BUIMA GROUP INC. (CAYMAN) AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2020 AND 2019

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Buima Group Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Buima Group Inc. and subsidiaries (the "Group") as at December 31, 2020 and 2019, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China; and in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. Financial-Supervisory-Securities-Auditing-1090360805 issued by the Financial Supervisory Commission on February 25, 2020 and generally accepted auditing standards in the Republic of China for our audit of the consolidated financial statements as of and for the year ended December 31, 2019. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2020 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, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2020 consolidated financial statements are stated as follows:

Occurrence of revenue recognition from the export sales

Description

Please refer to Note 4(23) for accounting policies on revenue recognition and Note 6(20) for details of revenue recognition. For the year ended December 31, 2020, export sales revenue amounted to NT$ 276,606 thousand, representing 27% of consolidated operating revenue.

The export sales revenues, which are mainly concentrated in European countries, constitute a high percentage of the Group's consolidated operating revenue. Sales revenue are recognised in the year when the control of the products are transferred according to the transaction terms agreed upon by both parties. Thus, we consider that there might be potential risks arising from export revenue recognition, which are mainly the occurrence of the export sales revenue.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of and assessed internal controls relating to sales revenue from export sales, and validated the operating effectiveness of those above mentioned internal controls.
2. Tested transaction terms of export sales including selling prices and credit terms by agreeing it to the information on the customer order.
3. Obtained detailed listing of export sales revenue in the current year, and for significant export sales transactions selected for sample testing, validated supporting documents, including customer purchase orders, delivery documents and sales invoices, to ensure the occurrence of those export sales transactions.
4. Inspected the nature, contents and relevant evidences relating to sales returns and discounts occurring subsequent to the reporting period, and checked the collections after balance sheet date to ensure the occurrence of the sales revenue from export sales.

Business combination

Description

The Group acquired a 100% equity interest in Unitory Construction Co., Ltd. in cash amounting to NT$300 million in July 2020. This transaction involves a complex calculation on the determination of consideration and the fair value of acquired assets made by management as well as the reasonableness of allocation of acquisition price, which is a significant transaction. Thus, we identified business combination as a key audit matter. This transaction was accounted for in accordance with IFRS 3, Business Combination. Please refer to Note 4(24) for details and Note 6(29) for the allocation of acquisition price assessed by management.

How our audit addressed the matter:

We inspected the Board of Directors’ meeting minutes in order to ensure that the business combination was approved under an appropriate assessment and reviewed whether the business combination was conducted in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. We performed the following audit procedures on the key audit matter mentioned above:

1. Interviewed management in order to understand the purpose, assessment procedure and consideration determination of the equity transaction, and reviewed the Board of Directors’ meeting minutes and equity transaction contract and confirmed that the resolved matters in the meeting are consistent with the contents of the contract.
2. Evaluated the qualifications and subjectivity of the independent appraisal expert employed by management. Reviewed the original documentation and the reasonableness of the assumptions of the business valuation report issued by the independent appraisal expert. Additionally, we performed the following procedures on the business valuation report:
   (1) Reviewed the appraisal method and calculation formulas used by the independent appraisal expert.
   (2) Reviewed the estimated growth rate and gross rate and compared with historical data; and
   (3) Reviewed the discount rate and compared with similar return on similar assets in the market.

Recognition of construction contract revenue-the stage of completion estimate

Description

Please refer to Notes 4(23) and 6(20) for accounting policies on construction contracts revenue recognition and details. For the year ended December 31, 2020, construction contract revenue amounted to NT$ 205,731 thousand, representing 20% of consolidated operating revenue.

The Group recognised construction contract revenue and profit by using percentage of completion method during the contract period. The percentage of completion will be calculated based on the actual cost at the financial period-end in proportion to estimated total construction contract cost. The aforementioned estimated total construction contract cost was calculated based on the contract budget details of winning construction contract, taking into consideration the changes in construction caused by additional or less work, and the recent price fluctuations in the market to estimate the contract work, overhead and relevant costs.

As the complexity of aforementioned total cost usually involves subjective judgment and contains a high degree of uncertainty, and the estimate of total cost affects the stage of completion and the recognition of construction contract revenue, thus, we considered the assessment of the stage of completion which was applied on construction contract revenue recognition as a key audit matter.

How our audit addressed the matter:

We performed the following audit procedures on the above key audit matter:

1. We obtained an understanding of the nature of business and industry of the Group and assessed the reasonableness of internal process of estimating total construction cost, including the procedure of estimating each construction cost and overhead, and the consistency of applying the estimation method;
2. Obtained an understanding and assessed of the internal controls which would affect the changes of estimated total cost, including verifying the evidence of additional or less work and constructions for the current period and after the balance sheet date.
3. Inspected the construction on site accompanied by the supervisor and other appropriate staff at the end of the reporting period to assess the reasonableness of the estimated stage of completion.
4. Obtained details of construction profit or loss and performed substantive procedures, including randomly checking the incurred cost of current period with the appropriate evidence, and additional or less work with the supporting documents, and recalculated the stage of completion.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Hadrien Chiu Charles Lai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 31, 2021

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than 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, PricewaterhouseCoopers 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.

BUIMA GROUP INC. (CAYMAN) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 293,348	17	$ 323,492	30
1140	Current contract assets	6(20)	108,756	6	5,401	-
1150	Notes receivable, net		21,213	1	21,618	2
1170	Accounts receivable, net	6(3)	247,569	14	127,880	12
1180	Accounts receivable - related parties	7	57,412	3	49,529	4
1200	Other receivables		18,864	1	9,683	1
1210	Other receivables - related parties	7	-	-	43	-
130X	Inventories	6(4)	145,756	8	152,161	14
1410	Prepayments		78,725	4	17,527	2
1479	Other current assets, others	6(5) and 8	140,909	8	43,212	4
11XX	**Current assets**		1,112,552	62	750,546	69
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	4,690	-	-	-
1600	Property, plant and equipment	6(6) and 8	258,817	15	235,996	22
1755	Right-of-use assets	6(7)	77,163	4	39,330	3
1780	Intangible assets	6(8)	144,453	8	847	-
1840	Deferred income tax assets	6(27)	9,057	1	8,755	1
1900	Other non-current assets	6(9) and 8	182,108	10	51,415	5
15XX	**Non-current assets**		676,288	38	336,343	31
1XXX	**Total assets**		$ 1,788,840	100	$ 1,086,889	100

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BUIMA GROUP INC. (CAYMAN) AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2020 AMOUNT	%	December 31, 2019 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10)	$ 448,484	25	$ 137,075	13
2130	Current contract liabilities	6(20)	70,726	4	11,431	1
2150	Notes payable		31,288	2	192	-
2170	Accounts payable	6(11)	126,715	7	47,162	4
2200	Other payables	6(13)	88,867	5	110,615	10
2220	Other payables - related parties	7	-	-	264	-
2230	Current income tax liabilities	6(27)	19,316	1	8,002	1
2250	Current provisions	6(15)	5,422	-	-	-
2280	Current lease liabilities		346	-	661	-
2300	Other current liabilities	6(12)	84,598	5	-	-
21XX	**Current Liabilities**		875,762	49	315,402	29
	Non-current liabilities					
2540	Non-current portion of borrowings	6(12)	148,269	8	-	-
2570	Deferred income tax liabilities	6(27)	14,889	1	12,841	1
2580	Non-current lease liabilities		-	-	346	-
2645	Guarantee deposits received		918	-	5,125	1
25XX	**Non-current liabilities**		164,076	9	18,312	2
2XXX	**Total liabilities**		1,039,838	58	333,714	31
	Equity					
	Equity attributable to owners of parent					
3110	Share capital - common stock	6(16)	357,000	20	357,000	33
	Capital surplus	6(17)				
3200	Capital surplus		233,254	13	261,814	24
	Retained earnings	6(18)				
3310	Legal reserve		4,140	-	1,889	-
3320	Special reserve		57,538	3	37,193	4
3350	Unappropriated retained earnings		28,660	2	22,596	2
	Other equity interest	6(19)				
3400	Other equity interest		(55,608)	(3)	(64,521)	(6)
31XX	**Equity attributable to owners of the parent**		624,984	35	615,971	57
36XX	Non-controlling interest	4(3)	124,018	7	137,204	12
3XXX	**Total equity**		749,002	42	753,175	69
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 1,788,840	100	$ 1,086,889	100

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

BUIMA GROUP INC. (CAYMAN) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earning per share)

