No. 1, Taibo Rd., Zhangpu Town, Kunshan City, Jiangsu, China	RMB 100	Sale of LOW-E glasses
TG (Qingdao) Photoelectric Technology Co., Ltd.	August 24, 2017	NO.69 Hong Liu River Road Huangdao District, Qingdao, China	RMB 25,000	Production of ITO conductive glass
Taibo Anhui Energy Co., Ltd.	January 23, 2014	Silicon Industrial Park, Fengyang County, Chuzhou City, Anhui, China	RMB 25,000	Production of natural gas
Shihlien China Holding Co., Ltd.	August 12, 2008	Room 1101, 11/F, China Insurance Group Building 141 Des Voeux Road Central, Hong Kong	US$ 555,013	Holding company investing in Mainland China
Shihlien Chemical Industrial Jiangsu Co., Ltd.	September 9, 2009	No. 8, Shilian Boulevard, New Salt Chemical Industrial Park, Huaian City, Jiangsu, China	US$ 800,000	Production of soda ash, ammonium chloride and Glauber's salt
Huaian Shihyuan Brine Co., Ltd.	August 13, 2008	No. 8, Shilian Boulevard, New Salt Chemical Industrial Park, Huaian City, Jiangsu, China	US$ 32,000	Production of brine
Taiwan Glass USA Sales Corp.	January 5, 1973	9450 Sw Commerce Circle, Wilsonville Oregon 97070, USA	US$ 461	Selling of glasses
Taiwan Autoglass Ind. Corp.	May 20, 1988	11F, No. 261, Sec. 3, Nanjing E. RD., Taipei City	NT$ 300,000	Production and selling of auto glasses
TG TECO Vacuum Insulated Glass Corp.	January 17, 2012	6F, No. 261, Sec. 3, Nanjing E. RD., Taipei City	NT$ 675,000	Production and selling of vacuum glasses
TAG China Holding Ltd.	February 2, 2010	Clarendon House, 2 Church Street, Hamilton HM11,Bermuda	US$ 6,000	Holding company investing in Mainland China

3. Entities presumed in parent-subsidiary relations and information on identical shareholders: N/A

4. The industries housed in the same business location of the whole business group:

Except TG、TGF、TCD and TBF, which are electronics industries engaged in electronic fiberglass fabric and fiberglass reinforced and cell module assembly, the other entities are engaged in production of glass.

5. Division of labor among affiliates:

(1) QRG, QFG, CFG, CDG, HNG, DHG, TJG, FPG, TTAR, TXY, TAH, TYAU, TWAR, TYSM, TGF, TCD and TBF are the manufactories invested in Mainland China by the Company. QFG, CFG, CDG, HNG, DHG, TJG, TXY and TAH are engaged in production of float glass. FPG is engaged in production of photovoltaic glass. TTAR and TWAR are engaged in production of Low-E glass. TYAU is engaged in production of auto glass. QRG is engaged in production of rolled glass. TYSM is engaged in production of solar mirror. TGF、TCD and TBF are engaged in production of fiberglass fabric. TQPT is engaged in production of ITO conductive glass. The Company is engaged in production of said products, except ITO conductive glass、auto glass and solar mirror .
The Company and the Mainland China companies are independent business entities, and there is no division of labor among each one.

(2) TGUS is the distributor of the Company and its affiliates in the U.S.A..

(3) TAGC is the Company's down-stream supplier (processing and sale of auto glass).

(4) TVIG is the joint venture invested by TG、TECO Electric & Machinery Co., Ltd. and Tong An Investment Co., Ltd. subordinated to TECO Group, engaged in vacuum energy-saving glass.

(5) YNSS is engaged in supplying the silica sand to QFG, DHG and TJG.

(6) FYSS is engaged in supplying the silica sand to CFG, TAH and TGF.

(7) HZSS is engaged in supplying the silica sand to CDG, TXY and TCD.

(8) ZZSS is engaged in supplying the silica sand to HNG.

(9) SCJ is engaged in the production of sodium carbonate, and also the supplier of sodium carbonate to the subsidiaries engaged in production of glass in Mainland China.

(10) HSB is engaged in the exploitation of brine, and also the supplier of sodium carbonate to SCJ.

(11) TRAE is engaged in supplying the natural gas to TAH.

