【Stock Code: 1315】

Tahsin Industrial Corporation

Parent Company Only Financial Statements and Independent Auditor's Report

For the Years Ended December 31, 2022 and 2021

Address: No. 51, 35th Road, Taichung Industrial Park, Xitun District, Taichung City

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Independent Auditors' Report

To Tahsin Industrial Corporation:

Audit Opinion
Tahsin Industrial Corporation's Parent Company Only Balance Sheets as of December 31, 2022 and 2021, in addition to the Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to the Parent Company Only Financial Statements (including the Summary of Significant Accounting Policies) from January 1 to December 31, 2022 and 2021, have been audited by the CPAs.
According to our opinion, the Parent Company Only Financial Statements mentioned above have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" in all material aspects, and are considered to have reasonably expressed the parent company only financial conditions of Tahsin Industrial Corporation as of December 31, 2021 and 2020, as well as the parent company only financial performance and cash flows from January 1 to December 31, 2021 and 2020.

Basis for Opinion
We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the section titled "Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements." We are independent from the Company pursuant to the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other responsibilities in accordance with these requirements. We believe we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of Tahsin Industrial Corporation for the year ended December 31, 2022. Such matters have been dealt with in the course of auditing and compiling the parent company only financial statements and in the preparation of our audit opinion. As such, we do not respond to each key matter individually. The key audit matters for the parent company only financial statements of Tahsin Industrial Corporation for the year ended December 31, 2022 are as follows:
Revenue recognition
Please refer to Note 4 (17) of the Parent Company Only Financial Statements for accounting policies regarding revenue recognition; please see Note 5 (1) 3 of the Parent Company Only Financial Statements for critical accounting judgments, estimates, and assumptions regarding revenue recognition; please see Note 6 (19) of the Parent Company Only Financial Statement for disclosure of information related to income.
Key Audit Matters:
The operating revenue of Tahsin Industrial Corporation comes mainly from sale of products. Recognition of sales revenue is mainly to verify whether the control over goods is transferred to buyers and whether there are no non-performance obligations that may affect the acceptance of products, and also is the main indicator for investors and the management to assess the financial or business performance of the Company. As the accuracy of the amount and timing of revenue recognition has a great influence on the financial statements, we have thus included it as one of the key audit matters.
Audit procedures adopted:

Our audit procedures include (i) understanding and testing the effectiveness of internal control mechanisms adopted by the management on revenue recognition; (ii) sampling and reviewing records of sales revenue recognition (including shipping documents) over a certain period of time before the balance sheet date, and determining the appropriateness of recognition timing thereof; (iii) testing selected underlying transactions before and after the end of the reporting date to verify if they were recognized in the correct period; (iv) assessing whether the risks and rewards of goods, of which the revenue had been recognized, have been transferred; and (v) performing a trend analysis on major buyers and revenues by product to determine if material irregularities exist.

Cash and cash equivalents

Please refer to Note 4 (5) of the parent company only financial statements for details of the accounting policies for cash and cash equivalents; please refer to Note 6 (1) of the parent company only financial statements for details of the accounting items for cash and cash equivalents and time deposits with an original maturity of more than three months.

Key Audit Matters:

As of December 31, 2022, the carrying amount of cash and cash equivalents and time deposits with initial term maturity date over three months (shown under other financial assets – current) held by Tahsin Industrial Corporation amounted to NTD2,406,929 thousand, accounting for approximately 21.45% of the total assets and the amounts are significant to the overall parent company only financial statements. We identified these as one of the key audit items due to the inherent risk of cash and cash equivalents and time deposits with initial term maturity date of over three months.

Audit procedures adopted:

1. Evaluate and test the effectiveness of the design and implementation of the internal control system for cash and cash equivalents and time deposits with initial terms of over three months.
2. Conduct significant transactions test and verification procedures for frequent bank accounts, including understanding the purpose of the bank account and reviewing relevant transaction vouchers to confirm the reasonableness of the receipt and payment of huge bank deposits.
3. Conduct an inventory verification process on cash and term deposits, including checking whether term deposits have provided guarantees or pledged to confirm consistency with the disclosures in the financial statements.
4. Obtain a breakdown of the balances of cash and cash equivalents and time deposits with initial terms maturity date of over three months and check the bank statements and the related relevant transaction voucher to confirm their existence. In addition, check the amount on the correspondence response letter for all financial institutions and examine whether there are any restricted incidents, which have been properly disclosed.

Responsibilities of the Management and the Governance Unit for the Parent Company Only Financial Statements

To ensure that the parent company only financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and for preparing and maintaining necessary internal control procedures pertaining to the parent company only financial statements.

In preparing the parent company only financial statements, the management is responsible for assessing Tahsin Industrial Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate Tahsin Industrial Corporation 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 Tahsin Industrial Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists in the parent company only financial statements. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that misstated amounts, individually or on aggregate, could have influenced the economic decisions made by the users of the parent company only financial statements, it will be deemed as material.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and skepticism throughout the audit. We have also performed the following tasks:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the parent company only financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Tahsin Industrial Corporation.
3. Assess the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures has made.
4. Conclude on the appropriateness of the 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 Tahsin Industrial Corporation's ability to operate as a going concern. If we believe that there may be factors causing significant uncertainties, we are required to remind the users of the parent company only financial statements in our audit report of the relevant disclosures therein, or to amend our report if inappropriate disclosure was made. Our conclusions are based on information available at the date of the auditor's report. However, future events or circumstances may cause the Company to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant Notes), and whether the parent company only financial statements fairly present relevant transactions and matters.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the parent company only financial statements within Tahsin Industrial Corporation to express opinions on the parent company only financial statements. We are responsible for the direction, supervision and performance of the 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 the key audit items of Tahsin Industrial Company’s parent company only financial statements for the year ended December 31, 2022. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decide not to communicate such matters in our audit report in consideration that the reasonably anticipated adverse impacts of such communication would be greater than the public interest it would promote.

Crowe Horwath (TW) CPAs

CPA: Chang,Fu-Lang

CPA: Chiu,Kuei Ling

No. of the official approval: FSC No. 10200032833
March 24, 2023

Tahsin Industrial Corporation

Parent Company Only Balance Sheets
December 31, 2022 and 2021

Unit: Thousand NTD

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6 (1))	$1,826,219	16	$1,190,096	10
1110	Financial assets at fair value- non-current (Notes4 and 6 (2))	1978	-	-	-
1120	Financial assets at fair value through other comprehensive income - current (Notes 6 (3)	3,905,841	35	4,369,097	35
1150	Notes receivable, net (Note 6 (4))	44,225	1	59,154	1
1160	Accounts receivable – related parties (Note 6 (3))	1,710	-	1,364	-
1170	Accounts receivable - net (Note 6 (5))	304,659	3	277,381	2
1180	Accounts receivable – related parties (Note 6 (5))	35,506	-	44,412	-
1200	Other receivables	15,411	-	13,482	-
1210	Other receivables - related parties	2,016	-	146,059	1
1220	Current income tax assets	1,382	-	1,515	-
130x	Inventories (Notes 4 and 6 (6))	562,931	5	602,327	5
1410	Prepayments	19,609	-	32,102	-
1476	Other financial assets - current (Note 6 (1))	580,710	5	1,690,000	14
11xx	Total current assets	7,302,197	65	8,426,980	68
	Non-current Assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6 (7))	349,883	3	464,800	4
1550	Investments accounted for using the equity method (Notes 4 and 6 (8))	1,593,789	14	1,655,754	13
1600	Property, plant, and equipment (Notes 4 and 6 (9))	1,553,072	14	1,416,746	11
1755	Right-of-use asset (Notes 4 and 6 (10))	2,255	-	3,610	-
1760	Investment properties (Notes 4 and 6 (11))	345466	3	345,477	3
1840	Deferred tax assets (Note 6 (25))	70,375	1	80,966	1
1920	Refundable deposits	1,817	-	1,817	-
1970	Other long-term investment (net)	810	-	810	-
1975	Net defined benefit asset – non-current (Notes 4 and 6 (13))	1043	-	-	-
1990	Other non-current assets, others	-	-	13	-
15xx	Total non-current assets	3,918,480	35	3,969,993	32
1xxx	Total Assets	$11,220,677	100	$12,396,973	100

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Tahsin Industrial Corporation

Parent Company Only Balance Sheets
December 31, 2022 and 2021

Unit: Thousand NTD

Code	Liabilities and equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2130	Contract liabilities - current (Note 6 (19))	$11,686	-	$11,114	-
2150	Notes payable	122,289	1	146,175	1
2170	Accounts payable	46,556	1	62,896	1
2180	Accounts payable - related parties	2,503	-	3,658	-
2200	Other payables	146,168	1	122,054	1
2220	Other payables- related parties	24,696	-	23,384	-
2230	Current income tax liabilities	28,402	-	265,881	2
2250	Provisions - current (Notes 4 and 6 (12))	8,458	-	8,458	-
2280	Lease liabilities - current (Note 6 (10))	1,339	-	1,377	-
2300	Other current liabilities	512	-	523	-
21xx	Total current liabilities	392,609	3	645,520	5
	Non-current liabilities				
2570	Deferred tax liabilities (Note 6 (25))	197,569	2	180,746	2
2580	Lease liabilities - non-current (Notes 6 (10))	900	-	2,239	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 6 (13))	-	-	13,326	-
2645	Guarantee deposits received	6,900	-	5,938	-
2650	Investments accounted for using the equity method - credit (Note 6 (8))	13,254	-	4,635	-
25xx	Total non-current liabilities	218,623	2	206,884	2
2xxx	Total liabilities	611,232	7	852,404	7
	Equity				
3100	Share capital (Notes 4 and 6 (14))	990,990	9	990,990	8
3200	Capital surplus (Note 6 (15))	200,160	2	182,030	1
3300	Retained earnings (Note 6 (16))	7,760,947	69	7,538,998	61
3400	Other equity (Note 6 (17))	1,740,578	16	2,915,781	24
3500	Treasury shares (Note 6 (18))	(83,230)	(1)	(83,230)	(1)
3xxx	Total equity	10,609,445	95	11,544,569	93
	Total liabilities and equity	$11,220,677	100	$12,396,973	100

(The accompanying notes are an integral part of the Parent Company Only Financial Statements.)

Chairman: Wu, Zi-Cong Manager: Wu, Zi-Cong Chief Accountant: Chen,Ming-Je

Tahsin Industrial Corporation

Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

Code	Items	December 31, 2022 Amount	%	December 31, 2021 Amount	%
4000	Operating revenue (Notes 4 and 6 (19))	$2,336,212	100	$2,015,136	100
5000	Operating costs (Note 6 (6) (20))	(1,981,681)	(85)	(1,767,548)	(88)
5900	Gross Profit (loss)	354,531	15	247,588	12
5910	Unrealized gain (loss) from sale, net (loss)	(2,057)	-	(1,429)	-
5920	Realized gain (loss) from sale (Loss)	1,429	-	3,939	-
5950	Net Gross Profit (loss)	353,903	15	250,098	12
	Operating expenses (Note 6 (20))				
6100	Marketing expenses	(108,457)	(5)	(114,359)	(6)
6200	Administrative expenses	(107,267)	(4)	(108,529)	(5)
6450	Expected credit impairment loss (gain)	(1,291)	-	(1,460)	-
6000	Total operating expenses	(217,015)	(9)	(224,348)	(11)
6900	Operating profit (loss)	136,888	6	25,750	1
	Non-operating income and expenses				
7100	Interest income (Note 6 (21))	31,853	1	18,829	1
7010	Other income (Note 6 (22))	378,762	16	154,698	7
7020	Other gains and losses (Notes 4 and 6 (23))	146,457	6	(8,989)	-
7050	Finance costs (Notes 4 and 6 (24))	(188)	-	(88)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method	67,923	3	84,543	4
7000	Total non-operating income and expenses	624,807	26	248,993	12
7900	Net profit (loss) before tax	761,695	32	274,743	13
7950	Expense (benefit) of income tax (Note 6 (25))	(53,521)	(2)	(269,382)	(13)
8000	Profit (loss) from continuing operations	708,174	30	5,361	-
8200	Net Income	708,174	30	5,361	-
	Other comprehensive income (Note 6 (26))				
	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 6 (13))	9,270	-	(12,178)	(1)
8316	Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	(992,065)	(42)	694,132	35
8336	Unrealized valuation gain or loss on investments in equity instruments measured at FVTOCI - subsidiaries, associates, and joint ventures	(210,468)	(9)	(117,397)	(6)
8310	Total items that will not be reclassified subsequently to profit or loss:	(1,193,263)	(51)	564,557	28
	Items that may be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	35,732	1	(27,940)	(1)
8367	Bond investments with unrealized gain and loss at fair value through other profit or loss	(1,256)	-	-	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(7,146)	-	5,588	-
8360	Items that may be reclassified subsequently to profit or loss:	27,330	1	(22,352)	(1)
8300	Other comprehensive income - net	($1,165,933)	(50)	$542,205	27
8500	Total Comprehensive Income for the Year	($457,759)	(20)	$547,566	27
	Earnings Per Share				
9750	Basic earnings per share (Note 6 (27))	$7.41		$0.04	
9850	Diluted earnings per share (Note 6 (27))	$7.41		$0.04	

(The accompanying notes are an integral part of the Parent Company Only Financial Statements.)

Chairman: Wu, Zi-Cong   Manager: Wu, Zi-Cong   Chief Accountant: Chen,Ming-Je

Tahsin Industrial Corporation

Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

			Retained earnings			Other Equity			
	Share capital of common stock	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings (or loss to be compensated)	Exchange differences on translation of foreign operating organizations' financial statements	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Treasury stock	Total Equity
Balance as of January 1, 2021	$1,386,000	$151,782	$833,530	$573,800	$6,942,933	($83,976)	$2,472,526	($97,469)	$12,179,126
Appropriation and distribution of earnings:									
Provision for legal reserve	-	-	737,203	-	(737,203)	-	-	-	-
Ordinary cash dividends	-	-	-	-	(831,600)	-	-	-	(831,600)
Other changes in capital surplus	-	273	-	-	-	-	-	-	273
Net income (net loss) for 2020	-	-	-	-	5,361	-	-	-	5,361
Other comprehensive income for 2020	-	-	-	-	(12,178)	(22,352)	576,735	-	542,205
Total comprehensive income in 2020	-	-	-	-	(6,817)	(22,352)	576,735	-	547,566
Capital reduction	(395,010)	-	-	-	-	-	-	-	(395,010)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	29,975	-	-		-	-	-	29,975
Disposals of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	27,152	-	(27,152)	-	-
Others	-	-	-	-	-	-	-	14,239	14,239
Balance as of December31,2021	$990,990	$182,030	$1,570,733	$573,800	$5,394,465	($106,328)	$3,022,109	($83,230)	$11,544,569
Balance as of January 1, 2022	990,990	182,030	1,570,733	573,800	5,394,465	(106,328)	3,022,109	(83,230)	11,544,569
Appropriation and distribution of earnings:									
Ordinary cash dividends	-	-	-	-	(495,495)	-	-	-	(495,495)
Other changes in capital surplus	-	270	-	-	-	-	-	-	270
Net income (net loss) for 2022	-	-	-	-	708,174	-	-	-	708,174
Other comprehensive income for 2022	-	-	-	-	9270	28586	(1,203,789)	-	(1,165,933)
Total comprehensive income in 2022	-	-	-	-	717,444	28586	(1,203,789)	-	(457,759)
Adjustments of capital surplus for the Company's cash	-	17,860	-	-	-	-	-	-	17,860
Balance as of December 31, 2022	$990,990	$200,160	$1,570,733	$573,800	$5,616,414	($77,742)	$1,818,,320	($83,230)	$10,609,445

(The accompanying notes are an integral part of the Parent Company Only Financial Statements.)

Chairman: Wu, Zi-Cong　　Manager: Wu, Zi-Cong　　Chief Accountant: Chen,Ming-Je

Tahsin Industrial Corporation

Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

Item	December 31, 2022	December 31, 2021
Cash flows from operating activities - indirect method		
Net profit (loss) before tax	$761,695	$274,743
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	38,652	30,011
Expected credit losses (benefits)	1,291	1,460
Financial assets and debts at fair value through profit and loss	825	-
Interest expenses	188	88
Interest revenue	(31,853)	(18,829)
Dividend revenue	(348,774)	(129,774)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	(67,923)	(84,543)
Loss (gain) on disposal and disposition of property, plant and equipment	(572)	(206)
Reversal of provision for property, plant, and equipment	2,130	-
Unrealized gain (loss) from sale, net (loss)	2,057	1,429
Realized loss (gain) on sales	(1,429)	(3,939)
Unrealized exchange loss (gain)	2,147	1,633
Other items	270	273
Total adjustments to reconcile profit (loss)	(402,991)	(202,397)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	15,381	(25,850)
Decrease (increase) in notes receivable - related parties	(346)	(246)
Decrease (increase) in accounts receivable	(32,059)	(17,579)
Decrease (increase) in accounts receivable - related parties	8,978	11,088
Decrease (increase) in other receivables	1,863	(6,008)
Decrease (increase) in other receivables - related parties	3	(507)
Decrease (increase) in inventories	39,396	(151,243)
Decrease (increase) in prepayments	12,493	21,500
Decrease (increase) in net-defined benefit assets	(1,043)	-
Total changes in operating assets	44,666	(168,845)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	572	5,651
Increase (decrease) in notes payable	(23,886)	53,236
Increase (decrease) in accounts payable	(16,340)	10,913
Increase (decrease) in accounts payable - related parties	(1,155)	1,994
Increase (decrease) in other payables	(3,986)	(43,324)

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Tahsin Industrial Corporation

Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

Item	December 31, 2022	December 31, 2021
Increases (decreases) in other payables - related parties	$1,312	$3,947
Increase (decrease) in provisions	-	(1,009)
Increase (decrease) in other current liabilities	(11)	29
Increase (decrease) in net defined benefit liabilities	($4,056)	($6,772)
Total changes in operating liabilities	(47,550)	(24,665)
Total changes in operating assets and liabilities	(2,884)	(144,180)
Total adjustments	(405,875)	(346,577)
Cash inflow (outflow) generated from operations	355,820	(71,834)
Interest received	28,406	18,613
Dividends received	492,444	128,049
Interest paid	(188)	(88)
Income tax refunded (paid)	(270,599)	215
Net cash provided by (used in) operating activities	605,883	74,955
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(414,313)	(901,010)
Disposal of financial assets at fair value through other comprehensive income	-	140,179
Acquisition of financial assets at fair value through profit and loss	(2,803)	-
Acquisition of investments accounted for using the equity method	(18,997)	(79,500)
Acquisition of property, plant, and equipment	(147,867)	(387,678)
Disposal of property, plant, and equipment	827	271
Increase in refundable deposits	-	(1,250)
Increase in other financial assets	-	(200,000)
Decrease in other financial assets	1,109,290	-
Decrease in other non-current assets	13	317
Net cash provided by (used in) investing activities	526,150	(1,428,671)
Cash flows from financing activities		
Increase in guarantee deposits received	2,170	1,106
Decrease in guarantee deposits received	(1,208)	(80)
Repayments of principal portion of the lease	(1,377)	(641)
Cash dividends paid	(495,495)	(831,600)
Capital reduction	-	(395,010)
Net cash provided by (used in) financing activities	(495,910)	(1,226,225)
Increase (decrease) in cash and cash equivalents	636,123	(2,579,941)
Cash and cash equivalents at beginning of the period	1,190,096	3,770,037
Cash and cash equivalents at end of the period	$1,826,219	$1,190,096

(The accompanying notes are an integral part of the Parent Company Only Financial Statements.)