	Items	Notes	2020 AMOUNT	2020 %	2019 AMOUNT	2019 %
4000	Sales revenue	6(20) and 7	$ 1,010,442	100	$ 995,002	100
5000	Operating costs	6(4)(14)(25)(26)	(730,335)	(72)	(712,444)	(72)
5950	Net operating margin		280,107	28	282,558	28
	Operating expenses	6(14)(25)(26), 7 and 12(2)				
6100	Selling expenses		(126,957)	(13)	(103,073)	(10)
6200	General and administrative expenses		(60,585)	(6)	(71,152)	(7)
6300	Research and development expenses		(52,749)	(5)	(46,739)	(5)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9		1,029	-	(13,260)	(1)
6000	Total operating expenses		(239,262)	(24)	(234,224)	(23)
6900	Operating profit		40,845	4	48,334	5
	Non-operating income and expenses					
7100	Interest income	6(21)	2,114	-	1,268	-
7010	Other income	6(22)	8,615	1	4,407	1
7020	Other gains and losses	6(6)(23)	(5,475)	-	(88)	-
7050	Finance costs	6(7)(24)	(9,021)	(1)	(7,378)	(1)
7000	Total non-operating income and expenses		(3,767)	-	(1,791)	-
7900	**Profit before income tax**		37,078	4	46,543	5
7950	Income tax expense	6(27)	(10,408)	(1)	(15,982)	(2)
8200	**Profit for the year**		$ 26,670	3	$ 30,561	3
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8341	Other components of other comprehensive income that will not be reclassified to profit or loss		($ 43,149)	(4)	($ 23,204)	(2)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		58,415	6	(10,421)	(1)
8399	Income tax relating to the components of other comprehensive income	6(27)	(5,048)	(1)	846	-
8300	**Other comprehensive income (loss) for the year**		$ 10,218	1	($ 32,779)	(3)
8500	**Total comprehensive income (loss) for the year**		$ 36,888	4	($ 2,218)	-
	Profit (loss), attributable to:					
8610	Owners of the parent		$ 28,660	3	$ 22,510	2
8620	Non-controlling interest		(1,990)	-	8,051	1
			$ 26,670	3	$ 30,561	3
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 37,573	4	($ 4,818)	-
8720	Non-controlling interest		(685)	-	2,600	-
			$ 36,888	4	($ 2,218)	-
	Basic earnings per share					
9750	Total basic earnings per share	6(28)		$ 0.80		$ 0.63
9850	Total diluted earnings per share	6(28)		$ 0.80		$ 0.63

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

BUIMA GROUP INC. (CAYMAN) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent								
				Retained earnings						
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total
Year 2019										
Balance at January 1, 2019		$ 357,000	$ 274,309	$ -	$ 25,632	$ 18,891	($ 37,193)	$ 638,639	$ 128,228	$ 766,867
Profit		-	-	-	-	22,510	-	22,510	8,051	30,561
Other comprehensive loss	6(19)	-	-	-	-	-	(27,328)	(27,328)	(5,451)	(32,779)
Total comprehensive income(loss)		-	-	-	-	22,510	(27,328)	(4,818)	2,600	(2,218)
Appropriations of 2018 earnings										
Legal reserve	6(17)	-	-	1,889	-	(1,889)	-	-	-	-
Special reserve	6(17)	-	-	-	11,561	(11,561)	-	-	-	-
Cash dividents	6(18)	-	-	-	-	(5,355)	-	(5,355)	-	(5,355)
Cash payment from capital surplus	6(17)	-	(12,495)	-	-	-	-	(12,495)	-	(12,495)
Cash dividends paid by a consolidated subsidiary		-	-	-	-	-	-	-	6,376	6,376
Balance at December 31, 2019		$ 357,000	$ 261,814	$ 1,889	$ 37,193	$ 22,596	($ 64,521)	$ 615,971	$ 137,204	$ 753,175
Year 2020										
Balance at January 1, 2020		$ 357,000	$ 261,814	$ 1,889	$ 37,193	$ 22,596	($ 64,521)	$ 615,971	$ 137,204	$ 753,175
Profit (loss)		-	-	-	-	28,660	-	28,660	(1,990)	26,670
Other comprehensive income	6(19)	-	-	-	-	-	8,913	8,913	1,305	10,218
Total comprehensive income(loss)		-	-	-	-	28,660	8,913	37,573	(685)	36,888
Appropriations of 2019 earnings										
Legal reserve	6(17)	-	-	2,251	-	(2,251)	-	-	-	-
Specail reserve	6(17)	-	-	-	20,345	(20,345)	-	-	-	-
Cash payment from capital surplus	6(17)	-	(28,560)	-	-	-	-	(28,560)	-	(28,560)
Cash dividends paid by a consolidated subsidiary		-	-	-	-	-	-	-	(12,501)	(12,501)
Balance at December 31, 2020		$ 357,000	$ 233,254	$ 4,140	$ 57,538	$ 28,660	($ 55,608)	$ 624,984	$ 124,018	$ 749,002

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

BUIMA GROUP INC. (CAYMAN) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2020	Year ended December 31 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 37,078	$ 46,543
Adjustments			
Adjustments to reconcile profit (loss)			
Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	12(2)	(1,029)	13,260
Gain on reversal of decline in market value	6(4)	(3,479)	(1,044)
Depreciation and amortization	6(6)(7)(8)(25)	46,529	42,337
(Gain) loss on disposal of property, plant and equipment	6(23)	(315)	1,237
Property, plant and equipment transferred to expenses		463	-
Interest income	6(21)	(2,114)	(1,268)
Interest expense	6(24)	9,021	7,378
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets - current		(103,355)	1,677
Notes receivable		405	1,906
Account receivalbe		(58,296)	(5,216)
Accounts receivable - related parties		(7,883)	(5,523)
Other receivables		(4,922)	(3,116)
Other receivables - related parties		43	3,679
Inventories		(11,721)	59,718
Prepayments		(56,061)	(3,264)
Contract liabilities - current		35,923	(7,676)
Notes payable		14,930	192
Accounts payable		36,369	(6,021)
Other payables		(33,840)	(20,112)
Other payable -related parties		(264)	-
Provisions for liabilities		1,244	-
Cash (outflow) inflow generated from operations		(101,274)	124,687
Interest received		2,114	1,268
Interest paid		(8,940)	(7,378)
Income tax paid		(20,590)	(10,290)
Net cash flows (used in) from operating activities		(128,690)	108,287
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at fair value through profit or loss	6(2)	(4,690)	-
Acquisition of property, plant and equipment	6(6)	(52,766)	(7,310)
Proceed from disposal of property, plant and equipment		889	917
(Increase) decrease in refundable deposits	6(9)	(56,849)	4,093
Increase in prepayment for land approval fee	6(9)	(39,307)	-
Acquisition of subsidiary	6(29)	(300,000)	-
Cash received through acquisition		185,332	-
Increase in other current assets, others	6(5)	(97,438)	(30,865)
(Increase) decrease in other non-current assets		(19,887)	41,023
Net cash flows (used in) from investing activities		(384,716)	7,858
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(10)	670,072	207,950
Decrease in short-term borrowings	6(10)	(352,441)	(186,721)
Payments of lease liabilities	6(7)	(976)	(923)
Increase in long-term borrowings	6(12)	225,453	-
(Decrease) increase in guarantee deposits received		(4,207)	3,916
Payment of cash dividends	6(17)	(28,560)	(17,850)
Payment of cash dividends -non-controlling interest	6(17)	(12,501)	(6,041)
Increase in non-controlling interests		-	12,417
Net cash flows from financing activities		496,840	12,748
Effect of foreign exchange translations		(13,578)	(65,830)
Net (decrease) increase in cash and cash equivalents		(30,144)	63,063
Cash and cash equivalents at beginning of year		323,492	260,429
Cash and cash equivalents at end of year		$ 293,348	$ 323,492

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

BUIMA GROUP INC. (CAYMAN) AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Buima Group Inc. (Cayman) (the "Company") was incorporated in the British Cayman Islands in November 2009 for the purpose of the organisational restructuring undertaken prior to listing on the Taiwan Stock Exchange or Taipei Exchange. On November 10, 2009, the Company provided its own shares to exchange shares in Buima Holding Limited and Syntech Holding Limited at a conversion ratio of 0.54:1 and became the holding company of the two companies thereafter. On May 18, 2020, the Company renamed its Chinese name as approved by the shareholders, but no change was made on its English name. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in manufacture and sales of metal wall partitions and compartments, fire insulation partitions, metal ceilings, grids and new building materials, comprehensive constructions, development and lease of housings and buildings, development, lease and sales of industrial plants, trading of property and dredging industry.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 29, 2021.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC effective from 2020 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1 and IAS 8, 'Disclosure initiative-definition of material'	January 1, 2020
Amendments to IFRS 3, 'Definition of a business'	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7, 'Interest rate benchmark reform'	January 1, 2020
Amendment to IFRS 16, 'Covid-19-related rent concessions'	June 1, 2020 (Note)

Note：Earlier application from January 1, 2020 is allowed by FSC.

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

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ' Interest Rate Benchmark Reform— Phase 2'	January 1, 2021

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

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts— cost of fulfilling a	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC

Interpretations as endorsed by the FSC (collectively referred herein as the “IFRSs”).