(12) XYES is sale of LOW-E glasses by TXY.

(13) WHES is sale of LOW-E glasses by TWAR.

(14) KSES is sale of LOW-E glasses by CFG.

6. Information about directors, supervisors and general managers of affiliates

Unit: share; %

Name	Job title	Name or Representative	As of December 31, 2019 Shares held: Shares or contribution	%
Taiwan Glass China Holding Ltd.	Chairman	Taiwan Glass Ind. Corp. (Lin, P F)	1,354,033,322 –	93.98 –
	Vice Chairman	Taiwan Glass Ind. Corp. (Lin, P S)	As above –	As above –
	Director	Taiwan Glass Ind. Corp. (Lin, P C)	As above –	As above –
	Director	Taiwan Glass Ind. Corp. (Lin, C H)	As above –	As above –
	Director	Taiwan Glass Ind. Corp. (Lin, C Y)	As above –	As above –
	Director	Taiwan Glass Ind. Corp. (Lin, C M)	As above –	As above –
Qingdao Rolled Glass Co., Ltd.	Chairman	TG Qingdao Glass Co., Ltd. (Lin, P S)	US$ 23,318,800 –	79.60 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	US$ 1,200,000 –	4.10 –
	Director	Taiwan Glass USA Sales Corp. (Lin, P C)	US$ 4,774,200 –	16.30 –
	Director	Taiwan Glass USA Sales Corp. (Lin, C H)	As above –	As above –
	Director	TG Qingdao Glass Co., Ltd. (Lin, C Y)	US$ 23,318,800 –	79.60 –
	Supervisor	TG Qingdao Glass Co., Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Sung, C H	–	–
TG Qingdao Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P S)	US$ 87,800,000 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Sung, C H	–	–
TG Changjiang Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US$ 94,000,000 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	Vice G. MGR	Li, HU、Ji, W G	–	–
TG Chengdu Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US$ 70,000,000 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Ji, W G、Li, G Y	–	–

Name	Job title	Name or Representative	As of December 31, 2019	
			Shares held	
			Shares or contribution	%
TG Huanan Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P C)	US$ 106,000,000 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Lee, T M	–	–
TG Donghai Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P S)	US$ 80,000,000 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Chen, Y C	–	–
TG Tianjin Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P C)	US$ 96,000,000 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Yang, C C	–	–
TG Fujian Photovoltaic Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P S)	US$ 82,927,707 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Chen, K M	–	–
TG Taicang Architectural Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US$ 35,000,000 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Ji, W G	–	–

Name	Job title	Name or Representative	As of December 31, 2019	
			Shares held	
			Shares or contribution	%
TG Xianyang Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US$ 100,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Chang, C F	-	-
TG Anhui Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US$ 85,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Chen, C H	-	-
TG Yueda Autoglass Co., Ltd.	Chairman	TAG China Holding Ltd. (Lin, C H)	US$ 6,000,000 -	8.82 -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	US$ 34,800,000 -	51.18 -
	Director	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	Vice Chairman	Yueda Automobile Development Co.,Ltd. (CHENG, R C)	US$ 27,200,000 -	40.00 -
	Director & President	Yueda Automobile Development Co.,Ltd. (Wu, Y H)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lu, Z X)	US$ 34,800,000 -	51.18 -
	Supervisor	Jiangsu Yueda Group Co., Ltd. (Chen, H)	US$ 27,200,000 -	40.00 -
TG Wuhan Architectural Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US$ 35,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Ji, W G	-	-
TG Yueda Solar Mirror Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US$ 48,750,000 -	75.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	Vice Chairman	Jiangsu Yueda Group Co., Ltd. (Chen, H)	US$ 16,250,000 -	25.00 -
	Director	Jiangsu Yueda Group Co., Ltd. (Wu, Z L)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lu, Z X)	US$ 48,750,000 -	75.00 -
	Supervisor	Jiangsu Yueda Group Co., Ltd. (Wu, Y H)	US$ 16,250,000 -	25.00 -
	G. MGR	Zhao, M	-	-