Chairman: Wu, Zi-Cong Manager: Wu, Zi-Cong Chief Accountant: Chen,Ming-Je

Tahsin Industrial Corporation
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2022 and 2021
(Amount in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

(I.) Company History

Tahsin Industrial Corporation ("The Company") was incorporated under the Company Act of Taiwan, Republic of China (R.O.C.) in 1958. The Company and its subsidiaries are primarily engaged in manufacturing and trading of a variety of plastic raincoats, nylon raincoats, overalls, wardrobes, nylon jackets, PP corrugated boards, TC garments, leather goods, handbags, file folders, plastic film, carrier bags and laminating machines, etc. The Company was approved by the Securities and Futures Bureau under the Financial Supervisory Commission (formerly the Securities and Futures Commission) for listing in 1992.

(II.) Date and Procedures of Authorization for Issuance of the Financial Statements

The parent company only financial statements have been approved and released by the Board of Directors on March 24, 2023.

(III.) Application of Newly Issued, Revised, and Amended Standards and Interpretations

a. The impact of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as "IFRSs") endorsed and effected by the Financial Supervisory Commission (hereinafter referred to as the "FSC"):
The following table summarizes the new, revised, amended standards and interpretations of IFRSs endorsed by the FSC and are applicable in Year 2022:
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New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”	January 1, 2022 (Note 2)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 3)
Amendments to IFRS 3 "Conceptual Framework"	January 1, 2022 (Note 4)
Annual Improvements to IFRSs 2018-2020	January 1, 2022 (Note 5)

Note 1. Unless otherwise specified, the aforementioned New/Amended/Revised Standards or Interpretations shall be effective for the annual reporting period beginning on or after the specified dates.

Note 2. A company applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period (January 1, 2021) presented in the financial statements.

Note 3. This amendment applies to contracts that have not fulfilled all their obligations on January 1, 2022.

Note 4. The amendments are to be applied prospectively to business mergers whose acquisition date starts in the annual reporting periods beginning on or after January 1, 2022.

Note 5. The amendments to IFRS 9 apply to the exchanges of financial liabilities or the alterations in its terms that occur during the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 apply to the measurement of fair value for annual reporting periods beginning on or after January 1, 2022; the amendments to IFRS 1 apply retroactively to annual reporting periods beginning on or after January 1, 2022.

1) Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management. The cost of these items is measured in accordance with IAS 2 "Inventories," while any proceeds from selling these items and the cost of these items are recognized in profit or loss in accordance with applicable standards. Besides, the amendment also clarifies that the cost of testing whether the asset is functioning properly is the expense of assessing whether the technical and physical performance of the asset are sufficient to held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendment is applicable to plant, property and equipment that reached the required locations and conditions of the management's expected operation mode after January 1, 2021 (the beginning of the earliest expression period). Upon initial application of the amendments, the cumulative effect of initial application of the amendments is recognized as an adjustment to the opening balance of the retained earnings (or other components of equity, as appropriate), at the beginning date of the earliest period presented, and recompile the information of the comparison period.

2) Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract,"

The amendments specify that when assessing whether a contract is onerous, the "cost of fulfilling a contract" includes both the incremental costs of fulfilling that contract (e.g., direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g., an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

3) Amendments to IFRS 3 "Conceptual Framework"
The amendment is to update the index of the conceptual framework and add the provision that the purchaser should apply IFRIC 21 "Levies" to determine whether there is any obligation for the public course to pay liabilities on the acquisition date.

4) Annual Improvements to IFRS Standards 2018-2020
The annual improvement of IFRS in 2018-2020 includes the amendment of several standards. The amendment of IFRS 9 is to assess whether there is a significant difference in the exchange of financial liabilities or the modification of terms and to compare whether there is a 10% difference in the discounted value of cash flow (including the net amount of fees received and paid for signing new or modified contracts) between the new and old terms. The fees and charges mentioned above shall only include the fees and charges between the borrower and the lender.
The above standards and interpretations have no significant impact on the Company's financial condition and financial performance based on the Company's reasonable assessment.

b. Effects of IFRSs issued by IASB but not yet endorsed by FSC in the Year 2023:

The following table summarizes the new, amended and revised standards in the IFRSs that have already been issued by the IASB but are yet to be endorsed by the FSC and related interpretations:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 in "Disclosure of Accounting Policies"	January 1, 2023 (Note.1)
Amendments to IAS 8 "Definition of accounting Estimates"	January 1, 2023(Note.2)
Amendments to IAS 12 “Deferred Income Tax related to Assets and Liabilities Derived from Single Transaction”	January 1, 2023(Note.3)

Note.1: The amendments are used in the annual reports from January 1, 2023

Note.2: The variation of accounting estimates and accounting policies are used from the annual reports starting January 1, 2023

Note.3: Aside from leases and obligatory related temporary differences are abided by additional regulations, the earliest transactions expressed in the comparable period have been starting since January 1, 2022 are used by the amendments.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"
The amendment clarifies that the related significant accounting policy information should be disclosed whenever a single transaction, other issues or situations are valued significantly, or the related accounting policy information brings significant effects to financial reports. Vice versa, when a business recognizes that, a single transaction, other issues or situations is insignificant or although it is significant, yet the related accounting information policies are not important, then it is unnecessary to make disclosure of the insignificant accounting policy information. The conclusion of the insignificance of the accounting policy information made by businesses does not affect other regulations related to IFRS disclosure.

2) Amendments to IAS 8 “Definition of Accounting Estimates”
The amendment defines accounting estimates as the currency amount measure affected by uncertainty in financial statements and provides further explanation. Apart from the cause of the early corrected mistakes, the effects of input values or evaluation of skill variance also refer to as the variation of accounting estimates.

3) Amendments to IAS 12 “Deferred Income Tax related to Assets and Liabilities Derived from Single Transaction”
The amendment restricts IAS 12 (No.15 and 24) the exclusive range of recognition for deferred income tax debts and assets. The transactions are excluded, if one single transaction has the same amount of temporary taxable variance and temporary deductible variance in the original recognition. The businesses should adopt the adjustment from the earliest comparable period on starting date (Jan, 1st, 2022) during the first time using the amendment, and recognize leases and all of the decommissioning obligatory related temporary variance as deferred income tax. Meanwhile, recognize the affected accumulated numbers as R/E (or depends, as other equity-related components) in the day, and adjust the beginning amount. For the other transactions happening after January 1, 2022, should be deferred to use the amendment.
The company has already evaluated that the regulations and explanations above make no significant effects on the company’s financial situation and performance.

c. Effects of IFRSs issued by IASB but not yet endorsed by FSC:

The following table summarizes the new, amended and revised standards in the IFRSs that have already been issued by the IASB but are yet to be endorsed by the FSC and related interpretations:

New/Revised/Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	Yet to be decided
IFRS 17 - "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 16 "The Sale and Leased Back liabilities"	January 1, 2024
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Contractual non-current Liabilities"	January 1, 2024

As of the date of authorization of the Parent Company Only Financial Statements, the Company has continued to assess the effects of amendments to other standards and interpretations on its financial conditions and financial performance. Related impacts will be disclosed upon completion of the assessment.

(IV.) Summary of Significant Accounting Policies

The main accounting policies used in preparing the parent company only financial statements are described below. Unless otherwise stated, these policies are consistently applicable throughout all reporting periods.

a. Compliance declaration

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

b. Preparation basis

1) Except for the following significant items, these parent company only financial statements have been prepared under the historical cost convention:
   a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
   b) Financial assets measured at fair value through other comprehensive income are measured at fair value.
   c) Liability based on cash-settled share-based payment arrangement measured at fair value.
   d) Defined benefit liability is derived from retirement plan assets less the present value of net defined benefit obligation.
2) Significant accounting estimates are required when preparing financial statements based on the IFRSs recognized by FSC. When the Company adopts the accounting policies, the management is required to exercise judgments on highly judgmental or complex items or significant assumptions and estimates with regard to the financial statements. For more details, please refer to Note 5.
3) When preparing parent company only financial statements, the Company adopts the equity method for investments in subsidiaries, affiliates or joint ventures. In order to align profit or loss, other comprehensive income, and equity from the current year in the Parent Company Only Financial Statements with those attributable to the Company's owners, the differences in accounting treatment with individual and consolidated basis have led to adjustments in "investments accounted for using the equity method," "share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method," "share of other comprehensive income of subsidiary, associates, and joint ventures accounted for using the equity method" and related equity items.

c. Foreign currency conversion

1) 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 recognized in profit or loss in the period in which they arise.
   b) Balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such adjustments are recognized in profit or loss.
   c) Non-monetary assets and liabilities denominated in foreign currencies that are measured at FVTPL, are retranslated at the exchange rates prevailing at the balance sheet date, where their translation differences are recognized in profit or loss as part of the fair value gain or loss. Non-monetary assets and liabilities denominated in foreign currencies measured at FVTOCI are retranslated at the exchange rates prevailing at the balance sheet date, where their translation differences are recognized in other comprehensive income. However, 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 initial transaction dates.

2) Conversion of foreign operations

a) The operating results and financial position of all subsidiaries, affiliates, and jointly controlled entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the end of the financial reporting period;

ii. Income and expenses on the statements of comprehensive income are translated at the average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

b) When the foreign operation partially disposed of or sold is a related enterprise or jointly controlled entity, exchange differences that were recorded in other comprehensive income are proportionately reclassified to income as part of the profit or loss of sale. However, if the Company still holds partial interests in the former associate or jointly controlled entity but has already lost influence over the related enterprise or lost joint control over the jointly controlled entity, such transaction is accounted for as disposal of all interests in such foreign operation.

c) When the foreign operation that is partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interests in this foreign operation. However, if the Company still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in this foreign operation.

d. The standards for assets and liabilities classified as current and non-current

1) Assets that meet one of the following criteria are classified as current assets:

a) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.

b) The holder primarily for trading purposes.

c) Assets expected to be realized within 12 months after the balance sheet date.

d) Cash or equivalent cash, except for those used to exchange or settle liabilities or subject to other restrictions more than 12 months after the balance sheet date.

The Company classifies all the assets that do not meet the above-mentioned criteria as non-current.

2) Liabilities that meet one of the following criteria are classified as current liabilities:

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

b) The holder primarily for trading purposes.

c) Those who are restricted by the exchange or liquidation of debts within 12 months after the end of each reporting period (after the end of each reporting period and the completion of the long-term refinancing or rescheduling payment agreement before the release of the financial statements, it is also considered as a current liability).

d) Where the repayment period cannot be extended unconditionally to at least 12 months after the balance sheet date. Terms of a liability that could, at the option of the counter-party, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all the liabilities that do not meet the above-mentioned criteria as non-current.

e. Cash and cash equivalents

The cash and cash equivalents include cash in treasury, bank discount and short-term investments that can be converted into fixed cash at any time with little change in value at risk and high liquidity (including fixed deposit with an original date due within three months).

f. Financial instruments

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

Initially, financial assets and liabilities should be recognized at fair value. Upon initial recognition, transaction costs that are directly attributable to the acquisition or issuance of the financial assets and financial liabilities (except for financial assets and financial liabilities at fair value through profit or loss) should be added to, or subtracted from the fair value of such financial assets and financial liabilities. Transaction costs that are directly attributable to financial assets and financial liabilities measured at FVTPL are recognized as the initial measurements of financial assets and financial liabilities.

1) Financial assets

a) Types of measurement

Financial assets purchased or sold in a regular way are recognized using transaction date accounting. Financial assets held by the Company comprise financial assets measured at fair value through profit or loss, financial assets at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, and investments in equity instruments measured at fair value through other comprehensive income.

i. Financial assets at fair value through profit or loss

Financial assets measured at FVTPL include financial assets measured at FVTPL and financial assets designated as measured at FVTPL. Financial assets measured at FVTPL include investments in equity instruments not designated by the Company as measured at FVTOCI and investments in debt instruments not classified as measured at amortized cost or FVTOCI.

When a financial asset meets one of the following criteria, the Company shall, at initial recognition, designate the financial asset as a financial asset measured at FVTPL:

i) It is a hybrid (combined) contract; or

ii) It is able to eliminate or significantly reduce a measurement or recognition inconsistency; or

iii) It is managed on a fair value basis and its performance is evaluated in based on a documented risk management or investment strategy.

Such assets are measured at fair value, of which any dividends accrued are recognized as other revenue, interest revenue and the benefits or losses arising from the re-measurement are recognized in other profits and losses. Please refer to Note 12 (3) for the methods of determination of fair value

ii. Financial assets at amortized cost

A financial asset of the Company is measured at amortized cost if both of the following conditions are met:

i) Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and

ii) The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized cost are measured at the gross carrying amount determined based on the effective interest method less any impairment losses, and any gains or losses on foreign exchange are recognized in profit or loss.

Except for the following two situations, interest revenue is calculated by the effective interest rate multiplied by the gross carrying amount of financial assets:

i) For purchased or initial credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

ii) For financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired, interest income is calculated by applying the effective interest rate to the amortized cost balance of such financial assets.

iii. Investments in debt instrument at fair value through other comprehensive income

Investments in debt instruments of the Company are classified as financial assets at FVTOCI if both of the following conditions are met:

i) It is held under a certain business model whose purpose is achieved by collecting contractual cash flows and selling financial assets; and

ii) The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

Investments in debt instruments at FVTOCI are measured at fair value. Among changes in the carrying amount, interest revenue calculated using the effective interest method, gain or loss on foreign exchange, and impairment loss of foreign exchange or gain on reversal of impairment loss of foreign exchange are recognized in profit or loss; other changes are recognized in other comprehensive income and reclassified as profit or loss upon disposal of investments.

iv. Investments in equity instruments at fair value through other comprehensive income

At the time of original recognition, the Company make an irrevocable decision to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments at FVTOCI are measured at fair value, and subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, the cumulative profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity instruments at FVTOCI are recognized in profit or loss when the Company's right to receive payments is established, unless such dividends clearly represent the recovery of the investment cost in part.

b) Impairment of financial assets

i. The Company assesses financial assets (including accounts receivable) measured at amortized cost based on expected credit losses on each balance sheet date, debt instrument investments measured at fair value through other comprehensive income, operating lease receivables, and Impairment losses on contract assets.

ii. Accounts receivable, contract assets and operating lease receivables are all recognized as allowance for losses based on the expected credit losses during the term of duration. For other financial assets, whether there is a significant increase in credit risk after initial recognition shall be determined first. If there is no significant increase in credit risk, the allowance for loss is recognized based on the 12-month expected credit losses. If there is a significant increase in credit risk, the allowance for loss is recognized based on the lifetime expected credit losses.

iii. The expected credit loss is based on the weighted average credit loss determined by the risk of default. The 12-month expected credit losses refer to expected credit losses arising from possible default of financial instruments within 12 months after the reporting date. The lifetime expected credit losses refer to expected credit losses arising from all possible default of financial instruments in the expected duration.

iv. The impairment loss of all financial assets is reduced by the allowance account to reduce its carrying amount, but the loss allowance of debt instrument investment measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce its carrying amount.

c) Derecognition of financial assets

The Company will derecognize a financial asset when one of the following conditions is met:

i. The right to a contract from the financial asset cash flow is void.

ii. When transfer the contractual right to receive the cash flow of financial assets and almost all the risks and rewards of the ownership of the financial assets have been transferred.

iii. It neither transfers nor retains almost all the risks and rewards of the ownership of the financial assets, but does not retain the control over the financial assets.

On de-recognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. On derecognizing an investment in a debt instrument in its entirety at FVTOCI, the difference between the carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognizing an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, rather than reclassified as profit or loss.

2) Equity instruments

The debt and equity instruments issued by the Company are classified as financial liabilities or equity instruments in accordance with the definition of financial liabilities and equity instruments and the contractual substance.

Equity instruments refer to any contracts containing an enterprise's residual interest after subtracting liabilities from assets. Equity instruments issued by the Company are recognized as the net of proceeds less direct issuance costs.

3) Financial liabilities

a) Subsequent measurement

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

i. Financial liabilities measured at fair value through profit or loss refer to financial liabilities held for trading or designated as financial liabilities measured at fair value through profit or loss at the time of original recognition. A financial liability is classified as held for trading if has been acquired principally for the purpose of repurchasing it in the near term and is a derivative that is not designated and effective as a hedging instrument. When financial liabilities meet one of the following criteria, the Company designates them to be measured at FVTPL on initial recognition:

i) It is a hybrid (combined) contract; or

ii) It is able to eliminate or significantly reduce a measurement or recognition inconsistency; or

iii) It is a tool to manage and evaluate its performance on a fair value basis in accordance with a documented risk management or investment strategy.

ii. Financial liabilities at fair value through profit or loss are initially recognized at fair value. Related transaction costs are recognized in profits or losses. For subsequent fair value measurements, changes in fair value are recognized in current profit or loss.

iii. Designated as a financial liability measured at fair value through profit or loss, the amount of changes in fair value due to changes in credit risk is recognized in other comprehensive income, and will not be reclassified to profits or losses in the future. The remaining fair value changes in the liability are reported in profit or loss. However, if the above accounting treatment causes or exacerbates the improper accounting ratio, the profit or loss of the liability will be fully listed in profit or loss.

b) Derecognition of financial liabilities

The Company will derecognize a financial liability only when the obligation is discharged, cancelled or expired. When financial liabilities are derecognized, the difference between their carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

4) The revision of Financial Instruments

When contractual cash flows of a financial instrument are renegotiated or modified without requiring the derecognition of the financial instruments, the group will re-calculate the total book value amount or amortized cost of the financial liabilities using the contractual cash flows discounting at the original effective interest rate, and recognize the modified benefits and losses as profits and loss. Any costs or fees incurred will be reflected as an adjustment to the carrying book value amount of the modified financial instrument and amortized over the remaining period. If the renegotiation or revision leads to the derecognition of the financial instruments, then it should be in accordance with derecognition requirements.