(2) Basis of preparation

A. The consolidated financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income 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.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership(%) December 31, 2020	Ownership(%) December 31, 2019	Description
Buima Group Inc.	Buima Holding Ltd.	Investment and holding	100%	100%	
	Syntech Holding Co., Ltd.	Investment and holding	100%	100%	
	Buima New Building Materials India Private Ltd.	Sales of new building materials and provision of product consulting	100%	100%	Note 3
	Unitory International CO., Ltd.	Sales of new building materials and provision of product consulting	60%	60%	Note 2
	Unitory Construction Co., Ltd.	Civil engineering and wholesale of building material	100%	-	Note 5
Buima Holding Ltd.	Hong-Ji International Trading (Shanghai) Ltd.	International, export, and bonded area trade agency	100%	100%	
Syntech Holding Co., Ltd.	Syntech New Building Materials (Shanghai) Ltd.	Sells metal wall partitions and compartment, fire insulation partition	100%	100%	
Buima Holding Ltd.	Buima Holding Hong Kong Ltd. (formerly: Syntech Holding Hong Kong Ltd.)	Investment and holding	100%	100%	Note 1
			13.4%	13.4%	Note 1
Buima Holding Hong Kong Ltd. (formerly: Syntech Holding Hong Kong Ltd.)	Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	Manufactures of new building materials and provision of product	100%	100%	
	OWA Metallic PTE. Ltd.	Investment and holding	51%	51%	
OWA Metallic PTE. Ltd.	OWA New Building Materials (Shanghai) Ltd.	Design and manufactures of new building materials and provision of product consulting services	100%	100%	
Buima (China) New Materials Ltd. (formerly：Jangsu Buima New Materials Ltd.)	Buima New Building Materials (Shanghai) Ltd.	Sales of new building materials and provision of product consulting services	100%	-	Note 4

Note 1: For purposes of the Group's development and marketing plan in China, the Company's subsidiaries, Syntech holding Co. Ltd. and Syntech New Building Materials (Shanghai) Ltd., transferred their shares, consisting of 13.4% and 0.48% of shares, respectively, in Buima Holding Hong Kong Limited (formerly: Syntech Holding Hong Kong Limited) to the Company's subsidiary, Buima Holding Limited on February 27, 2019. The transactions are subsidiary equity restructuring to adjust the investment structure within the Group.

Note 2: For purposes of the Group's business development, the Group incorporated a joint venture subsidiary, Unitory International CO., LTD., in Cambodia on September 3, 2019 with investment ratio of 60%.

Note 3: The company has applied for dissolution and liquidation but has not been approved as of March 29, 2021.

Note 4: To meet the Group's development strategy in Mainland China market and develop a new sales channel, the Group established a new wholly-owned subsidiary, Buima New Materials (Shanghai) Ltd. in Shanghai, China on May 6, 2020.

Note 5: To effectively promote the Group's products and meet the Group's long-term development strategy in Taiwan market, the Group acquired a 100% equity interest in Unitory Construction Co., Ltd. on July 29, 2020.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiary that have non-controlling interests that is material to the Group:

As of December 31, 2020 and 2019, the non-controlling interest amounted to $124,018 and $137,204, respectively. The information of non-controlling interest and respective subsidiary is as follows:

		Non-controlling interest			
		December 31, 2020		December 31, 2019	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
OWA Metallic PTE. Ltd.	Singapore	$ 115,426	49%	$ 126,140	49%
Unitory International CO., Ltd.	Cambodia	8,592	40%	11,064	40%
		$ 124,018		$ 137,204	

Summarised financial information of the subsidiary:

Balance sheets

	OWA Metallic PTE. Ltd.	
	December 31, 2020	December 31, 2019
Current assets	$ 222,535	$ 247,861
Non-current assets	62,970	61,997
Current liabilities	(49,943)	(52,430)
Total net assets	$ 235,562	$ 257,428

	Unitory International Co., Ltd.	
	December 31, 2020	December 31, 2019
Current assets	$ 18,790	$ 23,780
Non-current assets	3,266	4,074
Current liabilities	(576)	(192)
Total net assets	$ 21,480	$ 27,662

Statements of comprehensive income

	OWA Metallic PTE. Ltd.	
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	$ 275,973	$ 534,395
(Loss) profit before income tax	(766)	21,350
Income tax benefit (expense)	767	(2,967)
Profit for the year	1	18,383
Other comprehensive income (loss), net of tax	16,188	(17,123)
Total comprehensive income for the year	$ 16,189	$ 1,260
Comprehensive income attributable to non-controlling interest	$ 7,933	$ 617
Dividends paid to non-controlling interest	$ 12,501	$ 6,041

	Unitory International Co., Ltd.	
	Year ended December 31, 2020	Year ended December 31, 2019
Revenue	$ 25,431	$ 4,144
Loss for the year	(4,977)	(2,391)
Other comprehensive loss, net of tax	-	(1,956)
Total comprehensive loss for the period	($ 4,977)	($ 4,347)
Comprehensive loss attributable to non-controlling interest	($ 1,991)	($ 1,739)

Statements of cash flows

	OWA Metallic PTE. Ltd.	
	Year ended December 31, 2020	Year ended December 31, 2019
Net cash (used in) provided by operating	($ 7,796)	$ 71,184
Net cash (used in) provided by investing	(10,137)	11,939
Net cash used in financing activities	(25,512)	(12,329)
Effect of exchange rates on cash and cash equivalents	10,344	(19,432)
(Decrease) increase in cash and cash	(33,101)	51,362
Cash and cash equivalents, beginning of year	74,019	22,657
Cash and cash equivalents, end of year	$ 40,918	$ 74,019

	Unitory International Co., Ltd.	
	Year ended December 31, 2020	Year ended December 31, 2019
Net cash (used in) provided by operating	($ 7,605)	$ 2,600
Net cash used in investing activities	(63)	(4,077)
Net cash used in financing activities	-	29,980
Effect of exchange rates on cash and cash equivalents	(883)	(7,324)
(Decrease) increase in cash and cash	(8,551)	21,179
Cash and cash equivalents, beginning of year	21,179	-
Cash and cash equivalents, end of year	$ 12,628	$ 21,179

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is US dollars; however, the consolidated financial statements are presented in New Taiwan Dollars under the regulations of the country where the consolidated financial statements are reported to the regulatory authorities. When converting the consolidated financial statements into New Taiwan Dollars, all assets and liabilities are translated into New Taiwan Dollars at the exchange rate of the balance sheet; except for the balance accrued at the end of the period, the balance of the equity in the equity account is carried forward, and the rest is based on historical exchange rates. Profit and loss accounts are translated at the weighted average exchange rate, and the difference arising from the conversion is included in the "financial statements translation differences of foreign operations" as an adjustment item for equity.

A. Foreign currency transactions and balances

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

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within ‘other income and expenses – net’ or ‘other gains and losses’.

B. Translation of foreign operations

The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

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

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

The Group recognises, at each reporting date, the impairment provision for lifetime expected credit losses for accounts receivable or contract assets that do not contain a significant financing component.

(9) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(11) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. 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 must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 20	years
Machinery and equipment	3 ~ 10	years
Transportation equipment	5 ~ 10	years
Other equipment	3 ~ 10	years

(12)Leasing arrangements (lessor)－right-of-use assets/lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are mainly comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(13) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 5 to 10 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

C. Level A construction qualification

Level A construction qualification is stated at cost based on the acquisition price allocation report which was issued when the business combination occurred and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Level A construction qualification is not amortised, but is tested annually for impairment.

D. Contract value

Contract value is stated at cost based on the acquisition price allocation report which was issued when the business combination occurred and is depreciated using the straight-line method to allocate the cost over the estimated completion schedules of construction contract (approximately 2~4 years).

(14) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(15) Borrowings

Borrowings comprise of long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(16) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(18) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(19)Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(20)Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(21)Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(22)Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(23)Revenue recognition

A. Sales of goods—wholesale

The Group manufactures and sells metal wall partitions and compartments, fire insulation partitions, metal ceilings, grids and new building materials. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Building material installment services

(a) The Group provides installation related services of building materials such as compartments, partitions and grids. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on installment costs incurred relative to the total expected installment costs. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) Some contracts include sales and installation services of building materials. The building materials and the installation services provided by the Group are not distinct and are identified to be one performance obligation satisfied over time since the installation services involve significant customisation and modification. The Group recognises revenue on the basis of costs incurred relative to the total expected costs of that performance obligation. Conversely, the Group recognises revenue at an amount equal to the cost of a good if the good is not distinct and its cost is significant relative to the total expected costs, the customer is expected to obtain control of the good significantly before receiving services related to the good, and the Group procures the good from a third party and is not involved in designing and manufacturing the good by acting as a principal.

(c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

C. Construction contract revenue

(a) Revenue is recognised based on the proportion to the incurred contract costs and satisfied over time. Contract consideration is derived from fixed and variable considerations, and customers pay a fixed amount according to an agreed schedule. Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Consideration acquired due to transferring goods or services to customers is recognised in contract assets, which will be reclassified to accounts receivable when the Group has the right to collect the consideration without condition. However, when certain contracts require prior collection of certain considerations from customers, and the Group has an obligation to complete the construction subsequently, the Group shall recognise contract liabilities for the transaction.

(b) If the percentage of completion of a performance obligation cannot be estimated reliably, contract revenue should be recognised only to the extent of contract costs incurred that is probable to be recoverable.

(c) The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(d) The Group provides the standard warranty for construction which meets the regulation specified in the agreement and accounted for the standard warranty in accordance with IAS 37.

D. Financing component

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(24) <u>Business combinations</u>

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured at the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(25) <u>Operating segments</u>

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1)Critical judgements in applying the Group's accounting policies

None.

(2)Critical accounting estimates and assumptions

Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

As of December 31, 2020, the Group recognised goodwill, net of impairment loss, amounting to $97,318.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand	$ 1,112	$ 828
Demand deposits	292,236	286,208
Time deposits	-	36,456
Total	$ 293,348	$ 323,492

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Time deposits pledged to others as collateral and demand deposits pledged to others as performance guarantee were classified as other current assets. Details are provided in Notes 6(5) and 8.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2020	December 31, 2019
Non-current items：		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 4,690	$ -
Valuation adjustment	-	-
Total	$ 4,690	$ -

A. The Group acquired a 19% equity interest in 駿程國際股份有限公司 in September 2020, which was recognised as investment accounted for using equity method, and the Company's director was an individual director of the investee. Therefore, the Group had significant influence over the investee. However, the director resigned in December 2020, and the investment was reclassified as financial assets at fair value through profit or loss.

B. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Accounts receivable

	December 31, 2020	December 31, 2019
Accounts receivable	$ 308,650	$ 193,090
Less: Allowance for bad debts	(61,081)	(65,210)
	$ 247,569	$ 127,880

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2020	December 31, 2019
Not past due	$ 100,161	$ 34,261
Past Due		
UP to 90 days	24,740	59,611
91 to 180 days	44,066	10,167
Over 180 days	78,602	23,841
	$ 247,569	$ 127,880

The above ageing analysis was based on past due date.

B. As of December 31, 2020 and 2019, accounts receivable (including related parties) and notes receivable were all from contracts with customers. And as of January 1, 2019, the balance of receivables from contracts with customers (including related parties) amounted to $203,454.

C. The Group does not hold any collateral as security.

D. As at December 31, 2020 and 2019 without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the account receivable held by the Group was $247,569 and $127,880,respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 90,111	($ 7,129)	$ 82,982
Finished goods	73,772	(10,998)	62,774
Total	$ 163,883	($ 18,127)	$ 145,756

	December 31, 2019		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 79,357	($ 5,981)	$ 73,376
Finished goods	94,112	(15,327)	78,785
Total	$ 173,469	($ 21,308)	$ 152,161

The cost of inventories recognised as expense for the year:

	Year ended December 31, 2020	Year ended December 31, 2019
Cost of goods sold	$ 527,513	$ 686,933
Gain on inventory valuation	(3,479)	(1,044)
Revenue from sale of scraps	(4,162)	(5,149)
	$ 519,872	$ 680,740

The Group continued disposing obsolete inventories and, hence, reversed the previously recognised inventory valuation losses.

(5) Other current assets - other

	December 31, 2020	December 31, 2019
Time deposits pledged	$ 53,070	$ 41,197
Pledged demand deposits	$ 87,839	$ -
Deposits pledged as performance guarantee	-	$ 2,015
Total	$ 140,909	$ 43,212

The above time deposits, demand deposits and performance guarantee pledged to others as collateral were reclassified as other current assets. It is expected that the performance guarantee will be recovered within a year.

(6) Property, plant and equipment

	Buildings and structures	Machinery	Transportation equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2020						
Cost	$ 197,875	$ 367,939	$ 17,750	$ 48,717	$ 516	$ 632,797
Accumulated depreciation	(79,562)	(264,590)	(10,002)	(42,647)	-	(396,801)
	$ 118,313	$ 103,349	$ 7,748	$ 6,070	$ 516	$ 235,996
2020						
Opening net book amount as at January 1	$ 118,313	$ 103,349	$ 7,748	$ 6,070	$ 516	$ 235,996
Additions	-	897	5,328	1,207	45,334	52,766
Acquired from business combinations	-	-	118	73	-	191
Disposals	-	(73)	(464)	(37)	-	(574)
Reclassifications	-	3,235	-	-	(3,749)	(514)
Depreciation charge	(9,330)	(20,749)	(1,804)	(1,327)	-	(33,210)
Net exchange differences	1,826	1,437	81	(29)	847	4,162
Closing net book amount as at December 31	$ 110,809	$ 88,096	$ 11,007	$ 5,957	$ 42,948	$ 258,817
At December 31, 2020						
Cost	$ 201,254	$ 377,024	$ 18,750	$ 49,947	$ 42,948	$ 689,923
Accumulated depreciation	(90,445)	(288,928)	(7,743)	(43,990)	-	(431,106)
	$ 110,809	$ 88,096	$ 11,007	$ 5,957	$ 42,948	$ 258,817

	Buildings and structures	Machinery	Transportation equipment	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2019						
Cost	$ 206,093	$ 384,620	$ 16,971	$ 74,513	$ 2,428	$ 684,625
Accumulated depreciation	(73,152)	(251,481)	(11,634)	(67,399)	-	(403,666)
	$ 132,941	$ 133,139	$ 5,337	$ 7,114	$ 2,428	$ 280,959
2019						
Opening net book amount as at January 1	$ 132,941	$ 133,139	$ 5,337	$ 7,114	$ 2,428	$ 280,959
Additions	-	316	4,713	2,228	53	7,310
Disposals	-	(188)	(669)	(1,297)	-	(2,154)
Reclassifications	-	1,991	-	-	(1,991)	-
Depreciation charge	(9,708)	(27,436)	(1,382)	(1,813)	-	(40,339)
Net exchange differences	(4,920)	(4,473)	(251)	(162)	26	(9,780)
Closing net book amount as at December 31	$ 118,313	$ 103,349	$ 7,748	$ 6,070	$ 516	$ 235,996
At December 31, 2019						
Cost	$ 197,875	$ 367,939	$ 17,750	$ 48,717	$ 516	$ 632,797
Accumulated depreciation	(79,562)	(264,590)	(10,002)	(42,647)	-	(396,801)
	$ 118,313	$ 103,349	$ 7,748	$ 6,070	$ 516	$ 235,996

Note A: The significant components of buildings and structures include main plants and parking shed, which are depreciated over 20 and 5 years, respectively.

Note B: Information on the housing, building and machinery and equipment that were pledged to others as collaterals is provided in Note 8.

(7) Leasing arrangements－lessee

A. The Group leases various assets including land use rights as well as buildings and structures. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets - buildings and structures may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2020		December 31, 2019	
	Carrying amount		Carrying amount	
Land use right	$	76,837	$	38,352
Buildings and structures		326		978
	$	77,163	$	39,330

	Year ended December 31, 2020		Year ended December 31, 2019	
	Depreciation charge		Depreciation charge	
Land use right	$	1,530	$	1,056
Buildings and structures		1,045		652
	$	2,575	$	1,708

C. For the years ended December 31, 2020 and 2019, the additions to right-of-use assets were $40,123 and $0, respectively.

D. The Group’s subsidiaries, Syntech New Building Materials (Shanghai) Ltd. and Buima (China) New Materials Ltd. entered into 50-year land use right agreements with local governments.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
Items affecting profit or loss				
Interest expense on lease liabilities	$	81	$	84
Expense on short-term lease contracts		4,994		6,691
Expense on leases of low-value assets		294		-
Gain on sublease of right-of-use assets		4,026		3,407

F. For the years ended December 31, 2020 and 2019, the Group’s total cash outflow for leases was $976 and $923, respectively.

(8) Intangible assets

	2020				
	Software	Contract value	Level A construction qualification	Goodwill	Total
At January 1					
Cost	$ 4,147	$ -	$ -	$ -	$ 4,147
Accumulated amortisation and impairment	(3,300)	-	-	-	(3,300)
	$ 847	$ -	$ -	$ -	$ 847
Opening net book amount as at January 1	$ 847	$ -	$ -	$ -	$ 847
Additions-business combination	-	45,643	11,000	102,202	158,845
Amortisation charge	(235)	(10,509)	-	-	(10,744)
Net exchange differences	9	380	-	(4,884)	(4,495)
Closing net book amount as at December 31	$ 621	$ 35,514	$ 11,000	$ 97,318	$ 144,453
At December 31					
Cost	$ 4,147	$ 45,643	$ 11,000	$ 97,318	$ 158,108
Accumulated amortisation and impairment	(3,526)	(10,129)	-	-	(13,655)
	$ 621	$ 35,514	$ 11,000	$ 97,318	$ 144,453

	2019				
	Software	Contract value	Level A construction qualification	Goodwill	Total
At January 1					
Cost	$ 4,324	$ -	$ -	$ -	$ 4,324
Accumulated amortisation and impairment	(3,149)	-	-	-	(3,149)
	$ 1,175	$ -	$ -	$ -	$ 1,175
Opening net book amount as at January 1	$ 1,175	$ -	$ -	$ -	$ 1,175
Amortisation charge	(290)	-	-	-	(290)
Net exchange differences	(38)	-	-	-	(38)
Closing net book amount as at December 31	$ 847	$ -	$ -	$ -	$ 847
At December 31					
Cost	$ 4,147	$ -	$ -	$ -	$ 4,147
Accumulated amortisation and impairment	(3,300)	-	-	-	(3,300)
	$ 847	$ -	$ -	$ -	$ 847

The selling and administrative expenses of amortisation on intangible assets of the Group for the years ended December 31, 2020 and 2019 were $10,744 and $290, respectively.

(9) Other non-current assets

	December 31, 2020		December 31, 2019	
Refundable deposits	$	89,448	$	17,927
Prepayment for land approval fee (Note)		39,307		33,488
Pledged demand deposits		29,343		-
Prepayment for equipment		24,010		-
	$	182,108	$	51,415

Note: The amounts were RMB 9 million and RMB 7.8 million as of December 31, 2020 and 2019, respectively.

The Group's subsidiary, Buima (China) New Materials Ltd., entered into an investment agreement with the local government and paid the local government in exchange for the use of land for the construction of the new plant. The land approval fee of $33,488 paid on December 31, 2019 , and as a result, the Group obtained the land use right certificate on June 4, 2020, which was reclassified as right-of-use assets. The Group repaid the land approval fee in the amount of $39,307 on August 19, 2020 which will be reclassified as right-of-use assets after obtaining the land use right certificate.