Name	Job title	Name or Representative	As of December 31, 2019	
			Shares held	
			Shares or contribution	%
Taichia Glass Fiber Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P F)	US$ 110,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above -	As above -
	Director & President	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Siao,S C		
Taichia Chengdu Glass Fiber Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P F)	US$ 98,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above -	As above -
	Director & President	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
Taichia Bengbu Glass Fiber Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P F)	US$ 60,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Chen, C C	-	-
Yinan Silica Sand Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P S)	RMB$ 20,788,720 -	63.38 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Vice Chairman	Yinan Yang Du Assets Operation Co., Ltd. (Hsieh, S L)	RMB$ 12,011,280 -	36.62 -
	Director	Yinan Yang Du Assets Operation Co., Ltd. (Chang, C Y)	As above -	As above -
	Director	Yinan Yang Du Assets Operation Co., Ltd. (Tu, T)	As above -	As above -
	Director	Yinan Yang Du Assets Operation Co., Ltd. (Kao, S P)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	RMB$ 20,788,720 -	63.38 -
	G. MGR	Chen, Y C	-	-

Name	Job title	Name or Representative	As of December 31, 2019 Shares held Shares or contribution	%
TG Fengyang Silica Sand Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US$ 4,300,000 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Kao, W T	–	–
TG Hanzhong Silica Sand Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US$ 10,500,000 –	100.00 –
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above –	As above –
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above –	As above –
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	G. MGR	Chang, C F	–	–
TG Zhangzhou Silica Sand Co., Ltd.	Chairman	TG Huanan Glass Co., Ltd. (Lin, P C)	RMB$ 90,000,000 –	100.00 –
	Supervisor	TG Huanan Glass Co., Ltd. (Lin, P F)	As above –	As above –
	G. MGR	Chen, K M	–	–
Xianyang Jienengdun Glass Co., Ltd.	Executive Director & President	TG Xianyang Glass Co., Ltd. (Lin, C H)	RMB$ 100,000 –	100.00 –
	Supervisor	TG Xianyang Glass Co., Ltd. (Lin, C Y)	As above –	As above –
Wuhan Jienengzhixing Glass Co., Ltd.	Executive Director & President	TG Wuhan Architectural Glass Co., Ltd. (Lin, C H)	RMB$ 100,000 –	100.00 –
	Supervisor	TG Wuhan Architectural Glass Co., Ltd. (Lin, C Y)	As above –	As above –
Kunshan Energy Star Glass Co., Ltd.	Executive Director & President	TG Changjiang Glass Co., Ltd. (Lin, C H)	RMB$ 100,000 –	100.00 –
	Supervisor	TG Changjiang Glass Co., Ltd. (Lin, C Y)	As above –	As above –
TG (Qingdao) Photoelectric Technology Co., Ltd.	Chairman	TG Qingdao Glass Co., Ltd. (Lin, P S)	RMB$ 17,500,000 –	70.00 –
	Supervisor	Shenzhen Taizhi Photoelectric Material Technology Co., Ltd. (Pan, C)	RMB$ 7,500,000 –	30.00 –
	G. MGR	Sung, C H	–	–
Taibo Anhui Energy Co., Ltd.	Chairman	Tianjin Xinao Gas Development Co., Ltd (HAN, J S)	RMB$ 20,000,000 –	80.00 –
	Director	Tianjin Xinao Gas Development Co., Ltd (QIN, H G)	As above –	As above –
	Director	TG Changjiang Glass Co., Ltd. (Chen, C H)	RMB$ 5,000,000 –	20.00 –
	Supervisor	Tianjin Xinao Gas Development Co., Ltd (CAI, R)	RMB$ 20,000,000 –	80.00 –
	Supervisor	TG Changjiang Glass Co., Ltd. (Lin, C H)	RMB$ 5,000,000 –	20.00 –
	G. MGR	Chen,X J	–	–