The index rate revolution results in the variation of the contractual cash flows of financial instruments-determined bases and if such variation is directly required by the change in the index rate and the new basis is substantially the same as the basis before the change in the effective interest rate when determining. Aside from the change in rate in contractual cash flows bases, the variable changes in financial instruments also incurred. The group will first adopt the practice of discretion to the changes required by to the changes required by the index rate change, then apply the regulations of financial instrument modification to any additional changes that are not applicable to the practical discretion.

g. Inventories

Inventories are measured at the lower of cost and net realizable value. The perpetual inventory system is adopted and the cost is determined using the weighted average method. The cost of finished goods and work in process comprises raw materials, direct labor, 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 lower of cost and net realizable value. Net realizable value refers to the balance of the estimated selling price in the ordinary course of business less the estimated costs to be incurred till completion and related variable selling expenses.

h. Subsidiaries and affiliates using the equity method

1) Subsidiaries refer to all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.
2) Unrealized gains or losses arising from the transactions between the Company and its subsidiaries have been eliminated. Accounting policies of its subsidiaries have been adjusted where necessary, and are consistent with the policies adopted by the Company.
3) The Company's share of profit or loss in subsidiaries after acquisition is recognized in profit or loss, whereas its share of other comprehensive income in subsidiaries after acquisition is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the company shall continue to recognize losses in proportion to its shareholding.
4) A change in the shareholding of a subsidiary that does not result in loss of control (a transaction with a non- controlling interest) is treated as an equity transaction, that is, a transaction with the owner. The difference between the adjusted amount of non-controlling interest and the fair value of the consideration paid or received is directly recognized in equity.
5) 5. When the Company loses control over a subsidiary, the retained investment in such former subsidiary is remeasured and the remeasured value is regarded as the fair value on initial recognition of a financial asset, or as the cost on initial recognition of an investment in an associate or joint venture. Difference between fair value and carrying amount is recognized in profit or loss. All amounts recognized in other comprehensive income in relation to that subsidiary should be accounted for on the same basis as would be required if the Company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the company reclassifies the gain or loss from equity to profit or loss.
6) Associates are entities over which the Company has significant influence but not control. In general, it is presumed that an investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates by the Company are treated using the equity method and recognized at cost when acquired.
7) The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other

comprehensive income. If the Company's share of loss in any of its related enterprises equals or exceeds its interest in the related enterprise (including the book value and actual cost determined by the equity method, and part of any long-term interests from substantial net investments to the related businesses), it does not recognize further losses, unless it has legal obligations and constructive obligations in the related enterprise, or makes payments on behalf of the related enterprise.

8) Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associates have been adjusted as necessary, and are consistent with the policies adopted by the Company.

9) Where an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, the "capital surplus" and "investments accounted for under the equity method" shall be adjusted for the increase or decrease of its share of equity interest. Where its investment proportion decreases, in addition to the above adjustments, the profit or loss previously recognized in other comprehensive income due to decrease in its ownership interest and the profit or loss to be reclassified to profit or loss during the disposal of assets or liabilities shall be reclassified to profit or loss based on the proportion of decrease.

10) Upon loss of significant influence over an associate, the Company shall remeasure the remaining investment retained in the former associate at its fair value. Any difference between the fair value and the carrying amount is recognized in profit or loss for the period.

11) When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are handled on the same basis as would be required if the relevant assets or liabilities were disposed of. That is, the profits or losses recognizes in other comprehensive income are reclassified to profit or loss upon disposal of such assets or liabilities. In circumstances where the Company loses significant influence over this associate, such assets or liabilities are reclassified to profit or loss. If the Company still has a significant influence on the related enterprise, only the amount of previously recognized in other comprehensive income is transferred according to the above-mentioned method.

12) When the Company disposes of its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

13) According to "Regulations Governing the Preparation of Financial Reports by Securities Issuers," the profit or loss of the period and other comprehensive income presented in parent company only financial statements shall be the same as the allocations of profit or loss of the period and of other comprehensive income attributable to owners of the parent presented in the financial statements prepared on a consolidated basis, and the owners' equity presented in the parent company only financial statements shall be the same as the equity attributable to owners of the parent presented in the financial statements prepared on a consolidated basis.

i. Property, plant, and equipment

1) Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. Before the completion of property, factories and equipment has reached the expected state of use, the samples of tested production of these assets are measured by the lower cost and net present value to see if the assets can operate normally. The sales price and cost are recognized in the income statement.

2) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The replaced part of the carrying amount shall be derecognized. All other repair and maintenance costs incurred are recognized in current profit or loss during the period in which they are incurred.

3) Depreciation is not mentioned for land The cost model is adopted for other property, plant and equipment, which is depreciated on a straight-line basis based on the estimated useful life. The Company reviews the residual values, useful lives, and depreciation methods of each asset at the end of each financial year. 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 useful life of each asset is as follows:
Buildings 5 - 55 years
Machinery and equipment 5 - 18 years
Transportation equipment 5 - 12 years
Miscellaneous equipment 5 - 15 years

4) Property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The amount of gain or loss arising from the derecognition of property, plant and equipment is the difference between the net disposal value and the carrying amount of the asset, and is recognized in current profit or loss.

j. Leases

The Company assesses whether the contract is (or includes) a lease on the date of its establishment. Where a contract includes a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to the lease component on the basis of the relative separate price of each lease component and the aggregate separate price of non-lease components.

1) The Company is a lessee:

The Company recognizes right-of-use assets and lease liabilities at the beginning of the lease start date for other leases, except for leases of low-value underlying assets and short-term leases that recognize expenses on a straight-line basis.

Right-of-use assets

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease commencement date minus the lease incentive received, the original direct cost and the estimated cost of the recovery target asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability.

Except for right-of-use assets that meet the definition of investment property, right-of-use assets are listed on parent company only balance sheets as separate line items.

The right-of-use assets shall be depreciated on a straight-line basis from the beginning of the lease to the expiration of the term of the useful life or the expiration of the lease period, whichever is earlier. However, if the ownership of the underlying assets will be acquired at the end of the lease term, or if the cost of the right-of-use assets reflects the exercise of the purchase option, the depreciation shall be accrued from the beginning of the lease to the expiration of the term of the useful life of the underlying assets.

Lease liabilities

Lease liabilities are initially measured at the present value of lease payments (including fixed payments; substantive fixed payments; variable lease payments that are determined by an index or a rate; amounts expected to be paid by the lessee under residual value guarantee; the exercise price of a purchase option when it is reasonably certain to exercise the option; the term of the lease reflects the termination penalty that the lessee will exercise the option to terminate the lease, deducting the present value measurement of the lease incentives received. If the implied interest rate on the lease is easy to defined, the lease payment is discounted with the interest rate. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liability is measured on the basis of amortized cost using the effective interest method, and the interest expense is apportioned during the lease period. When there is a change in a lease term, valuation of exercise price of a purchase option of the underlying asset, expected payable amount based on residual value, or indexes or rates which are used to determine variable lease payments, resulting in a change in future lease payments, the Company re-measures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the re-measurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

Changes in the lease agreement that do not depend on index or rate are recognized as expenses in the period in which they are incurred.

2) The Company is a lessor:

If a lease transfers almost all the risks and rewards attached to the ownership of the underlying asset, it is classified as a financial lease; otherwise, it is classified as an operating lease.

When a lease includes elements of land and buildings, the Company assesses the classification of each element as a financial lease or an operating lease, and apportions the lease payment (including any one-time front-end payment) to the land and buildings according to the fair value of the lease right of the land and buildings on the establishment date of the contract. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

When the Company sublets the right-of-use asset, it judges the classification of sublease based on the right-of-use asset (not the underlying assets). However, if the main lease is a short-term lease where the recognition exemption is applicable to the Company, the sublease is classified as an operating lease.

Finance lease liabilities are initially measured at the present value of lease payments (including fixed payments; in-substance fixed payments; variable lease payments that are determined by an index or a rate; amounts expected to be paid by the lessee under residual value guarantees; the exercise price of a purchase option when it is reasonably certain to exercise the option; and penalties for terminating the lease reflected in the lease term; less any lease incentives receivable). The net amount of lease investment is measured as the sum of the present value of lease receivables and unguaranteed residual value plus the original direct cost and expressed as finance lease receivable. The Company allocates the financing income to the lease term on a systematic and reasonable basis to reflect the fixed rate of return that the unexpired net lease investment can obtain on a regular basis.

In the case of operating leases, the lease payment after deducting the lease incentives is recognized as the lease income on a straight-line basis over the lease term. The initial direct costs arising from acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight-line basis over the lease term.

Changes in leases that do not depend on an index or a rate in lease agreements are recognized as expenses in the period in which they take place.

k. Investment properties

Investment real estate refers to real estate held for rent or capital appreciation or both (including real estate in the process of construction for these purposes) Investment property also includes land whose future use is yet to be decided. Investment property also includes right-of-use assets that meet the definition of investment property.

Investment property is initially measured at cost (including transaction costs), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized on a straight-line basis.

Investment property under construction is recognized at cost less accumulated impairment loss. Cost includes professional service fees and borrowing costs that are eligible for capitalization. Depreciation of such assets begins when they reach the expected state of use.

In the event of derecognition of an investment property, it is the difference between the net disposal price and the carrying amount of the asset, and is recognized in the current profits and losses.

l. Impairment of financial assets

The Company estimates the recoverable amount of assets that have signs of impairment on the balance sheet date. When the recoverable amount is lower than its carrying amount, impairment loss is recognized. Recoverable amount refers to the fair value of an asset less costs to sell or its value in use, whichever is higher. When the recognition of asset impairment in the previous year no longer exists, the impairment loss is reversed to the extent of the amount of losses recognized in the previous year.

m. Provisions

Provision is a present legal or constructive obligation arising from a past event, where an inflow of economic benefits is probably required to pay off the obligation. The obligation can also be recognized when its amount can be estimated reliably. 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 recognized as interest expense. Provisions are not recognized for future operating losses.

n. Employee Benefits

1) Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and should be recognized as expenses in the period when the employees render service.

2) Pension

a) Defined contribution plans

Under a defined contribution plan, the amount of pension funds that should be contributed on an accrual basis is recognized as current pension expense. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

b) Defined benefit plans

i. The determination of the net obligation under the defined benefit plan is based on the discounted amount of future benefits earned by employees during the current or past periods when services are (were) rendered. Such obligation is recognized at the amount of the net of the present value of the net defined obligation less the fair value of the plan asset. The defined benefit obligations are calculated each year by the actuary through the projected unit credit method. The discount rate employed is the market yields on high quality corporate bonds (on the balance sheet date) of which the currency and term are consistent with the currency and term of the defined benefit plan. The discount rate employed can also be the market yields on corporate bonds if there is no deep market for such bonds in the country.

ii. Determine the re-measurement amount caused by the benefit plan and recognize it as other comprehensive profits or losses during the occurrence period, and express it as retained earnings.

iii. Expenses related to past service costs are immediately recognized as gains or losses.

3) Compensation to directors and employees

Employees' compensation and directors' and supervisors' compensation are recognized in expenses and liabilities when they are subject to legal or constructive obligations, and when the amounts can be reasonably estimated. Any difference between the actual amount allocated after the resolution and the estimated amount is treated as changes in accounting estimates.

4) Termination benefits

Termination benefits are benefits that are provided when an employee is dismissed before the normal retirement date or when an employee decides to accept the Company's offer of benefits in exchange for earlier termination of employment. The Company recognizes expenses at the earlier of when it can no longer withdraw the termination contracts or when it recognizes relevant restructuring costs. Benefits that are not expected to be fully settled within 12 months after the balance sheet date shall be discounted.

o. Share capital and treasury shares

1) Share capital

Common stock is listed as equity. An incremental cost directly attributable to the issuance of new shares or warrants stated in equity is presented under equity as a deduction to proceeds.

2) Treasury stock

Issued shares repurchased by the Company are recognized in "treasury stock" as a deduction to equity based on the amount of consideration paid during share buyback (including directly attributable costs). When the disposal price for a treasury stock is higher than its carrying amount, the difference between its disposal price and its carrying amount is listed as capital reserve - treasury stock transactions. When its disposal price is lower than its carrying amount, the difference between the above shall offset against capital reserve arising from the trading of the same type of treasury stock. If deficiency arises, it is debited into retained earnings. The carrying amount of a treasury stock is determined using weighted average and calculated separately based on reasons for repurchase.

During retirement, treasury stock is debited into capital reserve - premium on issued shares and share capital according to the proportion of shares. If its carrying amount is higher than the sum of its face value and premium on issued shares, the difference between both of the above shall be offset against capital reserve arising from the trading of the same type of treasury shares. If deficiency arises, it is then offset against retained earnings. If its carrying amount is lower than the sum of its face value and premium on issued shares, the difference between the aforementioned shall be debited into capital reserve arising from the trading of the same type of treasury share.

p. Income tax

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

2) The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date where the Company generates taxable income. Senior management regularly assesses the status of income tax returns in accordance with applicable income tax-related regulations, and shall estimate income tax liabilities based on taxes that are expected to be paid to the tax authority when necessary. An additional income tax is levied on undistributed earnings in accordance with the Income Tax Act. After the distribution plan for the earnings generated in the current year is approved at the shareholders' meeting in the following year, undistributed earnings shall be recognized as income tax expense based on the actual distribution of earnings.

3) Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheets. The deferred income tax liabilities arising from the originally recognized goodwill are not recognized. If the deferred income tax originates from the initial recognition of assets or liabilities in transactions (excluding merger) and does not affect accounting profits or taxable incomes (taxable losses) at the time of transactions, it is not recognized. Deferred income 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 Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income 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 income tax asset is realized or the deferred income tax liability is settled.

4) Deferred income tax assets are recognized to the extent that temporary differences, unused tax losses and unused tax credits are likely to be available for future tax income. The unrecognized and recognized deferred income tax assets are reassessed on each balance sheet date.

5) Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity

or different entities that intend to settle on a net basis, or realize the asset and settle the liability, simultaneously.

6) Tax incentives from acquisitions of equipment or technology, research and development expenditures, employees' training costs and equity investments are recognized in the form of tax credits.

q. Revenue recognition

The recognition principle on the revenue of the Company from customer contracts is as follows:

1) Identify the customer contracts;
2) Identify the performance obligations in the contract;
3) Determine the transaction price;
4) Allocate the transaction price to the performance obligations in contracts; and
5) Recognize revenue upon satisfaction of performance obligations.

a) Sales revenue

The Company recognizes revenue when control over products is transferred to customers. The transfer of control over products means that products are delivered to customers with no unfulfilled obligations that may affect customers' acceptance of the products. Deliver refers to the time when customers accept products based on the terms of transactions, the risk of obsolescence and loss is transferred to customers, and the Company has objective evidence that all acceptance conditions are met.

The Company recognizes accounts receivable when goods are delivered, as it has the right to receive the payment unconditionally at that time.

When material is supplied for processing, control over the ownership of processed goods is not transferred. Thus, supply of material is not recognized as revenue.

b) Service revenue

The Company provides service as an OEM and recognizes revenue when service is transferred to customers (that is, control over assets is obtained by customers) without subsequent obligations.

r. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their capital expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized as profit or loss in the period in which they are incurred.

(V.) Major Sources of Uncertainties in Material Accounting Judgments, Estimates, and Assumptions

When the Company prepares the parent company only financial statements, the significant judgments, estimates, and assumptions used in the accounting policies adopted by the Company are as follows:

a. Significant judgments for applying the accounting policies

1) Judgments on the business model of classification of financial assets

The Company assesses the business model of financial assets based on the class of financial assets managed to achieve the specific business purpose. This assessment requires all relevant evidence, including the measurement method for asset performance, risk of impact on performance, and compensation for the management, and also requires judgment. The Company continues to assess whether the business model is judged appropriately and monitor the financial assets measured at amortized cost and investments in debt instruments at FVTOCI derecognized before maturity to determine whether such disposal is consistent with the purpose of the business model. If it finds that the business model has changed, the Company will reclassify financial assets in accordance with IFRS 9 requirements, and applied prospectively from the date of reclassification.

2) Investment properties

The Company holds a portion of its properties for the purposes of earning rentals or capital appreciation, whereas the rest portion is for own use. When each part of a property cannot be sold separately and the part held for own use is less than 20 percent of the individual property, the property is classified as investment property.

3) Revenue recognition

According to IFRS 15, the Company judges whether control over specific goods or service is obtained prior to the transfer of such products or service to customers and whether it is the principal or agent in the transaction. If the Company is the agent in the transaction, the net amount of the transaction is recognized as revenue.

The Company is the principal if any of the following conditions applies:

a) The Company acquires control of the goods or assets in advance from another party before they are transferred to customers; or

b) By controlling the right of provision of service by another party, the Company has the discretion to have another party to provide services to customers on behalf of the Company; or

c) The goods or services provided to customers are a combination of other goods or services and the goods and services of which the control is obtained by the Company from another party.

Indicators used to help judge whether the Company controls specific products or service before the transfer of such products or service to customers include (but are not limited to):

a) The Company takes main responsibility for the commitment of completing the provision of specific commodity or labor service.

b) The Company bears the inventory risk before and after the specific goods or services is transferred to the customer.

c) The Company has discretionary power to set prices.

4) Lease term

In determining the lease term, the Company considers all relevant facts and circumstances that give rise to an economic incentive to exercise (or not to exercise) the option, including all expected changes in facts and circumstances from the commencement date to the exercise date of the option. Factors to be considered include the contractual terms and conditions for the period covered by the option, significant leasehold improvements made (or anticipated) during the contract period, the significance of the underlying assets to the Company's operations, etc. The lease period is reassessed whenever there are significant events or changes in circumstances within the control of the Company.

b. Significant accounting related estimates and assumptions

1) Estimated impairment of financial assets

The estimated impairment of accounts receivable is based on the Company's assumed default rate and expected loss rate. The Company considers the historical experience, current market conditions, and forward-looking information to make assumptions and select the inputs for impairment assessment. Where the future cash flows are less than expected, a material impairment loss may arise.

2) Fair value measurement and valuation process

When assets and liabilities measured at fair value have no quoted prices in an active market, the Company determines based on relevant laws and regulations or its judgment whether assets and liabilities are valuated externally and determines the appropriate fair value valuation techniques. If the estimated fair value cannot be derived from Level 1 inputs, the Company shall determine the inputs with reference to the analysis of financial conditions and operating results of investees, recent transaction prices, quoted prices of the same equity instruments in a non-active market, quoted prices of similar instruments, and valuation multiples of comparable companies. If changes in future inputs are not as expected, changes in the fair value may occur. The Company regularly updates inputs based on market conditions to monitor the appropriateness of fair value measurement. For descriptions of fair value evaluation techniques and input values, please refer to Note 12 (3) for details.

3) Impairment assessment of tangible assets and intangible assets
The company assesses the impairment of assets based on its subjective judgment and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilized and their industrial characteristics. Any changes in these estimates arising from changes in economic conditions or business strategies could lead to significant impairment losses in the future.

4) Investment loss assessment using the equity method
When there is an indication that an investment accounted for using the equity method may be impaired, the company will immediately assess the impairment of the investment. The company assesses the recoverable amount based on the discounted value of the expected future cash flows from the investee or the discounted value of future cash flows arising from expected cash dividends and disposal of the investment, and assesses the reasonableness of underlying assumptions.

5) Realizability of deferred income tax assets
Deferred tax assets are recognized only when it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilized in the future. When the realizability of deferred tax assets is assessed, it is necessary to involve significant accounting judgments and estimates of the senior management, including assumptions on future growth in sales revenue and profit margins, tax exemption periods, available tax credits, and tax planning. Any changes in the global economic environment and industrial environment, as well as changes in laws and regulations may result in major adjustments to deferred tax assets.

6) Evaluation of inventories
As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgments and estimates.
The Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value.

7) The calculation of a net defined benefit liability
When calculating the present value of the defined benefit obligations, the Company must use judgments and estimates to determine the relevant actuarial assumptions on the balance sheet date, including the discount rate and the future growth rate of salaries. Any changes in actuarial assumptions may lead to significant effects on the amount of the Company's defined benefit obligations.