(10) Short-term borrowings

Type of borrowings	December 31, 2020	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 448,484	1.47%～4.3%	Other current assets- time deposits Buildings and structures Land use right Small & Medium Enterprise Credit Guarantee Fund of Taiwan

Type of borrowings	December 31, 2019	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 137,075	3.15%～4.86%	Other current assets- time deposits

(11) Accounts payable

	December 31, 2020	December 31, 2019
Accounts payable	$ 58,009	$ 35,447
Estimated accounts payable	68,706	11,715
	$ 126,715	$ 47,162

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2020
Long-term bank borrowings				
Secured borrowings	Borrowing period of the borrowing of NT$3,309 thousand is from May 10, 2019 to April 10, 2021; interest is repayable monthly.	2.25%	Other current assets-pledged demand deposits	$ 3,309
Secured borrowings	Borrowing period of the borrowing of NT$12,912 thousand is from May 10, 2020 to April 10, 2022; interest is repayable monthly.	2.05%	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	12,912
Secured borrowings	Borrowing period of the borrowing of RMB 17 million is from December 25, 2020 to December 25, 2023; interest is repayable monthly.	3.80%	Machinery and equipment	74,246
Unsecured borrowings	Borrowing period of the borrowing of US$3 million is from August 26,, 2020 to August 25, 2023; interest is repayable quarterly.	1.73%	None	85,440
Unsecured borrowings	Borrowing period of the borrowing of US$2 million is from October 5, 2020 to October 5, 2022; interest is repayable monthly.	1.83%	None	56,960
Less: current portion (shown as other current liabilities)				(84,598)
				$ 148,269

Note: There was no long-term borrowing as of December 31, 2019.

(13) Other current accounts payable

	December 31, 2020	December 31, 2019
Social insurance payable	$ 25,941	$ 41,202
Housing fund payable	5,274	77,777
Wages and bonuses payable	20,426	20,291
Employee benefits payable	6,085	7,122
Other	31,141	34,223
	$ 88,867	$ 180,615

(14) Pensions

A. The Company's mainland China subsidiaries, OWA New Building Materials (Shanghai) Ltd., Buima (China) New Materials Ltd. (formerly: Jiangsu Buima New Materials Ltd.), Syntech New Building Materials (Shanghai) Ltd. and Hong-Ji International Trading (Shanghai) Ltd., have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2020 and 2019, was 16% and 16%~20%, respectively. Other than the monthly contributions, the Group has no further obligations. In addition, as a result of the Covid-19 outbreak, the PRC government implemented a policy , which resulted in the half-reduction or exemption of the old-age pension, to enterprises.

B. (a) The Company and its domestic investees have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company's domestic branches contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

C. The above pension costs under defined contribution pension plans of the Group for the years ended December 31, 2020 and 2019, were $3,756 and $10,901, respectively.

(15) Provisions

	At January 1	Additional provisions	Used during the year	At December 31
2020				
Provision for warranty	$ 4,670	$ 1,295	($ 543)	$ 5,422

Analysis of total provisions:

	December 31, 2020	December 31, 2019
Current	$ 5,422	$ -

The Group gives warranties on the completed construction contract. Provision for warranty is referenced on historical warranty data.

(16) Share capital

A. As of December 31, 2020, the Company's authorised capital was $357,000 which was converted to New Taiwan dollars at historical exchange rate, consisting of 35,700 thousand shares of ordinary stock. All proceeds from shares issued have been collected.

(17) Capital surplus

A. Under the Company's Articles of Incorporation, capital surplus can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership.

B. The information regarding the appropriations of earnings as well as capital surplus of 2019 and 2018 as resolved by the shareholders on May 18, 2020 and June 12, 2019, respectively, is as follows :

	Year ended December 31, 2019		Year ended December 31, 2018	
	Amount	Dividend per share (dollar)	Amount	Dividend per share (dollar)
Legal reserve	$ 2,251		$ 1,889	
Special reserve	20,345		11,561	
Cash dividend	-		5,355	$ 0.50
Cash dividends distributed using capital surplus	28,560	$ 0.80	12,495	0.50
Total	$ 51,156		$ 31,300	

On May 18, 2020 and June 12, 2019, the shareholders resolved to pay cash dividends out of earnings and capital surplus in the amounts of $0 and $5,355; $28,560 and $12,495, respectively. The distributions of earnings and capital surplus for 2020 as resolved by the shareholders on March 29, 2021 are as follows:

	Year ended December 31, 2020	
	Amount	Dividend per share (dollar)
Legal reserve	$ 2,866	
Cash dividend	35,700	$ 1.00
Total	$ 38,566	

(18) Retained earnings

A. Under the Company's Articles of Incorporation, while listing on any security market in the R.O.C, earnings will be distributed upon the Board of Directors' proposal for earnings distribution and approval by the stockholders. The restrictions on the yearly earnings distribution are as follows:

(a) Paying all taxes.

(b) Offsetting accumulated deficits.

(c) Setting aside 10% earnings as legal reserve in accordance with the public offering regulations until the legal reserve equals the paid-in capital.

(d) Based on the resolution of the Board of Directors of the Company, appropriate special reserve in accordance with the Company's Articles of Incorporation or as required by the securities exchange regulations.

(e) At least 25% of the Company's distributable earnings as of the end of the period shall be appropriated as dividends in the form of cash or new shares.

B. The Company's dividend policy is summarised below: as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans. According to the dividend policy adopted by the Board of Directors, at least 25% of the Company's distributable earnings as of the end of the period shall be appropriated as dividends, and cash dividends shall account for at least 15% of the total dividends distributed.

C. Dividends attributed to the owners which were recogised during the years ended December 31, 2020 and 2019 amounted to $0 and $5,335, respectively.

(19) Other equity items

	Year ended December 31, 2020		Year ended December 31, 2019	
Currency translation				
At January 1	($	64,521)	($	37,193)
–Group		13,961	(	28,174)
–Tax on Group	(	5,048)		846
At December 31	($	55,608)	($	64,521)

(20) Operating revenue

	Year ended December 31, 2020		Year ended December 31, 2019	
Revenue from contracts with customers				
-Sale of goods	$	804,711	$	994,986
-Construction revenue		205,731		-
-Service of installation		-		16
	$	1,010,442	$	995,002

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

Year ended December 31, 2020	Building materials - wholesale	Engineering construction	Service of installation	Total
Domestic revenue	$ 528,105	$ 205,731	$ -	$ 733,836
Export revenue	276,606	-	-	276,606
Total	$ 804,711	$ 205,731	$ -	$ 1,010,442
Timing of revenue recognition				
At a point in time	$ 804,711	$ -	$ -	$ 804,711
Over time	-	205,731	-	205,731
	$ 804,711	$ 205,731	$ -	$ 1,010,442

Year ended December 31, 2019	Building materials - wholesale	Engineering construction	Service of installation	Total
Domestic revenue	$ 589,784	$ -	$ 16	$ 589,800
Export revenue	405,202	-	-	405,202
Total	$ 994,986	$ -	$ 16	$ 995,002
Timing of revenue recognition				
At a point in time	$ 994,986	$ -	$ -	$ 994,986
Over time	-	-	16	16
	$ 994,986	$ -	$ 16	$ 995,002

B. Contract assets and liabilities

(a) As of December 31, 2020 and 2019, the Group recognised revenue-related contract assets (mainly construction contract receivable) of $108,756 and $5,401 and liabilities (mainly advanced sales receipt and construction contract payable) of $70,726 and $11,431, respectively.

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period.

	Year ended December 31, 2020	Year ended December 31, 2019
Revenue recognised that was included in the contract liability balance at the beginning of the period		
Building material	$ 10,443	$ 12,648

(21) Interest income

	Year ended December 31, 2020	Year ended December 31, 2019
Interest income from bank deposits	$ 2,114	$ 1,268

(22) Other income

	Year ended December 31, 2020	Year ended December 31, 2019
Rent income	$ 4,026	$ 3,407
Government grants	2,856	-
Other income, others	1,733	1,000
	$ 8,615	$ 4,407

(23) Other gains and losses

	Year ended December 31, 2020	Year ended December 31, 2019
Gains (losses) on disposals of property, plant and equipment	$ 315	($ 1,237)
Losses on disposals of investments	-	(301)
Gains arising from lease modifications	10	-
Foreign exchange (losses) gains	(5,060)	1,733
Other losses	(740)	(283)
	($ 5,475)	($ 88)

(24) Finance costs

	Year ended December 31, 2020	Year ended December 31, 2019
Interest expense	$ 8,940	$ 7,294
Bank borrowings leases	81	84
	$ 9,021	$ 7,378

(25) Expenses by nature

	Year ended December 31, 2020	Year ended December 31, 2019
Employee benefit expense	$ 158,199	$ 155,588
Depreciation charges on property, plant and equipment	35,785	42,047
Amortisation	10,744	290
	$ 204,728	$ 197,925

(26) Employee benefit expense

	Year ended December 31, 2020	Year ended December 31, 2019
Wages and salaries	$ 136,974	$ 127,797
Labour and health insurance fees (Note)	6,510	10,196
Pension costs (Note)	3,756	10,901
Other personnel expenses	10,959	6,694
	$ 158,199	$ 155,588

Note: As a result of the Covid-19 outbreak, the PRC government implemented a reduction and exemption of social insurance premiums to enterprises, resulting in a decrease of current pension and labor and health insurance expenses.