Name	Job title	Name or Representative	As of December 31, 2019	
			Shares held	
			Shares or contribution	%
Shihlien China Holding Co., Ltd.	Chairman	Lin, P S	US$ 450,000	0.08
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	US$ 244,159,742 –	43.99 –
	Director	Taiwan Glass China Holding Ltd. (Lin, C M)	As above –	As above –
	Director	Hsu, L L	–	–
	Director	Lin, H C	–	–
	Director	Lin M J	–	–
	Director	Yi Chun Navigation (HK) Ltd.	US$ 11,889,409 –	2.14 –
	Director	Chen, T W	–	–
	Director	Chiang Feng-Wen	–	–
Shihlien Chemical Industrial Jiangsu Co., Ltd.	Chairman	Shihlien China Holding Co., Ltd. (Lin, P S)	US$ 800,000,000 –	100.00 –
	Director	Shihlien China Holding Co., Ltd. (Lin, P F)	As above –	As above –
	Director & President	Shihlien China Holding Co., Ltd. (Chiang Feng-Wen)	As above –	As above –
	Supervisor	Shihlien China Holding Co., Ltd. (Hsu, L L)	As above –	As above –
Huaian Shihyuan Brine Co., Ltd.	Executive Director	Shihlien China Holding Co., Ltd. (Lin, P S)	US$ 32,000,000 –	100.00 –
	G. MGR	Shihlien China Holding Co., Ltd. (Chiang Feng-Wen)	As above –	As above –
	Supervisor	Shihlien China Holding Co., Ltd. (Lin, P F)	As above –	As above –
Taiwan Glass USA Sales Corp.	Chairman & President	Taiwan Glass Ind. Corp. (Lin, P C)	4,612 –	100.00 –
	Director	Taiwan Glass Ind. Corp. (Lin, P F)	As above –	As above –
	Director	Taiwan Glass Ind. Corp. (Lin, P S)	As above –	As above –
Taiwan Autoglass Ind. Corp.	Chairman	Taiwan Glass Ind. Corp. (Lin, C H)	26,100,000 –	87.00 –
	Director	Taiwan Glass Ind. Corp. (Lin, C Y)	As above –	As above –
	Director	PILKINGTON INT'L HOLDINGS B.V. (TATEMOTO KATSUNORI)	3,000,000 –	10.00 –
	Supervisor	Lim Ken Seng Kah Kih Co., Ltd. (Lin, C M)	900,000 –	3.00 –
	G. MGR	CHEN, G Y	–	–
TG TECO Vacuum Insulated Glass Corp.	Chairman & President	Taiwan Glass Ind. Corp. (Lin, P S)	43,875,000 –	65.00 –
	Vice Chairman	Tong An Investment Co., Ltd. (Theodore M.H. Huang)	16,004,150 –	23.71 –
	Director	Taiwan Glass Ind. Corp. (Lin, P F)	43,875,000 –	65.00 –
	Director	Tong An Investment Co., Ltd. (George Lien)	16,004,150 –	23.71 –
	Director	Taiwan Glass Ind. Corp. (Lin, C Y)	43,875,000 –	65.00 –
	Supervisor	Lin, C M	–	–
	Supervisor	Sophia Chiu	–	–
TAG China Holding Ltd.	Chairman	Taiwan Autoglass Ind. Corp. (Lin, C H)	US$ 6,000,000 –	100.00 –
	Vice Chairman	Taiwan Autoglass Ind. Corp. (Lin, C Y)	As above –	As above –
	Director	Taiwan Autoglass Ind. Corp. (Lin, C M)	As above –	As above –