8) Lessee's incremental borrowing rate of interest
When determining the lessee's incremental borrowing rate of interest used for lease payment discounting, the reference interest rate is the risk-free interest rate of the same currency and the relevant period, and the estimated lessee credit risk discount and lease specific adjustment (such as asset specific and secured factors) are taken into account.

(VI.) Explanation of Important Accounting items

a. Cash and cash equivalents

Items	December 31, 2022	December 31, 2021
Cash	$985	$1,216
Bank deposits	1,169,501	856,720
Cash equivalents (short-term commercial papers due within three months)	655,733	1,141,291
Total	$1,826,219	$1,190,096

1) The Company deals with financial institutions having high credit quality. The Company also deals with various financial institutions in order that credit risks can be diversified. Therefore, the expected risk of default is pretty low.
2) The Company's original maturity date is more than three months' time deposits transferred to other financial assets - current, the details are as follows:

Items	December 31, 2022	December 31, 2021
Time deposit (the original maturities of more than three months)	$580,710	$1,690,000

3) The Company did not pledge cash or equivalent cash as of December 31, 2022 and 2021.

b. Financial assets and liabilities at fair value through comprehensive income

Items	December 31, 2022	December 31, 2021
Financial assets-current		
Forced measure at fair value through comprehensive income		
Non-derivative financial assets		
Beneficiary certificate of fund	$1,978	-

1. The Company has not provided any collateral for financial assets measured at fair value through profit or loss.

2. Details of the related credit risk management and evaluation methods are shown in Note 12(2).

c. Financial assets at fair value through other comprehensive income - current

Items	December 31, 2022	December 31, 2021
Equity instruments		
Stocks listed in TWSE or TPEx	$2,736,048	$2,338,439
Fund beneficiary certificates	10,061	10,061
Subtotal	$2,746,109	$2,348,500
Valuation adjustments	1,159,732	2,020,597
Total	$3,905,841	$4,369,097

1) The Company has chosen to classify the equity investments of domestic listed companies with stable dividends as financial assets measured at FVTOCI, which were valued at NTD3,905,841 thousand and NTD4,369,097 thousand respectively for year December 31, 2022 and 2021.
2) In 2022 and 2021, the Company adjusted its investment position to diversify its risk. As for the sale of some common stocks and beneficiary certificates of the listed companies at fair value of NTD 0 thousand and NTD140,17 thousand, respectively, and the related other equity - unrealized gain (loss) on financial assets at fair value through other comprehensive income amounted to NTD 0 thousand and NTD18,644 thousand, respectively, were transferred to retained earnings.
3) The Company did not pledge financial assets (current) measured at fair value through other comprehensive income as of December 31, 2022 and 2021.
4) Please refer to Note 12(2) for details of relevant credit risk management and assessment methods.

d. (Net) Notes receivable and notes receivable - (Net) related parties

Items	December 31, 2022	December 31, 2021
Notes receivable		
Occurs due to business	$45,593	$60,974
Less: provision for losses	(1,368)	(1,829)
(Net) Notes receivable	$44,225	$59,145

Items	December 31, 2022	December 31, 2021
Notes receivable - related parties		
Occurs due to business	$1,710	$1,364
Less: provision for losses	-	-
Accounts receivable - related parties, net	$1,710	$1,364

1) As of December 31, 2022 and 2021, the Company did not pledge any notes receivable as collateral.
2) Disclosure of allowance for losses on notes receivable, please refer to the description of accounts receivable below.

e. (Net) Accounts receivable and accounts receivable - (Net) related parties

Items	December 31, 2022	December 31, 2021
Account receivables		
Measured at amortized cost		
Total Carrying Amount	$315,363	$286,395
Less: provision for losses	(10,704)	(9,014)
(Net) Accounts receivable	$304,659	$277,381

Items	December 31, 2022	December 31, 2021
Trade receivables - related party		
Measured at amortized cost		
Total Carrying Amount	$36,079	$57,004
Less: provision for losses	(573)	(472)
(Net) Accounts receivable - related parties	$35,506	$56,532

1) The Company's accounts receivable from the sale of goods met the credit standards according to the industry characteristics, business scale, and profitability of its counterparties, where the average credit period was between 60-120 days.
2) The Company did not pledge the accounts receivable as of December 31, 2022 and 2021.
3) The Company adopts the simplified method to recognize the allowance loss of notes receivable and accounts receivable according to the expected credit loss during the duration. The lifetime expected credit losses took into account the past history of default and the current financial and operating conditions of customers. There was no significant difference in the loss patterns between different customer bases according to the historical experience of the company's credit losses. Therefore, the provision matrix did not further differentiate customer bases but only set the expected credit loss rate based on the overdue days of accounts receivable.
   The Company uses the provision matrix to measure the loss of allowance on notes receivable and accounts receivable (including related parties) as follows:

December 31, 2022	Total Carrying Amount	Loss allowance (lifetime ECLs)	Amortized Cost
Not past due	$379,633	$10,829	$368,804
0 to 30 days overdue	14,558	728	13,830
31 to 180 days overdue	2,973	297	2,676
181 to 365 days overdue	1,581	791	790
More than one year overdue	-	-	-
Total	$398,745	$12,645	$386,100

December 31, 2021	Total Carrying Amount	Loss allowance (lifetime ECLs)	Amortized Cost
Not past due	$364,565	$10,343	$354,222
0 to 30 days overdue	18,725	922	17,803
31 to 180 days overdue	884	89	795
181 to 365 days overdue	-	-	-

More than one year overdue	9,482	-	9,482
Total	$393,656	$11,354	$382,302

The expected credit loss rate of the Company in each of the age of receivables mentioned on above (excluding abnormal accounts, 100% of which shall be presented), not overdue as 0%-3%, 2% -10% within 30 days overdue, 10%-15% within 180 days overdue, and 100% overdue for more than one year.

4) The changes in the allowance loss of notes receivables and accounts receivables (including notes receivables, accounts receivables and collections) are as follows:

Items	December 31, 2022	December 31, 2021
Beginning balance	$11,354	$9,894
Add: Provision of impairment loss	1,291	1,460
Less: Reversal of impairment loss	-	-
Less: Write-off of unrecoverable accounts	-	-
Effect of foreign currency exchange differences	-	-
Ending balance	$12,645	$11,354

The amounts shown above did not include other credit enhancements.

5) Please refer to Note 12 (2) for details of relevant credit risk management and assessment methods.

f. Inventories and operating cost

Items	December 31, 2022	December 31, 2021
Raw materials	$72,437	$119,758
Materials	49,555	57,965
Work in process	293,555	279,633
Finished goods	147,384	144,971
Total	$562,931	$602,327

1) The inventory gains (losses) recognized as operating costs in the current period are as follows:

Items	December 31, 2021	December 31, 2020
Cost of goods sold	$1,984,537	$1,771,674
Unallocated manufacturing costs	3,318	7
Write-downs of inventories and obsolescence loss (gain from price recovery)	(1,349)	(1,319)
Loss on discarding of inventory	-	-
Loss (gain) on physical inventory	-	(9)
Income from sale of scraps	(4,825)	(2,805)
Total operating costs	$1,981,681	$1,767,548

2) In 2022 and 2021, the Company offset the inventory to the net realizable value or recovered the net realizable value of the inventory due to the digestion of inventory. As a result, the loss (gains on inventory value recoveries) of inventory depreciation recognized by the Company was (NTD1,349 thousand) and (NTD1,319 thousand), respectively.

3) The Company did not pledge the inventory as of December 31, 2022 and 2021.

g. Financial assets at fair value through other comprehensive income - non-current

Items	December 31, 2021	December 31, 2020
Investments in equity instruments		
Domestically unlisted stocks	$127,091	$125,000
Valuation adjustments	208,600	339,800
Subtotal	335,691	464,800
Investments in liability instruments		
Corporate Bonds	15,448	-
Valuation adjustments	(1,256)	-

Subtotal	14,192	-
Total	$349,883	$464,800

1) According to the long-term strategic objectives, Tahsin Group invested in the unquoted shares and corporate bonds of the domestic market mentioned above. The company invests in the stocks of the aforementioned domestic OTC companies pursuant to its medium-term and long-term strategies for the purpose of making a profit. The management of the Company believes that if the short-term fair value fluctuations of these investments are included in the profit and loss, it is inconsistent with the aforementioned long-term investment plan, so they choose to designate these investments as measured at fair value through other comprehensive income.
2) As of December 31, 2022 and 2021, the Company did not pledge any financial assets - non-current measured at fair value through other comprehensive income.
3) Please refer to Note 12 (2) for details of relevant credit risk management and assessment methods.

h. Investments Accounted for Using the Equity Method

Investee	December 31, 2022	December 31, 2021
Subsidiary:		
Tahsin Shoji Co., Ltd.	$111,542	$133,504
Tai Ho Co., Ltd. (Tai Ho Co.,)	39	36
DAFU Plastic Industry Co., Ltd.	182,944	158,996
Tah Viet Co., Ltd.	146,828	123,024
Tah Fa Investment Co., Ltd.	941,823	1,090,850
Myanmar Tah Hsin Industrial Co., Ltd.	288,099	225,469
Less: Recognized as treasury stock (Tah Fa Investment)	(83,230)	(83,230)
Subtotal	$1,588,045	$1,648,649
Affiliates: Individually insignificant affiliates	5,744	7,105
Subtotal	$5,744	$7,105
Total	$1,593,789	$1,655,754

Investments accounted for using the equity method - credit:

Investee	December 31, 2022	December 31, 2021
Subsidiary:		
Tahsin Industrial Corporation, USA	($13,254)	($4,635)

1) Subsidiaries:
   a) For information of the subsidiaries, please refer to Note 4 (3) of the Company’s consolidated financial statements for the year ended December 31, 2022.

2) Affiliates:
   The Company's share of individually insignificant associates is summarized as follows:

	December 31, 2022	December 31, 2021
The Group's share of:		
Profit	($999)	$756
Other comprehensive income (net income)	(362)	583
Total comprehensive income in 2021	($1,361)	$1,339

3) The Company did not provide pledges for its investments using the equity method on December 31, 2022 and 2021.

i. Property, plant, and equipment

Items	December 31, 2022	December 31, 2021
Owner-occupied	$1,471,146	$1,335,140
Operating lease	81,926	81,606
Total	$1,553,072	$1,416,746

Items	December 31, 2022	December 31, 2021

1) Owner-occupied

Items	December 31, 2022	December 31, 2021
Land	$1,031,044	$1,031,044
Buildings	498,122	487,209
Machinery and equipment	351,218	291,513
Transportation equipment	22,837	17,196
Other equipment	57,004	58,284
Construction in progress and equipment to be inspected	155,112	70,836
Total cost	$2,115,337	$1,956,082
Less: accumulated depreciation	(644,191)	(620,942)
Accumulated impairment	-	-
Total	$1,471,146	$1,335,140

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost							
Balance at January 1, 2022	$1,031,044	$487,209	$291,513	$17,196	$58,284	$70,836	$1,956,082
Purchase	-	3,927	5,079	4,049	5,232	156,260	174,547
Disposal	-	-	(2,915)	(2,435)	(8,786)		(14,136)
Reclassification	-	6,986	57,541	4,027	2,274	(71,984)	(1,156)
Balance at December 31, 2022	$1,031,044	$498,122	$351,218	$22,837	$57,004	$155,112	$2,115,337
Accumulated depreciation and impairment							
Balance at January 1, 2022	-	$352,760	$225,083	$12,922	$30,177	-	$620,942
Depreciation expenses	-	10,863	15,798	2,024	8,202	-	36,887
Disposal	-	-	(2,912)	(2,228)	(8,741)	-	(13,881)
Reclassification	-	-	29	62	152	-	243
Recognized (reversed) impairment loss	-	-	-	-	-	-	-
Balance at December 31, 2022	-	$363,623	$237,998	$12,780	$29,790	-	$644,191

	Land	Buildings	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost							
Balance at January 1, 2021	$831,397	$481,229	$276,816	$15,526	$42,269	$4,277	$1,651,514
Purchase	273,259	3,090	4,083	890	12,545	103,218	397,085
Disposal	-	-	(1,535)	(2,380)	(4,839)	-	(8,754)
Recognized investment property	(73,612)	(10,151)	-	-	-	-	(83,763)
Reclassification	-	13,041	12,149	3,160	8,309	(36,659)	-
Balance at December 31, 2021	$1,031,044	$487,209	$291,513	$17,196	$58,284	$70,836	$1,956,082
Accumulated depreciation and impairment							
Balance at January 1, 2021	-	$352,992	$213,208	$14,818	$29,622	-	$610,640
Depreciation expenses	-	9,919	13,405	483	5,339	-	29,146
Disposal	-	-	(1,530)	(2,379)	(4,784)	-	(8,693)
Recognized investment property	-	(10,151)	-	-	-	-	(10,151)
Balance at December 31, 2021	-	$352,760	$225,083	$12,922	$30,177	-	$620,942

a) Capitalization amount and interest rate range of borrowing costs for properties, plants and equipment:

	December 31, 2021	December 31, 2020
Amount capitalized	-	-
Interest rate collars	-	-

b) For information on guarantees provided by owner-occupied property, plant and equipment, please refer to Note 8.

2) Operating lease

Items	December 31, 2021	December 31, 2020
Land	$80,936	$80,936
Buildings	30,475	30,475
Machinery and equipment	1,859	1,182
Other equipment	46	341
Total cost	$113,316	$112,934
Less: accumulated depreciation	(31,390)	(31,328)
Accumulated impairment	-	-
Total	$81,926	$81,606

	Land	Buildings	Machinery and equipment	Other equipment	Total
Cost					
Balance at January 1, 2022	$80,936	$30,475	$1,233	$341	$112,985
Purchase	-	-	183	-	183
Disposal	-	-	(234)	-	(234)
Balance at December 31, 2022	$80,936	$30,475	$1,182	$341	$112,934
Accumulated depreciation and impairment					
Balance at January 1, 2022	-	$30,414	$918	$39	$31,371
Depreciation expenses	-	28	91	68	187
Disposal	-	-	(230)		(230)
Balance at December 31, 2022	-	$30,442	$779	$107	$31,328

	Land	Buildings	Machinery and equipment	Other equipment	Total
Cost					
Balance at January 1, 2021	$80,936	$30,475	$1,940	$78	$113,429
Purchase	-	-	211	341	552
Disposal	-	-	(918)	(78)	(996)
Balance at December 31, 2021	$80,936	$30,475	$1,233	$341	$112,985
Accumulated depreciation and impairment					
Balance at January 1, 2021	-	$30,414	$918	$39	$31,371
Depreciation expenses	-	28	91	68	187
Disposal	-	-	(230)	-	(230)
Balance at December 31, 2021	-	$30,442	$779	$107	$31,328

a) The Company leases part of lands, plants and offices, and other assets under operating lease with lease terms of 1-2 years. The lessee has no preferential right to take over the asset at the end of the lease term.

b) The total amount of lease payments that will be collected in the future for operating leases of owner-occupied property, plant and equipment is as follows:

	December 31, 2022	December 31, 2021
Year 1	$7,484	$6,239
Year 2	6,239	-
Year 3	-	-
Year 4	-	-

Year 5	-	-
More than 5 years	-	-
Total	$13,723	$6,239

c) The Company did not pledge real estate, plant and equipment leased under operating leases for others on December 31, 2022 and 2021.

3) As of December 31, 2022 and 2021, property, plant and equipment showed yet no signs of impairment with assessment.

4) The adjustments to the acquisition of properties, plants and equipment listed in the statements of cash flows are as follows:

Items	December 31, 2022	December 31, 2021
Increased amount of property, plant and equipment	$175,967	$397,268
Increase or decrease in equipment payment	(28,100)	(9,590)
Cash paid for acquisition of property, plant, and equipment	$147,867	$387,678

j. Tenancy agreement

1) Right-of-use assets

Items	December 31, 2022	December 31, 2021
Buildings	-	$404
Transportation equipment	$4,004	4,004
Total cost	$4,004	$4,408
Less: accumulated depreciation	(1,779)	(798)
Accumulated impairment	-	-
Net amount	$2,225	$3,610

Cost	Buildings	Transportation equipment	Total
Balance at January 1, 2022	$404	$4,004	$4,408
Increase in this period	-	-	-
Decrease in this period	(404)	-	(404)
Balance at December 31, 2022	-	$4,004	$4,004
Accumulated depreciation and impairment			
Balance at January 1, 2022	$353	$445	$798
Depreciation expenses	51	1,334	1,385
Decrease in this period	(404)	-	(404)
Balance at December 31, 2022	-	$1,779	$1,779

Cost	Buildings	Transportation equipment	Total
Balance at January 1, 2021	$404	-	$404
Increase in this period	-	$4,004	4,004
Decrease in this period	-	-	-
Balance at December 31, 2021	$404	$4,004	$4,408
Accumulated depreciation and impairment			
Balance at January 1, 2021	$151	-	$151
Depreciation expenses	202	$445	647
Decrease in this period	-	-	-
Balance at December 31, 2021	$353	$445	$798

2) Lease liabilities

Items	December 31, 2022	December 31, 2021
Carrying amount of lease liabilities		
Current	$1,339	$1,377
Non-current	$900	$2,239

The discount rate range for lease liabilities is 1%.
Information on lease liability maturity analysis is as follows:

	December 31, 2022	December 31, 2021
Less than one year	$1,354	$1,456
1-5 year(s)	903	2,257
5-10 years	-	-
10-15 years	-	-
15-20 years	-	-
20 years or more	-	-
Total undiscounted lease payments	$2,257	$3,713

3) Important lease activities and terms
The Company leases the building and transportation equipment as a sales office and use of operation for 2 years to 3 years. In accordance to the contract, the Company may not sublet the leased assets to others without the consent of the lessor.
As of December 31, 2022 and 2021, the right-of-use assets showed no signs of impairment with assessment.