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% and shall not be higher than 10% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the years ended December 31, 2020 and 2019, employees' compensation was accrued at $292 and $471, respectively; while directors' remuneration was accrued at $292 and $471, respectively. The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based both on 1% of distributable profit of current year. Abovementioned employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration of 2019 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2019 financial statements.

C. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2020	Year ended December 31, 2019
Current tax:		
Current tax on profits for the year	$ 20,950	$ 16,034
Prior year income tax overestimation	(7,429)	(515)
Total current tax	13,521	15,519
Deferred tax:		
Origination and reversal of temporary differences	(3,113)	463
Total deferred tax	(3,113)	463
Income tax expense	$ 10,408	$ 15,982

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31, 2020	Year ended December 31, 2019
Currency translation differences	($ 5,048)	$ 846

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2020	Year ended December 31, 2019
Tax calculated based on profit before tax and statutory tax rate (note)	$ 24,756	$ 14,766
Expenses disallowed by tax regulation	212	313
Prior year deferred income tax liabilities (over) underestimation	(1,513)	693
Prior year income tax overestimation	(7,429)	(515)
Change in assessment of realisation of deferred tax assets	(8,581)	(4,105)
Tax on undistributed earnings	2,963	4,830
Income tax expense	$ 10,408	$ 15,982

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2020				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Translation differences	December 31
Temporary differences:					
－Deferred tax assets:					
Effect from foreign loss of investment	$ 8,755	$ -	$ -	$ 152	$ 8,907
Warranties	-	150	-	-	150
	$ 8,755	$ 150	$ -	$ 152	$ 9,057
－Deferred tax liabilities:					
Effect from foreign earnings income	5,459	(2,963)	-	-	2,496
Currency translation difference	7,382	-	5,048	(37)	12,393
Subtotal	$ 12,841	($ 2,963)	$ 5,048	($ 37)	$ 14,889
Total	($ 4,086)	$ 3,113	($ 5,048)	$ 189	($ 5,832)

	2019				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Translation differences	December 31
Temporary differences:					
－Deferred tax assets:					
Effect from foreign loss of investment	$ 9,123	$ -	$ -	($ 368)	$ 8,755
－Deferred tax liabilities:					
Effect from foreign earnings income	4,996	463	-	-	5,459
Currency translation difference	5,597	-	(846)	2,631	7,382
Subtotal	10,593	463	(846)	2,631	12,841
Total	($ 1,470)	($ 463)	$ 846	($ 2,999)	($ 4,086)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

(a) Subsidiaries in PRC

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	$ 1,418	$ 1,418	$ 1,418	2023

December 31, 2019				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2018	$ 1,418	$ 1,418	$ 1,418	2023

(b) Buima Group Inc. Taiwan branch

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2010	$ 5,931	$ 5,931	$ 5,931	2020
2011	8,034	8,034	8,034	2021
2012	851	851	851	2022
2013	853	853	853	2023
2014	1,949	1,949	1,949	2024
2015	3,488	3,488	3,488	2025
2016	7,285	7,285	7,285	2026
2017	7,826	7,826	7,826	2027
2018	10,511	10,511	10,511	2028
2019	18,299	18,299	18,299	2029

December 31, 2019				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2010	$ 5,931	$ 5,931	$ 5,931	2020
2011	8,034	8,034	8,034	2021
2012	851	851	851	2022
2013	853	853	853	2023
2014	1,949	1,949	1,949	2024
2015	3,488	3,488	3,488	2025
2016	7,285	7,285	7,285	2026
2017	7,826	7,826	7,826	2027

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2020	December 31, 2019
Deductible temporary differences	$ 4,685	$ 6,047

F. The Company's income tax returns of the Taiwan branch through 2019 have been assessed and approved by the Tax Authority. Income tax returns of the Company's reinvestment, Unitory Construction Co., Ltd., through 2018 have been assessed and approved by the Tax Authority.

(28) Earnings per share

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 28,660	35,700	$ 0.80
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 28,660	35,700	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	5	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 28,660	35,705	$ 0.80

	Year ended December 31, 2019				
	Amount after tax		Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)	
Basic earnings per share					
Profit attributable to ordinary shareholders of the parent	$	22,510	35,700	$	0.63
Diluted earnings per share					
Profit attributable to ordinary shareholders of the parent	$	22,510	35,700		
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation		-	5		
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$	22,510	35,705	$	0.63

(29) Business combination

A. On July 29, 2020, the Group acquired 100% of the share capital of Unitory Construction Co., Ltd. for $300,000 and obtained control over Unitory Construction Co., Ltd. Unitory Construction Co., Ltd. is primarily engaged in engineering construction. As a result of the acquisition, the Group is expected to increase its presence in these markets. It also expects to reduce costs through economies of scale.

B. The following table summarises the consideration paid for Unitory Construction Co., Ltd. and the fair values of the assets acquired and liabilities assumed at the acquisition date

	July 29, 2020
Purchase consideration	
Cash	$ 300,000
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	185,332
Accounts receivable	60,363
Other receivables	1,141
Inventories (Construction in progress)	587,579
Other current assets	5,396
Property, plant and equipment	191
Other non-current assets	14,650
Bank borrowings	(12,292)
Accounts payable	(59,350)
Other payables	(26,727)
Other current liabilities	(610,950)
Other non-current liabilities	(4,178)
Total identifiable net assets	141,155
Acquisition of identifiable intangible assets	
Contract value	45,643
Level A construction qualification	11,000
Total identifiable intangible assets	56,643
Goodwill acquired from business combinations	$ 102,202

	December 31, 2020
Goodwill - acquired through business combinations	102,202
Changes in foreign exchange rate	(4,884)
Goodwill	$ 97,318

C. The fair value of the acquired identifiable intangible assets of $158,845 is provisional pending receipt of the final valuations for those assets.

D. The operating revenue included in the consolidated statement of comprehensive income starting July 29, 2020 contributed by Unitory Construction Co., Ltd. was $205,731. Unitory Construction Co., Ltd. also contributed profit before income tax of $29,639 over the same period. Had Unitory Construction Co., Ltd. been consolidated from January 1, 2020, the consolidated statement of comprehensive income would show operating revenue of $1,408,814 and profit before income tax of $86,918.

7. RELATED PARTY TRANSACTIONS

(1)Names of related parties and relationship

Names of related parties	Relationship with the Company
Odenwald Faserplattenwerk GmbH(Odenwald)	Other related party

(2)Significant related party transactions

A. Operating revenue:

	Year ended December 31, 2020	Year ended December 31, 2019
Sales of goods:		
Odenwald	$ 219,708	$ 365,704

Goods are sold to other related parties based on the mutual agreements by referring to the cost by product types, market price competition and other transaction terms. The credit term is 30~120 days after the date of sales.

B. Receivables from related parties:

	December 31, 2020	December 31, 2019
Accounts receivable:		
Odenwald	$ 57,412	$ 49,529
Other receivables－advance payment:		
Odenwald	-	43
Total	$ 57,412	$ 49,572

The receivables from related parties arise mainly from sale transactions and sales of property, plant and equipment. The receivables are due four months after the date of sales. The receivables are unsecured in nature and bear no interest. There are no provisions held against receivables from related parties.

C. Payables to related parties:

	December 31, 2020	December 31, 2019
Other payables		
Odenwald	$ -	$ 264

(3)Key management compensation

	Year ended December 31, 2020	Year ended December 31, 2019
Salaries and other short-term employee benefits	$ 9,453	$ 8,080

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2020	December 31, 2019	Purpose
Other current assets			
-Pledged demand	$ 87,839	$ 2,015	Performance guarantee
- Time deposits pledged	53,070	41,197	Short-term loan
Other non-current assets			
-Pledged demand	29,343	-	Long-term loan
- Buildings and	109,005	-	Short-term loan
- Machinery	48,134	-	Long-term loan
- Land use right	38,856	-	Short-term loan
- Guarantee deposits paid (Performance	58,939	-	Performance guarantee
- Guarantee deposits paid (bid bond)	1,920	-	Bid bond
	$ 427,106	$ 43,212	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1)Contingencies

None.

(2)Commitments

A. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2020	December 31, 2019
Property, plant and equipment	$ 910	$ 947

B. As of December 31, 2020, performance guarantee letters issued for construction undertaking, warranty and leases of the Group amounted to $244,386 and $407,621, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Taken into consideration the efficiency of Group's capital raising management, the Board of Directors during their meeting held on March 29, 2021 resolved to change the Group's functional currency from USD to NTD, and the prospective application of IAS 21, 'The effects of changes in foreign exchange rates' effective from January 1, 2021.

12. OTHERS

(1) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as ‘equity’ as shown in the consolidated balance sheet plus net debt.