7 · Operating profile of affiliated companies

Unit：NTD thousand

Data baseline date：Dec 31, 2019

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating income	Income before income tax	EPS(NT$)
Taiwan Glass China Holding Ltd.	44,657,444	64,033,664	21,354,681	42,678,983	29,989,090	-315,178	-358,069	-0.25
Qingdao Rolled Glass Co., Ltd.	884,634	311,958	197,855	114,103	35,951	-44,221	-40,670	
TG Qingdao Glass Co., Ltd.	2,424,600	2,790,370	1,478,084	1,312,286	2,070,664	-109,379	-167,352	
TG Changjiang Glass Co., Ltd.	2,841,150	4,559,526	1,393,352	3,166,174	3,392,156	-47,708	-23,695	
TG Chengdu Glass Co., Ltd.	2,115,750	9,042,626	1,395,425	7,647,201	4,372,355	411,517	543,072	
TG Huanan Glass Co., Ltd.	3,205,353	3,687,043	498,886	3,188,157	2,305,134	-15,461	-17,743	
TG Donghai Glass Co., Ltd.	2,419,170	6,212,097	970,361	5,241,736	2,583,386	273,051	257,349	
TG Tianjin Glass Co., Ltd.	2,930,332	2,510,305	1,882,716	627,589	1,798,604	-98,295	-172,469	
TG Fujian Photovoltaic Glass Co., Ltd.	2,510,766	2,042,992	2,586,948	-543,956	133,941	-315,261	-417,937	
TG Taicang Architectural Glass Co., Ltd.	1,047,228	2,180,525	1,361,358	819,167	1,707,430	202,794	204,671	
TG Xianyang Glass Co., Ltd.	3,007,819	5,058,202	2,355,397	2,702,805	3,186,892	383,246	268,433	
TG Anhui Glass Co., Ltd.	2,590,195	4,419,992	2,464,938	1,955,054	2,761,737	162,276	59,827	
TG Yueda Autoglass Co., Ltd.	2,128,671	1,923,754	1,114,038	809,716	332,257	-144,389	-191,688	
TG Wuhan Architectural Glass Co., Ltd.	1,055,605	2,200,753	1,857,565	343,188	1,147,072	-32,726	-29,807	
TG Yueda Solar Mirror Co., Ltd.	1,972,788	913,875	381,449	532,426	18,680	-115,610	-123,129	
Taichia Glass Fiber Co., Ltd.	3,324,750	7,161,052	1,081,484	6,079,568	3,546,343	-224,707	-125,741	
Taichia Chengdu Glass Fiber Co., Ltd.	2,930,765	5,438,046	2,870,822	2,567,224	1,508,687	-170,670	-257,398	
Taichia Bengbu Glass Fiber Co., Ltd.	1,807,246	6,005,837	5,288,883	716,954	785,397	-467,368	-693,983	
Yinan Silica Sand Co., Ltd.	121,050	150,143	4,609	145,534	65,224	-20,120	-20,840	
TG Fengyang Silica Sand Co., Ltd.	129,968	345,934	140,552	205,382	146,823	82,275	81,358	
TG Hanzhong Silica Sand Co., Ltd.	317,363	263,100	139,629	123,471	3,284	-34,675	-37,287	
TG Zhangzhou Silica Sand Co., Ltd.	417,760	399,406	19,470	379,936	92,038	-439	-4,064	
Xianyang Jienengdun Glass Co., Ltd.	464	65,059	64,637	422	200,838	-14	0	
Wuhan Jienengzhixing Glass Co., Ltd.	464	428	17	411	0	-1	-4	
Kunshan Energy Star Glass Co., Ltd.	464	1,845	1,220	625	12	9	7	
TG (Qingdao) Photoelectric Technology Co., Ltd.	115,220	575,812	461,173	114,639	105,592	7,843	9,890	
Taibo Anhui Energy Co., Ltd.	123,227	74,431	15,876	58,555	228,094	-5,793	-5,795	
Shihlien China Holding Co., Ltd.	16,639,284	25,943,610	16,295,886	9,647,724	11,989,686	1,864,910	727,343	0.17
Shihlien Chemical Industrial Jiangsu Co., Ltd.	22,229,824	24,448,559	5,495,998	18,952,561	12,065,080	1,727,620	1,407,961	
Huaian Shihyuan Brine Co., Ltd.	906,243	1,726,674	52,574	1,674,100	508,262	185,689	139,400	
Taiwan Glass USA Sales Corp.	17,676	418,458	26,774	391,684	768,852	32,418	31,482	6,826.11
Taiwan Autoglass Ind. Corp.	300,000	403,280	189,198	214,082	487,772	-61,633	-80,132	-2.67
TG TECO Vacuum Insulated Glass Corp.	675,000	294,834	43,282	251,552	8	-19,088	-43,733	-0.65
TAG China Holding Ltd.	188,571	71,916	4,937	66,979	0	-509	-17,297	-2.88

Note：On December 31, 2019, the exchange rates were averaged 1US$=NT$30.912=RMB6.8967,ending 1US$=NT$29.98=RMB6.9762。

II. Status of securities in private placement in the past year and up to the publication of this Annual Report: N/A

III. Status of TGI common stocks acquired, disposed of, and held by subsidiaries in the past year and up to the publication of this Annual Report: N/A

IV. Other Special Notes: N/A

Nine. Significant issues which might affect stockholders' equity or securities' price pursuant to Item3, Paragraph2, Article 36 of the Securities and Exchange Act in the past year and up to the publication of this Annual Report: N/A