4) Other lease information
   a) Please refer to Note 6 (9) “ Property, plant and equipment” and Note 6 (11) " Investment properties" for the agreement on the lease of the Company's own property, plant and equipment and investment property under operating leases.
   b) In 2022 and 2021, the Company decided to apply recognition exemption to short-term lease and low value asset lease, and not recognize related right-of-use assets and lease liabilities for the said leases.
   c) The information on lease-related expenses of the Company in 2022 and 2021 is as follows:

Items	December 31, 2022	December 31, 20201
Expenses relating to short-term leases	$476	$302
Expenses relating to low-value asset lease	$131	$131
Variable lease payments not included in lease liability measurement	--	
Total cash flows on lease	$2,012	$1,088

k. Investment properties

Items	December 31, 2022	December 31, 2021
Land	$345,444	$345,444
Buildings	32,499	32,499
Total cost	$377,943	$377,943
Less: accumulated depreciation	(32,477)	(32,466)
Accumulated impairment	-	-
Total	$345,466	$345,477

1) The changes in the costs, accumulated depreciation and impairments of investment property are as follows:

	Land	Buildings	Total
Cost			
Balance at January 1, 2022	$345,444	$32,499	$377,943
From property, plant and equipment	-	-	-
Balance at December 31, 2022	$345,444	$32,499	$377,943

Accumulated depreciation and impairment			
Balance at January 1, 2022	-	$32,466	$32,466
Depreciation expenses	-	11	11
Balance at December 31, 2022	-	$32,477	$32,477

	Land	Buildings	Total
Cost			
Balance at January 1, 2021	$271,832	$22,348	$294,180
Increase in this period	-	-	-
Disposal	-	-	-
Property, plant and equipment	73,612	10,151	83,763
Balance at December 31, 2021	$345,444	$32,499	$377,943
Accumulated depreciation and impairment			
Balance at January 1, 2021	-	$22,284	$22,284
Depreciation expenses	-	31	31
Disposal	-	-	-
Property, plant and equipment	-	10,151	10,151
Balance at December 31, 2021	-	$32,466	$32,466

2) Rental revenue and direct operating expenses of investment property:

Items	December 31, 2022	December 31, 2021
Rental income from investment property	$18,368	$13,331
Direct operating expenses incurred from investment properties that generate current rental income that generates rental income in the current period	$624	$536
Direct operating expense from investment property that do not generate rental income in the current period	$840	$686

3) The lease term of investment property is 2-3 years. The lessee does not have a bargain purchase option to acquire the asset at the expiration of the lease periods.
4) The total amount of lease payments that to be collected in the future for investment property by operating leases is as follows:

	December 31, 2022	December 31, 2021
Year 1	$21,429	$13,893
Year 2	10,917	8,384
Year 3	-	2,345
Year 4	-	-
Year 5	-	-
More than 5 years	-	-
Total	$32,346	$24,622

5) Depreciation of investment property-housing and construction on a straight-line basis in 10 to 20 years.
6) The fair value of the investment property held by the Company as at December 31, 2022 and 2021 was NTD1,523,171, as estimated from the transaction prices of land or buildings located in the adjacent areas inquired by the "Registering the Actual Selling Price of Real Estate" of Department of Land Administration, Ministry of the Interior.
7) For information on guarantees provided by investment property, please refer to Note 8.

l. Provisions - Current

Items	December 31, 2022	December 31, 2021
Beginning balance	$8,458	$9,467
Current additional provisions recognized	6,777	6,237
Current reductions arising from payments	(6,777)	(7,246)
Ending balance	$8,458	$8,458

Provisions were calculated by estimating compensation for employees' accumulated leaves that could occur based on the historical experience, judgments of the senior management, and other known reasons.

m. Pension

1) Defined contribution plans

a) The Company adopts a pension plan under the "Labor Pension Act," which is a state-managed defined contribution plan. According to the Labor Pension Act, the Company makes monthly contributions at 6% of their monthly salaries to employees' individual pension accounts in the Bureau of Labor Insurance.

b) Contributions made in accordance with the specific percentage stipulated in the defined contribution plan amounted to NTD5,174 thousand and NTD4,399 thousand for the years ended December 31, 2022 and 2021 respectively, and were recognized as expenses in the parent company only statements of comprehensive income.

2) Defined benefit plans

a) The Company's pension system under the "Labor Standards Act" of the Republic of China (Taiwan) is a defined welfare retirement plan managed by the government. The payment of the employee's pension is based on the period of service and the average salary of 6 months before the approved retirement date. The Company contributes monthly an amount equal to 9% of the employees' monthly salaries to a retirement fund that is deposited in Bank of Taiwan under the name of The Supervisory Committee of Workers' Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit for the shortfall should be made to put in The Bureau of Labor Funds, Ministry of Labor administers the account. once before the end of March of the following year. However, The Company has no right over its investment and administration strategies.

b) The amounts recognized in the balance sheet for obligations from defined benefit plans are as follows:

Items	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($272,904)	($270,816)
Fair value of plan assets	273,947	257,490
Net Defined Benefit (Liabilities) Assets	$1,043	($13,326)

c) Changes in net defined benefit liabilities are as follows:

Items	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2022	($270,816)	$257,490	($13,326)
Service costs			
Current Service costs	(2,262)	-	(2,262)
Previous service cost	-	-	-
Interest expenses (income)	(1,596)	1,544	(52)
Recognized in profit or loss	(3,858)	1,544	(2,314)
Remeasurements			
Return on planned assets (excluding the amounts included in net interest)	--	20,973	
Actuarial (profits) losses -			
Changes in demographic assumptions	-	-	-
Changes in financial assumptions	(2,538)	-	(2,538)
Experience adjustments	(9,165)	-	(9,165)
Recognized in other comprehensive income	(11,703)	20,973	9,270
Employer provision	-	4,033	4,033
Welfare payment amount	13,473	(10,093)	3,380
Balance as of December 31, 2022	($272,904)	$273,947	$1,043

Items	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
Balance as of January 1, 2021	($281,040)	$273,120	($7,920)
Service costs			
Current Service costs	(2,751)	-	(2,751)
Previous service cost	(12,708)	-	(12,708)
Interest expenses (income)	(1,400)	1,376	(24)
Recognized in profit or loss	(16,859)	1,376	(15,483)
Remeasurements			
Return on planned assets (excluding the amounts included in net interest)	-	3,331	3,331
Actuarial (profits) losses -			
Change of population statistic assumption	(5,545)	-	(5,545)
Changes in financial assumptions	3,344	-	3,344
Experience adjustments	(13,308)	-	(13,308)
Recognized in other comprehensive income	(15,509)	3,331	(12,178)
Employer provision	-	5,478	5,478
Welfare payment amount	42,592	(25,815)	16,777
Balance as of December 31, 2021	($270,816)	$257,490	($13,326)

d) The Company is exposed to the following risks due to the implementation of the pension system under the Labor Standards Act: The Company is exposed to the following risks due to:

i. Investment Risks

The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, the distributed amount from the plan assets received by the Company shall not be lower than interest on a two-year time deposit at a local bank.

ii. Interest rate risk

The decline in the interest rate of government bonds will increase the present value of defined welfare obligations, and at the same time, the debt investment return of the planned assets will also increase accordingly. Both of which will partially offset the impact of the net defined welfare liabilities.

iii. Salary risk

The calculation basis for determining the present value of the benefit obligation is to refer to the future salaries of the project members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

e) The present value of the determined benefit obligation formulated by the Company is calculated by certified actuaries. The principal assumptions adopted on the valuation date are as follows:

	Valuation date	
Items	December 31, 2022	December 31, 2021
Discount rate	1.50%	0.625%
Rate of future salary increase	2.50%	1.50%
Average duration of defined benefit obligations	9.4 years	10.0 years

i. Future Mortality Rate is estimated based on the 2021 Taiwan Standard Ordinary Experience Mortality Table.

ii. If the major actuarial assumptions are subject to reasonably possible changes with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

Items	December 31, 2022	December 31, 2021
Discount rate	1.50%	0.625%
Increase 0.25%	($6,220)	($6,616)
Decrease 0.25%	$6,431	$6,853
Rate of future salary increase	2.50%	1.50%
Increase 0.25%	$6,254	$6,672
Decrease 0.25%	($6,081)	($6,475)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

f) The Company expects to make contributions of NTD3,960 thousand to the pension plans in the year ended December 31, 2023.

n. Share capital

1) The reconciliation of the Company's outstanding number of common stocks and its amounts at beginning and end of period is as follows:

Items	December 31, 2022	
	Number of Shares (Thousands)	Amount
Balance at January 1	99,099	$990,990
Balance at December 31	99,099	$990,990

Items	December 31, 2021	
	Number of Shares (Thousands)	Amount
Balance at January 1	138,600	$1,386,000
Capital reduction	(39,501)	(395,010)
Balance at December 31	99,099	$990,990

2) As of December 31, 2022 and December 31, 2021, the Company had a nominal capital of NTD2,415,227 thousand, which is divided into 241,523 thousand shares (NTD10 per share). The paid-in capital averaged NTD990,990 thousand. The actual number of shares issued was 99,099 thousand shares on average.

3) In order to adjust the capital structure, enhance the return of shareholders' equity and profit per share, the Company's shareholders' meeting decided on August 11, 2021 to return NTD395,010 thousand of capital shares, eliminate 39,501 thousand shares, and reduce the capital ratio by 28.50%. The application was approved with Tai Zheng Shang I Zi Order No. 1101804868 issued by the Taiwan Stock Exchange Corporation (TWSE) on September 6, 2021; on September 17, 2021, the Board of Directors set the base date of cash reduction to be September 29, 2021. The registration of capital reduction was completed at the Ministry of Economic Affairs on October 15, 2021. The payment date of cash distribution for the capital reduction is December 23, 2021.

o. Capital Surplus

Items	December 31, 2022	December 31, 2021
Treasury share transactions	$196,483	$178,623
Difference between the price received from acquisition or disposal of interest in subsidiaries and book value	2,113	2,113
Value of the acquired or disposed shares of subsidiaries		
Others (return of overdue unclaimed dividends)	1,564	1,294
Total	$200,160	$182,030

p. Retained earnings and dividend policy

The surplus distribution policy stipulated in the original articles of association stipulates that if there is profit in its general final account, the Company shall first pay all taxes and dues and cover accumulated losses, and then set aside 10% of such profits as a legal reserve. However, where such legal reserve amounts to the total amount of capital stock, this provision shall not apply. In addition, special surplus reserve shall be allocated or reversed in accordance with laws and regulations or regulations of the competent authority. If there is any surplus, the balance shall be added to the accumulated undistributed surplus. The Board of Directors shall prepare a distribution motion, to be submitted to the shareholders' meeting for resolution before issuance of new shares.

After the shareholders' meeting on June 5, 2020, it was revised as follows: The Company's surplus distribution or loss allowance can be made after the end of each semi-financial year, if there is any surplus in the semi-financial year's final accounts, the Company shall first pay all taxes and dues and cover accumulated losses, and then set aside 10% of such profits as a legal reserve. However, where such legal reserve amounts to the total amount of capital stock, this provision shall not apply. As stipulated by law or regulations or competent authority, the remaining balance shall then be appropriated for provisions or special reserve reversed. If there are still surplus and/or accumulated undistributed earnings, the Board of Directors shall submit an allocation proposal, and where new shares are issued, resolution at the shareholders' meeting shall be adopted before allocation.

Pursuant to Paragraph 5 of Article 240 of the Company Act, the company may authorize the distributable dividends and bonuses or in whole or in part legal reserve and capital reserve as provided in Paragraph 1 of Article 241 of the Company Act may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two- thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company has too diverse products to be divided by the stages of growth. With steady profitability and sound financial structure, the Company is able to distribute dividends and bonuses in cash at a ratio of 20% to 100% in principle. However, when there is any important investment, the company may reallocate all dividends and bonuses for a capital increase.

1) The statutory surplus reserve shall not be used except for the loss of the Company and the issuance of new shares or cash in proportion to the original share of the shareholders. However, if new shares or cash is issued, it shall be limited to the surplus exceeding 25% of the paid-in capital.
2) Special reserve
   a) The Company may allocate earnings only after providing special reserve for debt balance under other equity on the balance sheet date, and the reversal of debit balance under other equity, if any, may be stated as distributable earnings.
   b) As initial application of IFRSs, the special reserve set aside in accordance with the order issued by the FSC, the Company shall reverse the special reserve set aside proportionately as distributable retained earnings when the relevant assets are used, disposed of or reclassified subsequently.
3) The Company's resolutions on earnings distribution and dividends per share for the years of 2020 approved by the shareholders' meeting on November 11, 2020 and March 22, 2021, are as follows:

	Profit distribution plan		Dividends per Share (NTD)	
Items	First half, 2020	Second half, 2020	First half, 2020	Second half, 2020
Legal reserve (2020)		$737,203		
Ordinary cash dividends	$554,400	$554,400	4.00	4.00

The distribution of cash dividends was reported to the shareholders' meeting on June 11, 2021 (Note); the reversal and appropriation of other earnings items were approved by electronic voting at the general meeting of shareholders before June 11, 2021.

(Note) According to the "Measures for Companies to Postpone Annual General Meetings in Response to COVID-19 Pandemic" issued by the Financial Supervisory Commission on June 29, 2021, the original schedule was postponed from June 11, 2021 to August 11, 2021.

4) The appropriations of earnings and dividends per share for the first half of 2021 had been proposed by the Company's Board of Directors on August 22, 2021 and March25, 2022, and they are as follows:

	Profit distribution plan		Dividends per Share (NTD)	
Items	First half of 2021	Second half of 2021	First half of 2021	Second half of 2021
Ordinary cash dividends		$277,200	$247,748	2.00

The distribution of cash dividends was reported to the shareholders' meeting on June 17, 2022; the reversal and appropriation of other earnings items were approved by electronic voting at the general meeting of shareholders before June 17, 2022.

5) The appropriations of earnings and dividends per share for the first half of 2022 had been proposed by the Company's Board of Directors on August 12, 2022, and they are as follows:

	Profit distribution plan	Dividends per Share (NTD)
Items	First half of 2022	First half of 2022
Ordinary cash dividends	$247,747	2.50

6) The appropriations of earnings and dividends per share for the second half of 2022 had been proposed by the Company’s Board of Directors on March 24, 2023, and they are as follows:

Items	Profit distribution plan Second half of 2022	Dividends per Share (NTD) Second half of 2022
Ordinary cash dividends	$346,847	3.50

7) Information on employee compensation resolved by the Board meetings is available on the "Market Observation Post System" of the Taiwan Stock Exchange Corporation.

q. Other equities

Items	Exchange differences on translation of foreign operating organizations’ financial statements	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2022	($106,328)	$3,022,109	$2,915,781
Exchange differences on translation of financial statements of foreign operations	28,586	-	28,586
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	-	(992,065)	(992,065)
The shares of subsidiaries, affiliates and joint ventures are recognized by the equity method	-	(210,468)	(210,468)
Unrealized valuation gains or losses from investments in debt instruments measured at fair value through other comprehensive income		(1,256)	(1,256)
Balance at December 31, 2022	($77,742)	$1,818,320	$1,740,578

Items	Exchange differences on translation of foreign operating organizations’ financial statements	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2021	($83,976)	$2,472,526	$2,388,550
Exchange differences on translation of financial statements of foreign operations	(22,352)	-	(22,352)
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	-	694,132	694,132
The shares of subsidiaries, affiliates and joint ventures are recognized by the equity method	-	(117,397)	(117,397)
Disposals of investments in equity instruments designated at fair value through other comprehensive income		(18,644)	(18,644)
Disposal of Subsidiaries Company adopting the equity method through		(8,508)	(8,508)

other comprehensive income measured at fair value through other equity instruments.			
Balance at December 31, 2020	($106,328)	$3,022,109	$2,915,781

r. Treasury stock

December 31, 2022

Unit: Thousand shares

Subsidiary Name	Number of shares at the beginning of the period	Net increase (decrease)	Number of shares at the end of the period
Tah Fa Investment Co., Ltd.	3,572	-	3,572

Note: The decrease for the period is due to the capital reduction of the parent company.

December 31, 2021

Unit: Thousand shares

Subsidiary Name	Number of shares at the beginning of the period	Net increase (decrease)	Number of shares at the end of the period
Tah Fa Investment Co., Ltd.	4,996	(1,424)	3,572

Note: The decrease for the period is due to the capital reduction of the parent company.

Investments in the Company's shares held by its subsidiaries are regarded as treasury stock, where these subsidiaries can still receive dividends from the Company but are not able to exercise their voting rights. As of December 31, 2022 and December 31, 2021, the Company's investment company, Tah Fa Investment Co., Ltd., held 3,572 thousand shares issued by the Company, with a total cost of NTD83,230 thousand. The investment company continued to hold its shares due to a stable share price, where its market price per share was NTD70.30 and NTD86.10 as of December 31, 2022and December 31, 2021, respectively.

s. Operating revenue

Items	December 31, 2021	December 31, 2020
Revenue from customer contracts		
Sales revenue	$2,339,951	$2,021,405
Less: Sales Return	(1,693)	(3,773)
Sales Allowances	(2,046)	(2,496)
(Net) Revenue from Contracts with Customers	$2,336,212	$2,015,136

1) Description of customer contract
The Company produces plastic products for the midstream and downstream of the plastics industry. Applied to daily supplies, the main products include rainwear, garments, PP corrugated boards, and binding machines, and laminators. In terms of export, materials of rainwear and garments are prepared in Taiwan for production overseas; in terms of domestic sales, rainwear and garments, including workwear, are sold by distributors. The Company's products are sold at fixed prices according to the contractual terms.

2) Customer contract revenue breakdown
The Company derives revenue from the transfer of goods and services over time and at a point in time in the following operating segments:

Product Category	December 31, 2022	December 31, 2021
Raincoat	$1,083,208	$855,782
Garment	616,709	574,028
Binding machine	213,944	186,376
PP corrugated board	243,016	257,385
Others	179,335	141,565
Total	$2,336,212	$2,015,136

Region	December 31, 2022	December 31, 2021
Taiwan	$409,421	$404,678
America	368,335	308,543
Europe	1,014,098	802,986
Japan	250,534	283,409
Others	293,824	215,520
Total	$2,336,212	$2,015,136

3) Contract balance
The Company's accounts receivable and contract liabilities relating to revenue from contracts with customers are as follows:

Items	December 31, 2022	December 31, 2021
Notes receivable and payments	$398,745	$393,656
Less: provision for losses	(12,645)	(11,354)
Total	$386,100	$382,302
Contract liabilities - current	$11,686	$11,114

a) Significant changes in contract assets and liabilities
The changes in contract assets and contract liabilities mainly arise from the difference between the time of fulfilling the obligations and the time of customer payment, and there are no other significant changes.

b) The amount of contract liabilities from the beginning of the year that are recognized in operating revenue in 2022 and 2021 were NTD11,1114 thousand and NTD4,696 thousand respectively.

4) Unfulfilled customer contracts
The Company's unfulfilled contracts for the sale of goods or services as of December 31, 2022 and 2021 are expected to last for less than one year and are expected to be fulfilled and recognized as revenue in the next year.

t. Employee benefits, depreciation and amortization expenses

Category	December 31, 2022		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expense			
Salary expenses	$107,755	$114,845	$222,600
Labor and health insurance	11,065	10,471	21,536
Pension expenses	3,340	4,148	7,488
Director's remuneration	-	8,400	8,400
Other employee benefits	4,600	7,062	11,662
	$126,760	$144,926	$271,686
Depreciation expenses	$28,123	$10,529	$38,652
Amortization expense	-	-	-

Category	December 31, 2021		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefits expense			
Salary expenses	$107,188	$104,380	$211,568
Labor and health insurance	10,590	10,595	21,185
Pension expenses	3,125	16,757	19,882
Director's remuneration	-	6,650	6,650

Other employee benefits	4,386	6,275	10,661
	$125,289	$144,657	$269,946
Depreciation expenses	$23,770	$6,241	$30,011
Amortization expense	-	-	-

1) Additional information on the number of employees and employee benefits expenses of the company as of December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Numbers of Employees	351	349
Number of directors who are not employees	5	5
Average employee benefits expenses	$761	$765
Average employee salary expenses	$643	$615
Adjustment of average employee salary expenses	4.61%	2.14%

The Company's salary and remuneration policies are as follows:

a) The remuneration of the Directors and Supervisors of the Company is divided into two categories: 1) Monthly fixed remuneration and according to Article 27 of the Company's Articles of Incorporation. and 2) If the company makes a profit during the distribution period, the profits distributed as employee compensation shall be no less than 0.5% of the total profits and that distributed as remuneration to Directors and Supervisors shall be no more than 0.5% of the total profits. However, when the Company has accumulated losses, the amount to cover the losses should be reserved in advance. The resolution on the compensation of the employees and the remuneration of directors and supervisors in the preceding paragraph shall be approved and adopted by a special resolution of the board of directors and submitted to the shareholders' meeting. If the Director is also an employee, additional remuneration is provided according to the provisions of (2) and (3) below.

b) For remuneration of General Manager and Deputy General Managers, in addition to fixed monthly salary in accordance to corporate standards, year-end bonus and festive bonuses are issued based on the operation of the Company. The remuneration of the General Manager and Deputy General Manager of the Company shall be paid in monthly fixed salary, and year-end bonus, festival bonus, etc. according to the Company's operating conditions. The salary structure of the manager and the payment standard of year-end bonus shall be reviewed by the salary Committee and submitted to the Board of Directors for approval.

c) Employees' salaries are paid monthly at fixed rates in accordance with the Company's salary standards, and year-end bonuses, holiday bonuses, etc. are paid according to the Company's year-end bonus calculation methods and in accordance with Article 27 of the Company's Articles of Association: No less than 0.5% of the Company's profit shall be allocated for employees and no more than 0.5% for Directors and Supervisors, if the company makes a profit during the distribution period. However, when the Company has accumulated losses, the amount to cover the losses should be reserved in advance. The resolution on the compensation of the employees and the remuneration of directors and supervisors in the preceding paragraph shall be approved and adopted by a special resolution of the board of directors and submitted to the shareholders' meeting.