During the year ended December 31, 2020, the Group’s strategy, after considering the economic circumstances, business stage of gross model of the Group, significant investment plan in the future and long-term finance structure, was unchanged from 2019. The gearing ratios at December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Total borrowings	$ 681,351	$ 137,075
Less: Cash and cash equivalents	(293,348)	(323,492)
Net debt	388,003	(186,417)
Total equity	749,002	753,175
Total capital	$ 1,137,005	$ 566,758
Gearing ratio	34%	- %

(2) Financial instruments

A. Financial instruments by category

	December 31, 2020	December 31, 2019
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 4,690	$ -
Financial assets at amortised cost		
Cash and cash equivalents	293,348	323,492
Financial assets		
Notes receivable	21,213	21,618
Accounts receivable	247,569	127,880
Accounts receivable- related party	57,412	49,529
Other receivables	18,864	9,683
Other receivables -related party	-	43
Other financial assets (Note)	170,252	43,212
Guarantee deposits paid	89,448	17,927
	$ 898,106	$ 593,384

Financial liabilities

Financial liabilities at amortised cost		
Short-term borrowings	$ 448,484	$ 137,075
Notes payable	31,288	192
Accounts payable	126,715	47,162
Other payables	88,867	110,615
Other payables - related party	-	264
Long-term borrowings (including current portion)	232,867	-
Guarantee deposits received	918	5,125
	$ 929,139	$ 300,433
Lease liability	$ 346	$ 1,007

Notes: Recognised in “other current assets-others” and “other non-current assets”.

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally, and its businesses involve some non-functional currency operations (the Company’s functional currency: USD; other certain subsidiaries’ functional currency: USD and RMB). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2020			Year ended December 31, 2020	
				Sensitivity analysis	
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on other comprehensive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:RMB	$ 1,847	6.52	$ 12,044	1%	$ 120
USD:NTD	93	28.48	2,649	1%	26
Financial liabilities					
Monetary items					
USD:RMB	17	6.52	111	1%	1

	December 31, 2019			Year ended December 31, 2019	
				Sensitivity analysis	
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on other comprehensive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:RMB	$ 3,192	6.98	$ 95,696	1%	$ 957
USD:NTD	23	29.98	690	1%	7
Financial liabilities					
Monetary items					
USD:RMB	2,008	6.98	60,200	1%	602

ii. Total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2020 and 2019, amounted to ($5,060) and $1,733, respectively.

Cash flow and fair value interest rate risk

i. The Group’s main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2020 and 2019, the Group’s borrowings at variable rate were mainly denominated in RMB and US Dollars, respectively.

ii. If the borrowing interest rate had increased/decreased by 0.25% or with all other variables held constant, profit, net of tax for the years ended December 31, 2020 and 2019 would have increased/decreased by $1,378 and $343, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. In line with credit risk management procedure, when the contract payments are past due over 90 days, the default has occurred.

iv. The Group classifies customers' accounts receivable, contract assets and rents receivable in accordance with credit risk on trade and customer types. The Group applies the modified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, contract assets and lease payments receivable. On December 31, 2020 and 2019, the provision matrix is as follows:

At December 31, 2020	Not past due	Up to 90 days past due	91~180 days past due
Expected loss rate	0.30%~2.78%	0.30%~3.18%	0.30%~8.00%
Total book value	$ 100,727	$ 25,023	$ 45,431
Loss allowance	566	283	1,365

	181~365 days past due	Over one year past due	Total
Expected loss rate	7.23%~16.48%	16.55%~100%	
Total book value	$ 46,293	$ 91,176	$ 308,650
Loss allowance	6,751	52,116	61,081

At December 31, 2019	Not past due	Up to 90 days past due	91~180 days past due
Expected loss rate	0.30%~2.78%	0.30%~3.18%	0.30%~8.00%
Total book value	$ 34,757	$ 59,797	$ 10,986
Loss allowance	496	186	819

	181~365 days past due	Over one year past due	Total
Expected loss rate	7.23%~16.48%	16.55%~100%	
Total book value	$ 18,585	$ 68,965	$ 193,090
Loss allowance	2,673	61,036	65,210

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

	2020
At January 1	$ 65,210
Reversal of impairment loss	(1,029)
Write-offs	(3,398)
Effect of foreign exchange	298
At December 31	$ 61,081

	2019
At January 1	$ 55,415
Provision for impairment	13,260
Write-offs	(493)
Effect of foreign exchange	(2,972)
At December 31	$ 65,210

(c) Liquidity risk

i. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2020 and 2019, the Group held money market position of $292,236 and $322,664, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

ii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2020	Less than 3 months	Between 3 months and 1 year	Over 1 year	Total
Non-derivative financial liabilities				
Short-term borrowings	$ 36,471	$ 412,013	$ -	$ 448,484
Notes payable	31,288	-	-	31,288
Accounts payable	125,812	890	13	126,715
Other payables (including related party)	72,475	16,392	-	88,867
Lease liability	346	-	-	346
Long-term borrowings (including current portion)	16,912	67,686	148,269	232,867

December 31, 2019	Less than 3 months	Between 3 months and 1 year	Over 1 year	Total
Non-derivative financial liabilities				
Short-term borrowings	$ -	$ 137,075	$ -	$ 137,075
Notes payable	192			
Accounts payable	47,146	14	2	47,162
Other payables (including related party)	83,072	27,635	172	110,879
Lease liability	161	500	346	1,007

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 5.

(4) Major shareholders information

Names, number of shares held by and ownership of shareholders whose ownership over 5%: Please refer to table 8.

14. SEGMENT INFORMATION

(1)General information

The Group operates business only in a single industry. The chief operating decision-maker considers the business from a product type perspective; the Group currently focuses on wholesale, new development, manufacturing of new building materials and engineering construction. The chief operating decision-maker who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2)Measurement of segment information

The chief operating decision-maker considers the business from a geographic type perspective; geographically, the Group currently focuses on construction, production and sales in Taiwan and Mainland China.

(3)Information about segment profit or loss, assets and liabilities

Year ended December 31, 2020

	Taiwan	China	Other	Reconciliation and elimination	Total
Revenue from external customers	$ 205,731	$ 779,280	$ 25,431	$ -	$ 1,010,442
Inter-segment revenue	-	135,839	6,367	(142,206)	-
Total segment revenue	$ 205,731	$ 915,119	$ 31,798	($ 142,206)	$ 1,010,442
Segment income (loss)	$ 24,149	$ 76,737	($ 4,977)	($ 69,239)	$ 26,670
Depreciation and amortisation	$ 52	$ 45,790	$ 687	$ -	$ 46,529
Gain or loss on investments accounted for using equity method	$ -	$ 55,349	$ -	($ 55,349)	$ -
Income tax expense	$ 5,490	$ 4,918	$ -	$ -	$ 10,408
Segment assets	$ 353,171	$ 2,401,856	$ 22,056	($ 988,243)	$ 1,788,840
Long-term equity investment accounted for using equity method	$ -	$ 986,814	$ -	($ 986,814)	$ -
Capital expenditure for other non-current assets	$ 1,334	$ 91,555	$ -	$ -	$ 92,889
Segment liabilities	$ 187,867	$ 994,681	$ 576	($ 143,286)	$ 1,039,838

Year ended December 31, 2019

	Taiwan	China	Other	Reconciliation and elimination	Total
Revenue from external customers	$ -	$ 990,858	$ 4,144	$ -	$ 995,002
Inter-segment revenue	-	184,698	554	(185,252)	-
Total segment revenue	$ -	$ 1,175,556	$ 4,698	($ 185,252)	$ 995,002
Segment income (loss)	$ -	$ 85,967	($ 2,391)	($ 53,015)	$ 30,561
Depreciation and amortisation	$ -	$ 42,337	$ -	$ -	$ 42,337
Gain or loss investments accounted for using equity method	$ -	$ 54,405	$ -	($ 54,405)	$ -
Income tax expense	$ -	$ 15,982	$ -	$ -	$ 15,982
Segment assets	$ -	$ 1,768,396	$ 28,149	($ 709,656)	$ 1,086,889
Long-term equity investment accounted for using equity method	$ -	$ 652,773	$ -	($ 652,773)	$ -
Capital expenditure for other non-current assets	$ -	$ 7,310	$ -	$ -	$ 7,310

(4)Information on products and services

Please refer to Note 6 (20) for the related information

(5)Geographical information

Geographical information for the years ended December 31, 2020 and 2019 is as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Revenue	Non-current assets	Revenue	Non-current assets
China	$ 779,280	$ 475,546	$ 991,411	$ 272,099
Taiwan	205,731	1,977	-	-
Cambodia	25,431	2,910	3,591	4,074
Total	$ 1,010,442	$ 480,433	$ 995,002	$ 276,173

(6)Major customer information

Major customer information of the Group for the years ended December 31, 2020 and 2019 is as follows:

	Year ended December 31, 2020		Year ended December 31, 2019	
	Revenue	Segment (%)	Revenue	Segment (%)
A	$ 219,708	22	$ 365,704	36

Buima Group Inc.(Cayman)

Loans to others

Year ended December 31, 2020

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2020	Balance at December 31, 2020	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2 and 3)	Ceiling on total loans granted (Note 1)	Footnote
													Item	Value			
1	Buima Holding Hong Kong Ltd.(formerly: Syntech Holding Hong Kong Ltd.)	OWA Metallic PTE Ltd.	Other receivables	Yes	$ 285	$ -	$ -	-	Short-term financing	$ -	working capital	$ -	-	$ -	$ 62,498	$ 218,744	
2	Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	Buima Group Inc.	Other receivables	Yes	42,720	42,720	42,720	-	Short-term financing	-	Working capital	-	-	-	62,498	218,744	
3	Syntech New Building Materials (Shanghai) Ltd.	Buima Group Inc.	Other receivables	Yes	41,582	41,582	41,582	-	Short-term financing	-	Working capital	-	-	-	62,498	218,744	

Note 1: The limit on total loans granted by the Company to a single party, related party and party with business transactions shall not be more than 35% of the Company's consolidated net assets.

Note 2: The ceiling on loans granted by the Company or the subsidiary to others shall not be more than the higher between total sales revenue or total merchandize purchased last year or at the time of loans applied.

Note 3: Limit on loans granted by the Company and subsidiaries to a single party is 10% of the Company’s consolidated net asset. Furthermore, loans granted between foreign companies whose voting shares are 100% held by the Company directly or indirectly, or on loans granted to the Company by such companies, limit on loans is not restricted.

Buima Group Inc.(Cayman)

Provision of endorsements and guarantees to others

Year ended December 31, 2020

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number （Note 1）	Endorser/ guarantor	Party being endorsed/guaranteed: Buima Group Inc.	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor （Note 2）	Limit on endorsements/ guarantees provided for a single party （Note 3）	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 （Note 4）	Outstanding endorsement/ guarantee amount as of December 31, 2020 （Note 5）	Actual amount drawn down （Note 6）	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company(%)	Ceiling on total amount of endorsements/ guarantees provided （Note 3 and 4）	Provision of endorsements/ guarantees by parent company to subsidiary （Note 7）	Provision of endorsements/ guarantees by subsidiary to parent company （Note 7）	Provision of endorsements/ guarantees to the party in Mainland China （Note 7）	Footnote
0	Buima Group Inc.	Buima (China) New Materials Ltd.	3	$ 312,492	$ 184,251	$ 85,440	$ 55,141	$ -	14%	$ 624,984	Y	N	Y	
0	Buima Group Inc.	Unitory Construction Co., Ltd.	3	312,492	150,829	150,829	-	-	24%	624,984	Y	N	N	
1	Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	Buima Group Inc.	3	217,753	174,697	174,697	142,400	-	40%	435,506	N	Y	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

(1)Having business relationship.

(2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3)The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.

(4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.

(5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.

(6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Limit on endorsements/guarantees provided for a single party is 50% of the net assets based on the latest financial statements of the Company. However, this does not apply to the endorsed/guaranteed company whose voting rights are 100% owned directly and indirectly by the Company or endorsements/guarantees between the companies whose voting rights are 100% owned directly and indirectly by the Company. Limit on the

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 4)	Outstanding endorsement/ guarantee amount as of December 31, 2020 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company(%)	Ceiling on total amount of endorsements/ guarantees provided (Note 3 and 4)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
		Buima Group Inc.	Relationship with the endorser/ guarantor (Note 2)											

amount of guarantees provided for the companies having business relationship with the Company or subsidiaries is the higher of purchase or sales with the Company.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chariman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in ‘Y’ for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Buima Group Inc.(Cayman)

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2020

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2020				
Securities held by	Marketable securities （Note 1）	Relationship with the securities issuer （Note 2）	General ledger account	Number of shares	Book value （Note 3）	Ownership (%)	Fair value	Footnote （Note 4）
Buima Group Inc.	駿程國際股份有限公司	None	Financial assets at fair value through profit or loss - non-current	469	$ 4,690	19%	$ 4,690	

Buima Group Inc.(Cayman)

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2020

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
OWA New Building Materials (Shanghai) Ltd.	Odenwald	Other related party	Sales	$ 211,726	77%	Note 1	Note 1	Note 1	$ 57,412	60%	

Note 1: The price above based on the mutual agreements by referring to the cost by product types, market price competition and other transaction terms. The credit term is 30~120 days after the date of sales.

Buima Group Inc.(Cayman)

Significant inter-company transactions during the reporting periods

Year ended December 31, 2020

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Buima Group Inc.	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
1	Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	Syntech New Building Materials (Shanghai) Ltd.	3	Sals revenue	$ 126,961	Goods are sold to other related parties based on the mutual agreements by referring to the cost by types, market price competition and other transaction terms.	13%
1	Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	OWA New Building Materials (Shanghai) Ltd.	3	Sals revenue	24,997	Goods are sold to other related parties based on the mutual agreements by referring to the cost by types, market price competition and other transaction terms.	2%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Buima Group Inc.(Cayman)

Information on investees

Year ended December 31, 2020

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as of December 31, 2020	Initial investment amount: Balance as of December 31, 2019	Shares held as at December 31, 2020: Number of shares	Shares held as at December 31, 2020: Ownership (%)	Shares held as at December 31, 2020: Book value	Net profit (loss) of the investee for the year ended December 31, 2020	Investment income(loss) recognised by the Company for the year ended December 31, 2020	Footnote
Buima Group Inc.	Buima Holding Ltd.	Hong Kong	Investment and holding	$ 406,766	$ 386,352	111,085	100.00%	$ 644,653	$ 39,919	$ 39,919	Notes 1, 3 and 4
Buima Group Inc.	Syntech Holding CO, Ltd.	B.V.I.	Investment and holding	90,926	96,497	3,223	100.00%	137,537	8,158	8,158	Notes 1, 3 and 4
Buima Group Inc.	Buima New Building Materials India Private Ltd.	India	Investment and holding	5,788	6,143	1,000	100.00%	-	-	-	Notes 3 and 4
Buima Group Inc.	Unitory International CO., Ltd.	Cambodia	Merchandising business	17,088	18,135	6,000	60.00%	12,888	(4,977)	(2,986)	Notes 1,3 and 4
Buima Group Inc.	Unitory Construction Co., Ltd.	Taiwan	Construction industry	100,000	-	10,000	100.00%	165,304	24,149	24,149	Notes 2, 3 and 4
Buima Holding Ltd.	Buima Holding Hong Kong Ltd. (formerly: Syntech Holding Hong Kong Ltd.)	Hong Kong	Investment and holding	428,624	272,025	15,050	100.00%	499,991	43,376	43,376	Notes 1, 3, 4
Buima Holding Hong Kong Ltd. (formerly: Syntech Holding Hong Kong Ltd.)	OWA Metalic Pte. Ltd.	Singapore	Investment and holding	34,860	36,696	1,224	51.00%	120,137	1	-	Notes 1, 3 and 4

Note 1: The amount recognized was based on the financial statements that were audited by R.O.C. parent company's CPA firm.
Note 2: The aforementioned investees' information was recognised based on the financial statements audited and attested by R.O.C. parent company's CPA.
Note 3: The relevant figures in this table are listed in New Taiwan Dollar. Foreign currency involved is converted to NT at the exchange rate on the balance sheet date (at the end of December 31, 2020: USD: 28.48 ; RMB: 4.38; average exchange rate from January 1 to December 31, 2020 : USD:29.55; RMB: 4.28.
Note 4: It was written-off during the preparation of the consolidated financial statements.

Buima Group Inc.(Cayman)

Information on investments in Mainland China

Year ended December 31, 2020

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 3)	Book value of investments in Mainland China as of December, 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31 2020	Footnote
Syntech New Building Materials (Shanghai) Ltd.	Sells metal wall partition and compartment, fire insulation partition as well as grid	$ 132,005	Note 1	$ -	$ -	$ -	$ -	$ 10,783	100.00%	$ 10,783	$ 105,912	$ -	
Hong-Ji International Trading (Shanghai) Ltd.	International, export, and bonded area trade agency	7,011	Note 2	-	-	-	-	(3,348)	100.00%	(3,348)	13,268	-	
Buima (China) New Materials Ltd. (formerly: Jangsu Buima New Materials Ltd.)	Manufactures of new building materials and provision of product consulting services	435,829	Note 2	-	-	-	-	44,781	100.00%	44,781	435,506	-	
OWA New Building Materials (Shanghai) Ltd.	Design and manufactures of new building materials and provision of product consulting services	114,141	Note 2	-	-	-	-	681	51.00%	347	120,536	-	

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2020	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2020		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2020	Net income of investee as of December 31 2020	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2020 (Note 3)	Book value of investments in Mainland China as of December, 31, 2020	Accumulated amount of investment income remitted back to Taiwan as of December 31 2020	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Buima New Materials(Shanghai) Ltd	Sales of metal wall partitions and compartments, fire insulation partitions, metal ceilings, etc.	10,943	Note 2	-	-	-	-	(3,161)	100.00%	(3,161)	7,711	-	

Note 1: Through investing in Buima Holding Hong Kong Ltd. (formerly: Syntech Holding Hong Kong Ltd.) in the third area, which then invested in the investee in Mainland China.
Note 2: Through investing in Buima Holding Ltd. in the third area, which then invested in the investee in Mainland China.
Note 3: The financial statements that are audited and attested by R.O.C. parent company's CPA.
Note 4: The figures in this table are presented in New Taiwan Dollars. Foreign currency involved is converted to NT at the exchange rate on the balace sheet date.
(at the end of December 31, 2020: USD: 28.48 ; RMB: 4.38; average exchange rate from January 1 to December 31, 2020 USD:29.55 RMB:4.28.

Buima Group Inc.(Cayman)

Major shareholders information

December 31, 2020

Table 8

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
智誠投資有限公司	3,567,240	9.99%
洪鴻章	3,500,000	9.80%
陳秀娟	2,490,000	6.97%
陳秀秀	2,000,988	5.60%