2) Compensation to employees and remuneration to directors and supervisors for the years of 2022 and 2021 were resolved and approved by the Board of Directors on March 24, 2023 and March 25, 2022. Relevant amounts recognized in the financial statement are as follows:

	December 31, 2022		December 31, 2021	
	Employee Compensation	Remuneration of directors	Employee Compensation	Remuneration of directors
Approved amount of distribution	$4,000	$3,600	$1,480	$1,300
Amounts recognized in the annual financial statements	4,000	3,600	1,480	1,300
Differences	-	-	-	-

a) The employee remunerations listed above are all paid in cash.

b) If there are changes made to the amount after the annual financial statements are published, the changes shall be handled as changes in accounting estimates and recognized in the next year's financial statements.

3) For information on the Company's remunerations for employee and Directors as resolved by the Board of Directors, please visit the "Market Observation Post System" of Taiwan Stock Exchange.

u. Interest revenue

Items	December 31, 2022	December 31, 2021
Interest revenue		
Interest on bank deposits	$31,570	$18,448
Other interest income (overdue interest)	202	381
Interest income from financial assets measured at fair value through other comprehensive income	81	-
Total	$31,853	$18,829

v. Other income

Items	December 31, 2022	December 31, 2021
Rental income		
Investment properties		
Not depending on index or rate changes and contingent rent	$18,368	$13,331
Other operating leases		
Not depending on index or rate changes and contingent rent	7,484	7,508
Other rent	356	158
Total rental income	26,208	20,997
Dividend revenue	348,774	129,774
Other income	3,780	3,927
Total	$378,762	$154,698

w. Other profits and losses

Items	December 31, 2022	December 31, 2021
Gain (loss) on disposal of property, plant and equipment	$572	$206
Net foreign exchange gains (losses)	155,851	(1,212)
Financial assets at fair value through profit and loss	(825)	-
Miscellaneous expenses	(9,141)	(7,983)
Total	$146,457	($8,989)

x. Financial costs

Items	December 31, 2022	December 31, 2021
Interest expense:		
Bank loans	$160	$74
Interest on lease liabilities	28	14
Subtotal	$188	$88
Less: Amount qualified for capitalization	-	-
Financial costs	$188	$88

y. Income tax

1) Income tax expense

a) Income tax expense (benefit) components:

Items	December 31, 2022	December 31, 2021
Current income tax		
Income tax generated in the current period	$34,713	$7,744
Income tax overestimate/underestimate for previous years	(1,460)	(409)
Surtax on undistributed earnings	-	259,402
Total income tax for the year	33,253	266,737
Deferred income tax		
Origination and reversal of temporary differences	20,268	2,645
Deferred income tax expenses	20,268	2,645
Income tax expense (gains)	$53,521	$269,382

b) Income tax expense (benefit) related to other comprehensive income:

Items	December 31, 2022	December 31, 2021
Exchange differences on translation of foreign operating organizations' financial statements	$7,146	($5,588)
Total	$7,146	($5,588)

2) The reconciliation of accounting income and income tax expense recognized in profit and loss for the current year is as follows:

Items	December 31, 2022	December 31, 2021
Net profit before taxes	$761,695	$274,743
Net profit before tax is calculated at the statutory tax rate	$152,339	$54,949
Effect of taxes on adjusted items:		
Effect of items not included when calculating taxable income		
Unpaid pensions	(1,020)	(1,354)
Loss (Gain) on investments accounted for using equity method	(13,584)	(16,834)
Tax-free income and stopped taxable income from securities transactions	(69,690)	(25,955)
Financial assets evaluation profit and loss	164	
Unrealized exchange gains and losses	(20,380)	(2,250)
Other adjustments	(13,116)	(812)
Income tax adjustment for the previous year	(1,460)	(409)
Additional income tax on unappropriated earnings	-	259,402
Net change in deferred income tax	20,268	2,645
Income tax expense (gains) recognized in profit or loss	$53,521	$269,382

The tax rate applicable to the Company was 20% and, and the tax rate applicable to undistributed earnings since year of 2018 is 5%.
In July of 2019, the President announced the amendment to the Statute for Industrial Innovation, which clearly stipulated that the undistributed earnings from 2018 onwards to build or purchase specific assets or technologies to reach a certain amount can be recognized as deduction items in the calculation of undistributed earnings. The Company only deducted the capital expenses that has actually been invested when calculating the tax on unappropriated earnings.

3) Deferred income tax assets or liabilities from temporary difference, loss carry forwards and investment credits:

Items	December 31, 2022 Beginning balance	Recognized in profit (loss)	Recognized in other comprehensive income	Ending balance
Deferred tax assets:				
Temporary differences				
Unrealized employee benefit liabilities	$1,692	-	-	$1,692
Financial asset valuation losses	-	$164	-	164
Unrealized loss on disposal of assets	52	(52)	-	-
Unrealized exchange loss	3,557	(3,557)	-	-
Foreign investment losses under the equity method	49,083	-	-	49,083
Debit (credit) accounts of foreign operations exchange differences in financial statement translation	26,582	-	(7,146)	19,436
Subtotal	$80,966	($3,445)	($7,146)	$70,375
Deferred tax liabilities				
Temporary differences				
Unrealized benefits of exchanging	-	($16,823)	-	($16,823)
Land Value Increment Tax	($180,746)	-	-	(180,746)
Subtotal	($180,746)	(16,823)	-	($197,569)
Total	($99,780)	($20,268)	($7,146)	($127,194)

December,31,2021

Items	December 31, 2021			
	Beginning balance	Recognized in profit (loss)	Recognized in other comprehensive income	Ending balance
Deferred tax assets:				
Temporary differences				
Unrealized inventory valuation losses	$120	($120)	-	-
Unrealized employee benefit liabilities	1,893	(201)	-	$1,692
Unrealized loss on disposal of assets	126	(74)	-	52
Unrealized exchange loss	5,807	(2,250)	-	3,557
Foreign investment losses under the equity method	49,083	-	-	49,083
Debit and credit financial amount of foreign operations	20,994	-	$5,588	26,582
Subtotal	$78,023	($2,645)	$5,588	$80,966
Deferred tax liabilities				
Temporary differences				
Land Value Increment Tax (Note)	($180,746)	-	-	($180,746)
Subtotal	($180,746)	-	-	($180,746)
Total	($102,723)	($2,645)	$5,588	($99,780)

4) Items not recognized as deferred tax assets

Items	December 31, 2022	December 31, 2021
Loss on investment accounted for using the equity method	$46,118	$51,218

5) The Company’s corporate income tax returns have been assessed by the Tax Authorities until 2020.

z. Other comprehensive income

Items	December 31, 2022		
	Pre-tax	Income Tax Expense (Gain)	Net Amount After Taxes
Items that are not reclassified to profit or loss:			
Re-measurements of defined benefit plans	$9,270	-	$9,270
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	(992,065)	-	(992,065)
Unrealized valuation gain or loss on investments in equity instruments measured at FVTOCI - subsidiaries, associates, and joint ventures	(210,468)	-	(210,468)
Subtotal	(1,193,263)	-	(1,193,263)
Items that may be subsequently reclassified to profit or loss:			
Exchange margins on transaction of foreign operating organizations’ financial statements	35,732	($7,146)	28,586
Unrealized valuation of gains or losses on investments measured at FVTOCI	(1,256)		(1,256)
Subtotal	34,476	(7,146)	27,330
Recognized in other comprehensive income	($1,158,787)	($7,146)	($1,165,933)

Items	December 31, 2021 Pre-tax	Income Tax Expense (Gain)	Net Amount After Taxes
Items that are not reclassified to profit or loss:			
Re-measurements of defined benefit plans	($12,178)	-	($12,178)
Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	694,132	-	694,132
Unrealized valuation gain or loss on investments in equity instruments measured at FVTOCI - subsidiaries, associates, and joint ventures	(117,397)	-	(117,397)
Subtotal	564,557	-	564,557
Items that may be subsequently reclassified to profit or loss:			
Exchange margin on transaction of foreign operating organizations' financial statements	(27,940)	$5,588	(22,352)
Subtotal	(27,940)	5,588	(22,352)
Recognized in other comprehensive income	$536,617	$5,588	$542,205

aa. Earnings Per Share

Items	December 31, 2022	December 31, 2021
A. Basic earnings per share:		
Net profit attributable to common shareholders of the parent company	$708,174	$5,361
Weighted average number of outstanding shares (thousand shares)	95,527	123,902
Basic earnings per share (after tax) (NTD)	$7.41	$0.04
B. Diluted earnings per share:		
Net profit attributable to common shareholders of the parent company	$708,174	$5,361
Weighted average number of outstanding shares	95,527	123,902
The effect of diluting potential common stocks:		
Number of employees' compensation impacts (note)	61	98
Calculate the weighted average number of outstanding shares of diluted earnings per share	95,588	124,001
Diluted earnings per share (after tax) (NTD)	$7.41	$0.04

(Note) If the Company chooses to offer employee compensation or share profits in the form of cash or stock, while calculating diluted earnings per share, and assuming that the compensation is paid in the form of stock, the dilutive potential common shares will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The dilutive effect of such potential common shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year.

bb. Reconciliation of liabilities from fund-raising activities

Items	January 1, 2022	Cash flow	Non-cash Changes		December 31, 2022
			Fluctuation in exchange	Other Non-cash Changes	
Lease liabilities (including current and non-current)	$3,616	($1,377)	-	-	$2,239
Guarantee deposits received	5,938	962	-	-	6,900

Total liabilities from financing activities	$9,554	($415)	-	-	$9,139

Items	January 1, 2021	Cash flow	Non-cash Changes		December 31, 2021
			Fluctuation in exchange	Other Non-cash Changes	
Lease liabilities (including current and non-current)	$253	($641)	-	$4,004	$3,616
Guarantee deposits received	4,912	1,026	-	-	5,938
Total liabilities from financing activities	$5,165	$385	-	$4,004	$9,554

(VII.) Related Party Transactions

a. The parent company and the ultimate controlling party

The Company has no parent company and ultimate controller.

b. Name and relation of related party

Name of Related Party	Relationship with the Company
Tahsin Shoji Co., Ltd. (Tahsin Shoji. Japan)	Subsidiary
TAHSIN INDUSTRIAL CORP U.S.A. (T.H.U.S.A.)	Subsidiary
Tai Ho Co., Ltd. (Tai Ho Co.,)	Subsidiary
Fujian Putian DAFU Plastic Industry Co., Ltd. (Dafu Company)	Subsidiary
Tah Viet Co., Ltd. (Tah Viet)	Subsidiary
Myanmar Tah Hsin Industrial Co., Ltd. (Myanmar Tahsin)	Subsidiary
Tah Fa Investment Co., Ltd. (Tah Fa)	Subsidiary
Tah Chi Enterprise Co., Ltd. (Tah Chi Co.)	Sub-subsidiary
Good Harvest Machinery Industrial Co., Ltd. (Good Harvest Co.)	Related enterprise
Truong Giang Garment Joint-stock Company (TGC)	Associate of subsidiary
TAHHSIN PHU MY JOINT STOCK COMPANY(TAHHSIN PHU MY CO)	Sub-subsidiary
Tah Chun Trading Investment Co., Ltd. (Tah Chun)	Other related party
Fujian Putian DAFU Plastic Industry Co., Ltd. (DAFU Co., Ltd.)	Other related party
TAMERICA PRODUCTS, INC.(T.P.I.)	Other related party
HAVE OUR PLASTIC INC. CANADA (HOP CANADA)	Other related party
HOP INDUSTRIAL CORP. U.S.A. (HOP U.S.A.)	Other related party
Yuk Wing Development Limited (Yuk Wing Limited)	Other related party
All directors, presidents, and vice presidents	Main members of the senior management

c. Substantial Transaction with Related Party

The Company's transactions with related parties are disclosed as follows:

1) Operating revenue

Ledger account	Type/name of related parties	December 31, 2022	December 31, 2021
Sales revenue	Subsidiary	$114,978	$96,741
	Sub-subsidiary	6,216	5,810
	Other related party	134,594	99,783
Total		$255,788	$202,334

The Company's transaction price of sales revenue to related parties is based on the transaction prices and conditions of customers, the terms and conditions conformed to normal business practices, and payment period is about 1 to 3 months.

2) Purchases

Type/name of related parties	December 31, 2022	December 31, 2021
Subsidiary	$13,558	$27,802

The transaction price of purchases made by the company from related parties is determined based on transaction prices and terms of general manufacturers.

3) Contract asset: None.

4) Contract liability: None.
5) Accounts receivable from related parties (excluding loans and contract assets to related parties)

Items	Type/name of related parties	December 31, 2022	December 31, 2021
Notes receivable	Sub-subsidiary	$1,710	$1,364
Account receivables	Subsidiary	$16,363	$27,610
	Sub-subsidiary	607	304
	Other related party	19,109	17,009
	Others	$36,079	$44,923
Total		(573)	(511)
Less: provision for losses		$35,506	$44,412
Net amount		$1,710	$1,364
Other receivables	Subsidiary		
	Tah Fa Co. (Note)	-	$144,000
	Others	$1,182	225
	Other related party	834	1,834
Total		$2,016	$146,059
Less: provision for losses		-	-
Net amount		$2,016	$146,059

(Note) refer to dividends receivable

6) Accounts payable from related parties (excluding loans from related parties)

Items	Type/name of related parties	December 31, 2022	December 31, 2021
Accounts payable	Subsidiary	$2,503	$3,658
Other payables	Subsidiary	$21,283	$22,173
	Sub-subsidiary	2,568	790
	Other related party	845	421
Total		$24,696	$23,384

7) Prepayments

Items	Type/name of related parties	December 31, 2022	December 31, 2021
Prepayments	Subsidiary	$2,373	$2,373
	Sub-subsidiary	-	1,313
Total		$2,373	$3,686

8) Property transaction: None.
9) Tenancy agreement: None.
10) Rental agreement:
The Company leases part of its offices, machineries and equipment and other assets to Ta Chun and DAFU as operating lease. The machinery and equipment leased is used for processing products, and the rental income is calculated based on the amount of depreciation.
The lease term of all the above contracts is one year. As of December 31, 2022 and 2021, the total future lease payment to be received is zero. The rental income recognized for years 2022 and 2021 were NTD356 thousand and NTD182 thousand, respectively.
11) Loan to related parties: None.
12) Loan from related parties: None.
13) Endorsements/Guarantees Provided for Others
Details of guarantee and endorsement provided by the Company for related parties' bank loans are as follows:

Type/name of related parties	December 31, 2022	December 31, 2021
Subsidiary	$116,200 Including JPY 500,000 thousand	$120,250 Including JPY 500,000 thousand

14) Others

a) Income items

Ledger account	Type/name of related parties	December 31, 2021	December 31, 2020
Commission income	Subsidiary		
	Tahsin Shoji Co., Ltd.	$248	$359
Other income	Other related party		
	DAFU Co.	-	$840

b) Expenses

Ledger account	Type/name of related parties	December 31, 2021	December 31, 2020
Processing fees	Subsidiary		
	Tah Viet Co., Ltd.	$74,637	$71,073
	Tahsin Myanmar	191,430	165,900
	Others	29,693	23,278
	Sub-subsidiary	31,610	24,672
	Other related party		
	Truong Giang Garment Joint-stock Company (TGC)	73,890	54,913
	Others	9,440	9,662
Total		$410,700	$349,498
Business expenses	Subsidiary		-
	Other related party	$1,032	
	Yuk Wing Limited	$1,032	$1,028
Total		$74,637	$1,028

15) The Company's participation in the capital increase of related parties and the increase of the investment amount are as follows:

December 31, 2022:

Investee	Investment Increase		Shareholding Ratio	
	Number of Shares (Thousands)	Amount	Before Investment	After Investment
Subsidiary				
T.H.USA	-	$7,306	100.00%	100.00%
Tah Viet Co., Ltd.	-	11,690	100.00%	100.00%

December 31, 2021:

Investee	Investment Increase		Shareholding Ratio	
	Number of Shares (Thousands)	Amount	Before Investment	After Investment
Subsidiary				
Tahsin Shoji Co., Ltd	600	$79,500	100.00%	100.00%

d. Remuneration to the top management

Items	December 31, 2022	December 31, 2021
Salaries and other short-term employee benefits	$26,954	$27,714
Post-employment benefits	-	12,000

Other long-term employee benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total	$26,954	$39,714

(VIII.) Pledged Assets

The following assets were provided as collateral for various borrowings and performance guarantees:

Items	December 31, 2022	December 31, 2021
Property, Plant, and Equipment	$553,348	$553,613
Investment properties	147,805	147,805
Total	$701,153	$701,418

(IX.) Significant Contingent Liabilities and Unrecognized Contractual Commitments

a. For the years ended December 31, 2022 and 2021, the guaranteed notes received by the Company for project performance guarantees and ensure payment claims, etc. were NTD43,659 thousand and NTD36,168 thousand, respectively.

b. As of December 31, 2022 and 2021, the guaranteed notes issued by the Company provided guarantees for processing products for customers were NTD 0 and NTD1,130 thousand respectively.

c. For information on the Company's endorsements and guarantees for others as of December 31, 20212and 2021, please refer to Note 7 (3) 13. and Note 13 (1)2.

(X.) Significant Disaster Losses

a. The globalized covid-19 pandemic was impacted by the global covid-19 pandemic. however, many countries are conducting vaccine injections, the increasing vaccinated population could keep the pandemic under control and economic activities are gradually keeping back on track with normal operations.
After assessing the impact of the aforementioned pandemic, it has been determined that there is no significant impact on the company's ongoing business capability, asset impairment, and funding risks.

(XI.) Significant Events after the Balance Sheet Date None.

(XII.) Others

a. Capital Risk Management
The Company plans its needs for working capital and dividend payments in the future based on the characteristics of the industries to which its operations belong and future development of the company, and by taking into consideration changes in the external environment, to ensure that it can continue the operations, give back to shareholders, and protect the interests of stakeholders at the same time, as well as maintain the best capital structure to enhance shareholder value in the long run. To maintain an adjustable capital structure, the Company may adjust the amount of dividends paid to shareholders by issuing new shares, distributing cash to shareholders or buying back its shares.
The Company monitors its funds by regularly reviewing the asset-to-debt ratio.

b. Financial instruments

1) Financial risk of financial instruments

a) Financial risk management policies
The daily operations of the Company are affected by a number of financial risks, including market risk (exchange risk, interest rate risk, and other price risk), credit risk, and liquidity risk. To reduce related financial risks, the company is committed to identifying, assessing and avoiding market uncertainties, so as to reduce potentially unfavorable effects of market changes on its financial performance.
The Company's major financial activities are reviewed by its Board of Directors according to the relevant regulations and its internal control system. During the implementation of a financial plan, the Company must strictly comply with the financial procedures relating to overall financial risk management and segregation of duties.

b) The nature and degree of significant financial risks

i. Market risks

i) Exchange risks
The Company is exposed to exchange rate risks arising from sales, purchases and net investments in foreign operating entities that are not denominated in the functional currency of the Company. The company's functional currency is New Taiwan dollar. Such transactions are mainly denominated in U.S. dollars. The company's receivables and payables due in foreign currencies are denominated in the same currency. At this moment, natural hedges may arise in various sections. To avoid the decrease in the value of foreign currency assets and fluctuations in future cash flows due to changes in exchange rates, the company uses derivative instruments (including swap transactions) to hedge exchange

rate risks. The use of such derivative instruments can assist the company in reducing the effects of changes in foreign exchange rates, but is still unable to fully eliminate such effects because the expiry dates are less than 12 months. The use of such derivative instruments can assist the company in reducing the effects of changes in foreign exchange rates, but is still unable to fully eliminate such effects.

Due to the fact that net investments in foreign operating entities are strategic investments, the company has not hedged these investments.

(a) The analysis of foreign exchange exposures and sensitivity is as follows:

Items	December 31, 2022			December 31, 2021		
	Foreign currency (in thousands)	Exchange rate currency (NTD)	Presented amount (New Taiwan Dollars)	Foreign currency (in thousands)	Exchange rate currency (NTD)	Presented amount (New Taiwan Dollars)
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD:NTD	$52,637	30.71	$1,616,471	$42,473	27.68	$1,175,630
Non-monetary items						
USD:NTD	19,688	30.71	604,618	18,167	27.68	502,855
JPY:NTD	479,957	0.2324	111,542	555,112	0.2405	133,504
Financial liabilities						
Monetary items						
USD:NTD	1,569	30.71	48,181	1,542	27.68	42,693

The sensitivity analysis of the Company's exchange rate risk is mainly performed to assess the effects of appreciation/depreciation of foreign currency monetary and non-monetary items on the company's profit or loss and equity at the end of the reporting period. The exchange rate risk of the Company is mainly affected by the fluctuation of the exchange rate of USD and JPY. When the appreciation/depreciation of USD and JPY is 5%, the after-tax net profit of the Company in 2022 and 2021 will increase/decrease by NTD62,732 thousand and NTD45,317 thousand respectively, and the equity will increase/decrease by NTD28,646thousand and NTD25,454thousand respectively.

(b) Due to the exchange rate volatility, total exchange gains and losses (including realized and unrealized) on the Company’s monetary items amounted to NTD155,851thousand and (NTD1,212)thousand as of December 31, 2022 and 2021, respectively.

ii) Other price risks

As the investment in equity instruments held by the Company in the parent company only balance sheets is classified as financial assets measured at fair value through other comprehensive income, the Company is exposed to the price risk of equity instruments. The Company mainly invests in stocks and beneficiary certificate of domestic listed and OTC companies. The price of these equity instruments will be affected by the certainty of the future value of the investment targets. If the price of equity instruments rises or falls by 5%, profit and loss after tax in 2022 and 2021 will increase or decrease by NTD99 thousand and NTD 0 thousand respectively due to the rise or decrease of financial assets measured at fair value through profits and losses. Other comprehensive profit and loss after tax in 2022 and 2021 will increase or decrease by NTD212,786 thousand and NTD 241,695 thousand respectively due to the rise or decrease of financial assets measured at fair value through other comprehensive profits and losses.

iii) Interest rate risk

The Company's financial assets and financial liabilities subject to interest rate exposure on the reporting date are as follows:

Items	Carrying amount	
	December 31, 2022	December 31, 2021

Interest rate risk with fair value		
None		
Interest rate risk with cash flow		
Financial assets	$2,354,883	$2,825,547
Financial liabilities	-	-
Net amount	$2,354,883	$2,825,547

(a) Sensitivity analysis of interest rate risk with fair value instruments
The Company has yet to classify any fixed-rate financial assets and liabilities as measured at fair value through profit or loss. Besides, it has also yet to designate derivative instruments (interest rate swaps) as a hedging tool under the fair value hedge accounting model. Therefore, changes in interest rates on the reporting date will not affect profit or loss.

(b) Sensitivity analysis of interest rate risk with cash flow
The company's variable interest rate financial instruments belong to floating interest rate assets (liabilities). Therefore, changes in market interest rates will result in changes in effective interest rates, thereby causing fluctuations in future cash flows. Every 1 percent increase in the market interest rate would lead to an increase in net profit before tax, for 2022 and 2021 by NTD23,549thousand and NTD28,255 thousand, respectively.

ii. Credit risk
Credit risk refers to the risk that a counterparty violates contractual obligations and causes financial loss to the company. The Company's credit risk comes mainly from accounts receivable arising from its operating activities, bank deposits arising from its investing activities, and other financial instruments. Operations-related credit risks and financial credit risks are managed separately.

i) Operation related credit risk
To maintain the quality of accounts receivable, the company has established procedures for the management of operations-related credit risks.
Factors that may affect customers' ability to pay, such as the financial status of a customer, the Company's internal credit rating, historical transaction records, and current economic conditions, are taken into account in the risk assessment of individual customers.

ii) Financial credit risk
The credit risks of bank deposits and other financial instruments are measured and monitored by the Company's financial department. The Company does not expect significant credit risk because the counterparties are creditworthy and investment-graded financial institutions, companies and government agencies without any significant default concerns. The management of credit risk of debt instruments is done through external agencies that assess credit ratings, credit quality of bonds, regional conditions, and counterparty risks to identify credit risk.

(a) The risk of credit concentration
As of December 31, 2022and 2021, the top ten clients accounted for 76.71% and 75.20%, respectively, of the Company's accounts receivable. No significant credit concentration risk was shown from the remaining accounts receivables.

(b) Measurement of expected credit impairment losses
(1) Accounts receivable: A simplified approach is adopted, please refer to Note 6 (5) for more information.
(2) Basis for judging whether the credit risk increases significantly: The Company’s investments in debt instruments measured at amortized cost or investments in debt instruments measured at FVTOCI have acquired a good valuation with low credit risk.
(3) The Company obtained collateral of NTD91,000 thousand from some customers to avoid the credit risks of some financial assets.

iii. Liquidity risk

i) Liquidity risk management:
The objective of the company's liquidity risk management is to maintain cash and cash equivalents, highly liquid securities and sufficient bank facilities required for its operations, so as to ensure that the company possesses adequate financial flexibility.

ii) Analysis of maturity of financial liabilities:
The following table shows the analysis of the company's financial liabilities based on the maturity and undiscounted due amount of these financial liabilities within the agreed repayment periods, as for the leasing expiry dates, please refer to Note 6 (10) 2:

	December 31, 2022						
Non-derivative financial liabilities	less than 6 months	7-12 months	1-2 year(s)	2-5 years	More than 5 years	Contractual cash flows	Carrying amount
Accounts payable (including related parties)	$122,289	-	-	-	-	$122,289	$122,289
Trade payables (including related parties)	49,059	-	-	-	-	49,059	49,059
Other payables (including related parties)	159,706	$5,678	$5,480	-	-	170,864	170,864
Guarantee deposits received	861	740	5,299	-	-	6,900	6,900
Total	$331,915	$6,418	$10,779	-	-	$349,112	$349,112

1

	December 31, 2020						
Non-derivative financial liabilities	less than 6 months	7-12 months	1-2 year(s)	2-5 years	More than 5 years	Contractual cash flows	Carrying amount
Accounts payable (including related parties)	$146,175	-	-	-	-	$146,175	$146,175
Trade payables (including related parties)	66,554	-	-	-	-	66,554	66,554
Other payables (including related parties)	131,988	$11,970	$1,480	-	-	145,438	145,438
Guarantee deposits received	861	3,691	280	$1,106	-	5,938	5,938
Total	$345,578	$15,661	$1,760	$1,106	-	$364,105	$364,105

The Company does not expect a significant difference in the cash flows timing or the actual amount from the maturity analysis.

2) Types of financial instruments

The book value of various financial assets and financial liabilities of the Company as at December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$1,826,219	$1,190,096
Notes and accounts receivable (including related parties)	386,100	382,302
Other receivables (including related parties)	17,427	159541
Other financial assets - current	580,710	1,690,000
Refundable deposits	1,817	1,817
Financial assets measured at fair value through profit and loss - current	1,978	
Financial assets at fair value through other comprehensive income - current	3,905,841	4,369,097
Financial assets at fair value through other comprehensive income - non-current	349,883	464,800
Financial liabilities		
Financial liabilities measured at amortized cost		
Notes and accounts payable (including related parties)	171,348	212,729
Other payables (including related parties)	170,864	145,438
Guarantee deposits received	6,900	5,938

c. Information on fair value:

1) Please refer to Note 12 (3)2. for the information on fair value of financial assets and financial liabilities of the Company not measured at fair value. Please refer to Note 6 (11) for information on the fair value of financial assets and investments in real estate measured at cost of the Company.

2) Definition of fair value hierarchy

   Level 1:

   Level 1 inputs are quoted prices in active markets for identical assets or liabilities. An active market is a market that meets all of the conditions set below: the items traded in the market are homogeneous, willing buyers and sellers can normally be found at any time and prices are available to the public. The Company invests in listed and OTC stocks, beneficiary certificates, investments in on-the-run Taiwan's government bonds, and derivative instruments with quoted prices in active markets are all included.

   Level 2:

   Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g., price) or indirectly (e.g., derived from price) from the active markets. The fair value of the company's investments in off-the-run government bonds, corporate bonds, financial bonds, convertible corporate bonds, and most derivative instruments belong to this level.

   Level 3:

   Level 3 inputs refer to inputs that measure fair value to the extent that relevant observable inputs are not available in the market. Some of the Company's investments in derivative instruments and equity instruments without active market.

3) Financial instruments not measured by fair value:

   The Company's financial instruments not measured at fair value, such as cash and cash equivalents, notes and amounts receivable, other financial assets, deposits, notes and amounts payable, and the carrying value of guarantee deposits, are reasonable approximations to their fair values.

4) Fair value hierarchy

   The financial instruments measured at fair value by the Company is on a recurring basis, and the information on the fair value hierarchy of the Company is as follows:

	December 31, 2022			
Items	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit and loss				
Beneficiary certificate	$1,978	-	-	$1,978
Financial assets at fair value through other comprehensive income				
Equity securities	3,905,841	-	$335,691	4,241,532
Corporate bonds	-	$14,192	-	14,192
Total	$3,907,819	$14,192	$335,691	$4,257,702

	December 31, 2021			
Items	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$4,369,097	-	$464,800	$4,833,897
Total	$4,369,097	-	$464,800	$4,833,897

5) Fair value valuation technique for instruments measured at fair value:

   a) If a financial instrument has a quoted price in an active market, the quoted price will be adopted as the fair value.

      The categories and characteristics of fair value measurement for the financial instruments with active markets held by the Company were as follows:

      i. Listed company stocks: closing prices.

      ii. Open-end funds: net worth.

b) The fair value of stocks of unlisted (OTC) companies without an active market held by the Company is mainly estimated by the market method, and the judgment is made with reference to the evaluation of similar companies, third-party quotations, company net worth and operating conditions.

c) When evaluating non-standardized and less complex financial instruments, such as debt instruments, interest rate swaps, foreign exchange contracts and options in illiquid markets, the Company uses valuation techniques widely used by market participants. The parameters used in the valuation model of such financial instruments are usually from observable market information.

d) Valuation of derivative financial instruments adopts valuation models that are commonly used by market participants, such as discounted cash flows method and option pricing model. Forward foreign exchange contracts are usually valuated based on the current forward exchange rates.

e) The output of the valuation model is the estimated value, and the valuation methods may not reflect all relevant factors of the financial and non-financial instruments held by the Company. Therefore, the estimated value of the valuation model will be adjusted according to additional parameters, such as model risk or liquidity risk. According to the Company's fair value valuation model management policy and related control procedures, the management believes that it is appropriate and necessary to make appropriate adjustments to express the fair value of financial and non-financial instruments in the individual balance sheet. The price information and parameters used in the valuation process are carefully evaluated and properly adjusted according to the current market situation.

f) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

6) Transfers between Level 1 and Level 2 fair value hierarchy: None.

7) Statement of changes in Level 3 fair value hierarchy:

	Equity securities	
Items	December 31, 2022	December 31, 2021
Beginning balance	$464,800	$344,400
Recognized in other comprehensive income	(131,200)	120,400
Acquisition in the current period	2,091	-
Disposal in the current period	-	-
Transfer into Level 3	-	-
Transfer out of Level 3	-	-
Ending balance	$335,691	$464,800

8) Quantitative information about the significant unobservable inputs (Level 3) used in the fair value measurement:

	Fair value as of December 31, 2022	Valuation Technique	Material Unobservable Inputs	Percentage	Relationship of inputs to fair value
Non-derivative equity instruments:					
Investment in shares of companies	$355,691	Net asset value method	Not applicable	Not applicable	Not applicable

	Fair value as of December 31, 2021	Valuation Technique	Material Unobservable Inputs	Percentage	Relationship of inputs to fair value
Non-derivative equity instruments:					
Investment in shares of companies	$464,800	Net asset value method	Not applicable	Not applicable	Not applicable

9) Valuation process for Level 3 fair value measurement:
The valuation process regarding Level 3 fair value is conducted by the Company's finance department, by which the independence of fair value of financial instruments is verified though use of independent data source in order to make the valuation results close to market conditions. Such valuation results are regularly reviewed therefrom so as to ensure their reasonableness.

d. Transfer of financial assets: None.

e. Offsetting financial assets and financial liabilities: None.

(XIII.) Additional Disclosures

1. Information on significant transactions
   1) Loaning to Others: None.
   2) Endorsements/Guarantees Provided for Others: Table 1.

3) Securities Held at End of Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures): Table 2.
4) The Accumulated Purchase or Sale of the Same Securities Amounting to NTD300 Million or More Than 20% of Paid-in Capital: Table 3.
5) Acquisition of Property Amounting to NTD300 million or More Than 20% of Paid-in Capital: None.
6) Disposal of Property Amounting to NTD300 million or More Than 20% of Paid-in Capital: None.
7) Purchases or Sales with Related Parties Amounting to NTD100 Million or More than 20% of Paid-in Capital: Table 4.
8) Receivables From Related Parties Amounting to NTD100 Million or More Than 20% of Paid-in Capital: None.
9) Derivatives Transactions: None.

2. Information on Investee Companies: Table 5.
3. Information on investments in mainland China
    1) Information on any investee company in mainland China (name, main business, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of investment at end of period, repatriations of investment income, and limit on the amount of investment in mainland China): Table 6.
    2) Significant transactions with Hong Kong Tai Ho Co., Ltd. for reinvestment in DAFU Plastic Industry Co., Ltd.:
        a) Amount of sales and balance of the account payables at the end of the period: The purchase amount is NTD13,558 thousand and account payable at the end of the period is NTD2,503 thousand.
        b) Amount of sales and balance of the receivables at the end of the period: Sales amount is NTD670 thousand.
        c) The amount of property transactions and the amount of the gains or losses: none
        d) Bill endorsement, guarantee or provision of collateral: none
        e) Financial accommodation: none
        f) In 2022, product processing fees of NTD29,693 thousand by DAFU Plastic Industry Co., Ltd. through Tai Ho Co., Ltd. Other payables (include purchasing of raw materials) at the end of the period were NTD1,767thousand.
        g) The Company (hereafter referred to as the Principal) entrusts Hong Kong Tai Ho Co., Ltd.(hereafter referred to as the Agent) to invest in DAFU Plastic Industry Co., Ltd. in Putian, China, and both parties agree to abide by the following terms and conditions:
            i. The client appointed the trustee to invest in mainland China to establish Fujian Putian Dafu Plastic Industry Co., Ltd. with a total amount of USD8,100,000.
            ii. The Agent shall apply to the Chinese competent authority for investment and capital increase in DAFU Plastic Industry Co., Ltd. in the Agent's name. The fund is to be remitted to the Mainland Area from Hong Kong by the Agent.
            iii. Should Fujian Putian DAFU Plastic Industry Co., Ltd. has any income or interest distribution, the trustee shall first receive the interest and then remit it to it to the client.
            iv. If DAFU Plastic Industry Co., Ltis required to return the investment fund due to capital reduction, cessation of operation or other reasons, the Agent shall firstly obtain the said amount and then transfer the amount in full to the Principal.
            v. If the Agent is required to transfer the investment fund, dividends, or profits due to the reasons listed in the preceding two paragraphs, the Agent shall notify the Principal and the payment shall be made in the way specified by the Principal.
            vi. Based on the entrusted investment relationship, the rights and obligations of the trustee to Fujian Putian DAFU Plastic Industry Co., Ltd. are transferred to the client, and the trustee does not guarantee its profits and losses
            vii. The Agent shall exercise due care of a prudent administrator in discretionary investment, capital increase, exchange settlement, and receipt of dividends.
            viii. The Agent shall send the financial statements of DAFU Plastic Industry Co., Ltd. to the Principal regularly, and the Principal may entrust a certified public accountant or other audit personnel to audit the financial statements.
            ix. Matters not stipulated in this power of attorney shall be handled in accordance with relevant laws and regulations of the Republic of China on domestic and foreign financial practices, etc.
        h) The Company increased investment in Hong Kong Tai Ho Co., Ltd. by HKD10,075,000 (equivalent to USD1,300,000), which was then to be re-invested in DAFU Plastic Industry Co., Ltd.

4. Information of Major Shareholders: Table 7

Table 1

Tahsin Industrial Corporation

Endorsements/Guarantees Provided for Others
January 1 to December 31, 2022
Unit: Thousand NTD

Number	Endorser/Guarantor	Counterparty of endorsements/guarantees		Limit on Endorsements/Guarantees Provided for Single Entity	Maximum balance of endorsement/guarantee amount for current period	Endorsement/Guarantee Balance, End of Period	Actual drawdown amount Amount	Endorsement/Guarantee Amount Secured by Property	Ratio of Cumulative Endorsement/Guarantee Amount to Net Worth in Latest Financial Statements	Endorsement/Guarantee Ceiling	Endorsements/guarantees provided by the parent company to the subsidiaries	Endorsements/guarantees provided by the subsidiaries to the parent company	Endorsement/Guarantee to Investee in the Mainland Area
		Name	Relationships										
0	Tahsin Industrial Corporation Ltd	Tahsin Shoji Co., Ltd.	Subsidiaries in which the Tahsin Group directly holds more than 50% of the common shares.	$2,121,889	$121,600	$116,200	$104,580	$-	1.10%	$5,304,722	Y	N	N

Note 1. The amounts/guarantees of endorsement by the Company to a single enterprise shall not exceed 20% of the net worth of the Company’s latest financial statements (December 31, 2022).

Note 2. The total amount of the Company’s external endorsements/guarantees is limited to 50% of the Company’s net worth as stated in its latest financial statements (as of December 31, 2022).

Table 2

Tahsin Industrial Corporation

Securities Held at End of Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)
December 31, 2022
Unit: NTD Thousand/ Number of shares(unit): Thousand

Holding Company	Type and Name of Securities	Relationship with Securities Issuer	Ledger account	End of Period				Remarks
				Shares	Carrying amount	Shareholding Ratio	Fair Value	
Tahsin Industrial Corporation	Stocks/Nan Ya Plastic Corporation	-	Financial assets at fair value through other comprehensive income - current	35,000	$2,485,000	0.44%	$2,485,000	
	Stocks/Formosa Taffeta Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	200	5,350	0.01%	5,350	
	Stocks /Feng Hsin Steel Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	600	38,220	0.10%	38,220	
	Stocks/Mega Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	3,239	98,304	0.02%	98,304	
	Stocks/Formosa Plastics Corporation	-	Financial assets at fair value through other comprehensive income - current	1,500	130,200	0.02%	130,200	
	Stocks/Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through other comprehensive income - current	1,520	681,720	0.01%	681,720	
	Stocks/Sinon Corporation	-	Financial assets at fair value through other comprehensive income - current	2,419	88,173	0.58%	88,173	
	Stocks/YungShin Global Holding Corporation	-	Financial assets at fair value through other comprehensive income - current	1,000	46,000	0.38%	46,000	
	Stocks/Taiwan Cement Corporation	-	Financial assets at fair value through other comprehensive income - current	3,850	129,552	0.05%	129,552	
	Stocks/ Asia Cement Corporation	-	Financial assets at fair value through other comprehensive income - current	2,000	82,000	0.06%	82,000	
	Stocks/ Taiwan Paiho Limited	-	Financial assets at fair value through other comprehensive income - current	1,000	56,800	0.34%	56,800	
	Stocks/Quanta Computer Incorporated		Financial assets at fair value through other comprehensive income - current	740	53,502	0.02%	53,502	
	Beneficiary certificates/Yuanta/P-shares Taiwan Top 50 ETF		Financial assets at fair value through other comprehensive income - current	100	11,020	-	11,020	
	Beneficiary certificate/ Jih Sun Vietnam Opportunity Fund A		Financial assets at fair value through profit and loss - current	10	$1,978	-	$1,978	
	Beneficiary certificates/ Stocks/ Asia Pacific Investment Corporation		Financial assets at fair value through other comprehensive income – non current	10,000	333,600	2.35%	333,600	
	Stock/ Vetnostrum Animal Health .Co	-	Financial assets at fair value through other comprehensive income - current	95	2,091	0.14%	2,091	
		-						

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Table 2

Tahsin Industrial Corporation

Securities Held at End of Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)
December 31, 2022
Unit: NTD Thousand/ Number of shares(unit): Thousand

Holding Company	Type and Name of Securities	Relationship with Securities Issuer	Ledger account	End of Period				Remarks
				Shares	Carrying amount	Shareholding Ratio	Fair Value	
	Corporate bond/ TSMC Arizona(3)		Financial assets at fair value through other comprehensive income - non-current	6	14,192	-	14,192	
Tah Fa Investment Co., Ltd.	Stocks/Chunghwa Telecom Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	90	$10,485	-	$10,485	
	Stocks/Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through other comprehensive income - current	300	184,500	-	184,500	
	Stocks/Tahsin Industrial Corporation	The investment company which values the Company using the equity method	Financial assets at fair value through other comprehensive income - non-current	3,572	307,555	3.60%	307,555	Note 1
	Stocks/Tah Cheng Investment Co., Ltd.	The investee company which values the investment using the equity method	Financial assets at fair value through other comprehensive income - non-current	2,500	303,253	33.33%	303,253	Note 2

Note 1. A subsidiary holding shares of the parent company has been presented as treasury stock according to the original investment cost.
Note 2. It was approved for dissolution on June 20, 2002 and is currently under liquidation.

Table 3

Tahsin Industrial Corporation

The Accumulated Purchase or Sale of the Same Securities Amounting to NTD300 Million or More Than 20% of Paid-in Capital
January 1 to December 31, 2022
Unit: NTD Thousand/ Number of shares: Thousand

Company Name	Type and Name of Securities	Ledger account	Counterparty	Relationships	Beginning of Period(Note1)		Purchase		Sale				End of Period	
					Shares	Amount (Note 2)	Shares	Amount (Note 2)	Shares	Selling Price	Carrying Cost	Gains or losses on disposal	Shares	Amount (Note 2)
Tahsin Industrial Corporation	Stocks/ Nan Ya Plastics Corporation	Financial assets at fair value through other comprehensive income - current	-	-	32,400	$970,185	2,600	$221,569	-	$-	$-	$-	35,000	$1,191,754

Note 1. From the beginning date July,20 2021
Note 2. Refers to the original acquisition cost.

Table 4

Tahsin Industrial Corporation

Acquisition of Property Amounting to NTD300 million or More Than 20% of Paid-in Capital
January 1 to December 31, 2022
Unit: Thousand NTD

Company acquired of real estate	Counterpart	Relationships	Transaction Status				The main differences and causes between a trade agreement and a regular trade		Notes/account receivable(payable)		Other agreed Items
			Purchase and Sale	Amount	Occupied portion of total purchase and sale	Credit Period	Price	Credit period	Balance	Occupied ratio of total receivables	
Tahsin Industrial Corporation	Tahshin Shoji Co., Ltd	Subsidiary company	Sale	$114,255	4.89%	D/A 120 Days	Sale price	more flexible than collecting a 30-day L/C or T/T, a grace term for a 120-day bill of exchange	$16,363	4.10%	-
Tahshin Shoji Co., Ltd	Tahsin Industrial Corporation	Parent company	Purchase	114,255	39.21%	D/A 120 Days	Purchase price	D/A 120 days	16,363	67.12%	

Table 5

Tahsin Industrial Corporation

Related information on Name and Location of Investee, etc. (Excluding mainland China investees)
December 31, 2022
Unit: NTD Thousand/Number of Shares: Thousand

Name of investors	Company's names and location of investees	Location	Principal Business Activities	Initial investment amount		Held at the end			Profit or Loss of Investee for Current Period	Investment Profit/Loss Recognized in the Current Period	Remarks
				End of Current Period	End of Previous Period	Shares	Ratio	Carrying amount			
Tahsin Industrial Corporation	Tahsin Shoji Co., Ltd.	8-2, 2-Chome, Imagome Higashi-Osakashi, Japan	1. Domestic trading of artificial leather, other synthetic resins and various fiber products 2. Import and export business of handbags, packaging bags, clothing and other supplies and merchandises	$90,196 ￥400,000	$90,196 ￥400,000	800	100.00%	$111,542	($16,399)	($16,095)	Note 1
	Tahsin Industrial Corporation, USA	111 Howard Blvrd,Suite 206,Mt Arlington,N.J.07856	Sale of Tahsin products, ready-to-wear, raincoats, PVC products, etc.	190,638 USD6,210	183,332 USD5,960	1	100.00%	(13,254)	(15,585)	(15,679)	Note 1
	Yuk Wing Development, Ltd.	No. 16, Wang Hoi Road, Kowloon Bay, Hong Kong (Room 1503, Telford Building)	Trading	35 HK10	35 HK10	-	100.00%	39	-	-	
	Tah Viet Co., Ltd.	Tân Thuận Đông, Quận 7, Hồ Chí Minh, Vietnam	Processing of raincoats, ready-to-wear garments, leather goods, wardrobes, etc.	208,699 USD7,203	197,009 USD6,803	-	100.00%	146,828	(1,005)	(1,005)	
	Myanmar Tah Hsin Industrial Co., Ltd.	Plot No.D-1 Mingaladon Industrial Park, Mingaladon	Processing of raincoats, ready-to-wear garments, leather goods, wardrobes, etc.	472,523 USD14,700	472,523 USD14,700	-	100.00%	288,099	36,585	36,863	Note 1
	Tah Fa Investment Co., Ltd.	West District, Taichung City	Generic investments, property purchase, sales and leases	180,000	180,000	18,000	100.00%	941,823	61,005	43,145	Note 2
	Good Harvest Machinery Industrial Co., Ltd.	Zhunan Township, Miaoli County, Taiwan	Chemical machinery, piping cistern, rubber machinery, plastic machinery, and other machineries.	50,000	50,000	5,000	26.51%	5,744	(3,767)	(999)	

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Table 5

Tahsin Industrial Corporation

Related information on Name and Location of Investee, etc. (Excluding mainland China investees)
December 31, 2022
Unit: NTD Thousand/Number of Shares: Thousand

Name of investors	Company's names and location of investees	Location	Principal Business Activities	Initial investment amount		Held at the end			Profit or Loss of Investee for Current Period	Investment Profit/Loss Recognized in the Current Period	Remarks
				End of Current Period	End of Previous Period	Shares	Ratio	Carrying amount			
Tah Fa Investment Co., Ltd.	Tah Cheng Investment Co., Ltd.	West District, Taichung City	Generic investments	21,000	21,000	2,100	41.18%	133,621	20,438	8,416	
	Tah Quan Investment Co., Ltd.	West District, Taichung City	Generic investments	87,000	87,000	8,700	44.39%	318,346	35,323	15,679	
	Tah Chi Enterprise Co., Ltd.	DaanDist., Taipei City, Taiwan	Wholesale and retail of fabric, clothing, shoes, caps, umbrella, clothing products; furniture, bedding, kitchen appliance, installation products; daily necessities; cultural and educational products, musical instruments, sports and recreational products; food, beverages industry	23,000	20,000	2,300	100.00%	7,923	(649)	(649)	Note1
Tah Viet Co., Ltd.	TRUONG GIANG GARMENT JOINT-STOCK COMPANY	No. 239, Huynh Thuc Khang St, An Xuân, Tam Kỳ, Quang Nam Province, Vietnam	Manufacture and processing of ready-to-wear garments for export and domestic sales; sales and marketing of various garment supplies, equipment and raw materials; provision of consultancy services in fashion and textile industry	12,945 USD435	8,765 USD294	37	44.17%	13,887	3,998	50	
	TAHHSIN PHU MY JOINT STOCK COMPANY	Phu My Industrial Zone, Tam, Phuoc Soci Phu Ninh District, Quang Nam Province, Vietnam	Manufacturing and processing of ready-to-wear garments for export and domestic sales	21,851 USD732	21,851 USD732	-	65.00%	21,859	2,781	1,808	

Note 1. The investment gains and losses recognized during the period include the net (un)realized gains and losses between affiliated companies.
Note 2. The investment gains and losses recognized in the current period include the amount of write-off of cash dividends received by the company of NTD17,860 thousand

Table 6

Tahsin Industrial Corporation

Information on investments in mainland China

January 1 to December 31, 2022

Unit: Thousand NTD

Investees in the Mainland China	Principal Business Activities	Paid-up capital	Investment method (Note 1)	Accumulated Investment Amount Remitted from Taiwan at Beginning of Period	Investment Amount Remitted or Received in Current Period		Accumulated Investment Amount Remitted from Taiwan at End of Period	Profit or Loss of Investee for Current Period	Shareholding Percentage of Direct or Indirect Investments by the Company	Recognized Investment Profit or Loss for Current Period	Carrying Amount of Investments at End of Period	Repatriated Investment Profit or Loss as of End of Period
					Remitted	Received						
DAFU Plastic Industry Co., Ltd.	Mainly produce raincoats and other plastic products.	$291,605	2	$263,164	$-	$-	$263,164	$23,765	91.26%	$21,694	$182,944	$-

Accumulated Investment Amount Remitted from Taiwan to the Mainland Area at End of Period	Investment Amount Approved by the Investment Commission, M.O.E.A	Investment quota in mainland China as stipulated by Investment Commission, M.O.E.A. (Note 2)
$263,164	$263,164	$6,383,246

Note 1. Investment method: The Company entrusted Hong Kong Tai Ho Co., Ltd. to invest USD8,100,000 in the establishment of Fujian Putian DAFU Plastic Industry Co., Ltd. In 2011, the invested amount in Hong Kong Tai Ho Co. Ltd was increased to HKD10,075,000 (USD1,300,000) which was subsequently reinvested into Fujian Putian DAFU Plastic Industry Co., Ltd.

Note 2. Calculate the upper limit of the cumulative amount or proportion of investment in mainland China at 60% of the net value or consolidated net value (whichever is higher) in accordance with the investment review committee of the Ministry of Economic Affairs.

Table 7

Tahsin Industrial Corporation
Information of Major Shareholders
December 31, 2022
Unit: Thousand shares

Name of major shareholders	Shares	
	Number of shares held	Shareholding Ratio
Tah Cheng Investment Co., Ltd.	10,075	10.16%
Tah Quan Investment Co., Ltd.	9,500	9.58%
Chang Cai Industry Co., Ltd.	9,000	9.08%

Note 1. The major shareholders in this table are shareholders holding more than 5% of the ordinary and special shares that are issued and delivered without physical registration (including treasury stocks) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, the share capital recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation basis.

Note 2. If a shareholder delivers its shareholding information to the trust, the aforesaid information shall be disclosed by the individual trustee who opened the trust account. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.

(XIV.) Department Information

Information regarding business segments has been disclosed in the consolidated financial statements. Therefore, the Company does not disclose such information in the parent company only financial statements.

Lists of Statements of Significant Accounting Items

Items	Number / index
Statements of Assets, Liabilities and Equity Items	
Statement of cash and cash equivalents	Statement 1
Statement of financial assets at fair value through profit and loss- changes in current	Statement 2
Statement of financial assets at fair value through other comprehensive income - current	Statement 3
Statement of notes receivable - unrelated parties	Statement 4
Statement of accounts receivable - unrelated related parties	Statement 5
Statement of other receivables	Statement 6
Statement of inventories	Statement 7
Statement of Prepayments	Statement 8
Statement of financial assets at fair value through other comprehensive income - non-current	Statement 9
Statement of changes in investments accounted for using the equity method	Statement 10
Statement of changes in property, plant, and equipment	Note 6 (9)
Statement of changes in accumulated depreciation of property, plant, and equipment	Note 6 (9)
Statement of changes in right-of-use assets	Note 6 (10)
Statement of changes in accumulated depreciation of right-of-use assets	Note 6 (10)
Statement of changes in investment properties	Note 6 (11)
Statement of changes in accumulated depreciation of investment properties	Note 6 (11)
Statement of deferred income tax assets	Note 6 (25)
Statement of changes in long-term investments	Statement 11
Statement of Notes Payable	Statement 12
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Statement of other payables	Statement 14
Statement of provisions - current	Note 6 (12)
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Statement of profit or loss items	
Statement of operating revenue	Statement 15
Statement of operating costs	Statement 16
Statement of manufacturing expenses	Statement 17
Statement of marketing expenses	Statement 18
Statement of general and administrative expenses	Statement 18
Statement of employee benefits and depreciation, amortization expenses by function	Note 6 (20)
Statement of other net operating income and expenses	Statement 19
Statement of Finance Costs	Note 6 (24)

Statement 1

Tahsin Industrial Corporation

Statement of cash and cash equivalents

December 31, 2022

Unit: NTD and Foreign Currency / Thousand

Items	Summary	Amount
Cash		
Cash on hand		$509
Working capital		161
Foreign currency	Including USD1, JPY214, EUR6, HK1, CNY5	315
Subtotal in cash		985
Bank deposits		
Check deposits		51,061
Demand deposits - NTD		34,918
Foreign currencies demand deposits	Including USD2,318、JPY6,310、CNY18、HK1	72,743
Time deposits		229,290
Foreign currency time deposit	Including USD25,400、CNY330	781,489
Subtotal of bank deposits		1,169,501
Short-term notes and bills within three months	Including USD16,000	655,733
Total		$1,826,219

Foreign currency exchange rate on December 31, 2022

USD：NTD＝1:30.71

JPY：NTD＝1:0.2324

EUR：NTD＝1:32.72

CNY：NTD＝1:4.408

SGP：NTD＝1:22.88

GBP：NTD＝1:37.09

HK ：NTD＝1:3.938

Statement 2

Tahsin Industrial Corporation

Statement of financial assets at fair value through profit and loss - current

December 31, 2022

Unit: NTD Thousand/Number of shares: 1000

Financial instruments	Summary	Stock units	Carrying amount((USD)	Total	Rate	Acquisition cost	Fair value		The fair value changes of credit risk at fair value	Remarks
							Unit(USD)	Total		
Closed-end fund	Jih Sun Vietnam Opportunity Fund A(USD)	10	10	$2,803	-	$2,803	$197.78	$1,978	-	
Total				$2,803		$2,803		$1,978		

Note: The fair value of the closed-end fund is the closing market price on December 31, 2022

Statement 3

Tahsin Industrial Corporation

Statement of financial assets at fair value through other comprehensive income - current

December 31, 2022

Unit: NTD Thousand/Number of shares: 1000

Name of Financial Instruments	Summary	Number of Shares	Carrying amount (NTD)	Total Amount	Interest Rate	Acquisition cost	Accumulated impairment	Fair Value		Remarks
								Unit price (NTD)	Total Amount	
Shares of listed company	Nan Ya Plastics Corporation	35,000	10	$333,840	-	$1,053,712	Not applicable	$71.00	$2,850,994	
Shares of listed company	Formosa Taffeta Co., Ltd	200	10	2,000	-	5,842	Not applicable	26.75	5,830	
Shares of listed company	Feng Hsin Steel Co., Ltd.	600	10	4,250	-	25,250	Not applicable	63.70	35,488	
Shares of listed company	Mega Financial Holding Co., Ltd.	3,239	10	31,600	-	100,077	Not applicable	30.35	112,338	
Shares of listed company	Formosa Plastics Corporation	1,500	10	11,650	-	104,342	Not applicable	86.80	121,160	
Shares of listed company	TSMC	1,520	10	14,000	-	686,752	Not applicable	448.50	861,000	
Beneficiary certificates	Yuanta/P-shares Taiwan Top 50 ETF	100	-	10,300	-	10,061	Not applicable	110.20	14,550	
Shares of listed company	Sinon Corporation	2,419	10	20,450	-	45,167	Not applicable	36.45	57,771	
Shares of listed company	YungShin Global Holding Corporation	1,000	10	10,000	-	43,245	Not applicable	46.00	42,950	
Shares of listed company	Taiwan Cement Corporation	3,850	10	35,000	-	166,186	Not applicable	33.65	168,000	
Shares of listed company	Asia Cement Corporation	2,000	10	20,000	-	99,475	Not applicable	41.00	88,600	
Shares of listed company	Quanta Computer Incorporated	740	10	7,400	-	8,391	Not applicable	72.30	10,417	
Shares of listed	Taiwan Paiho Limited	1,000	10	10,000		75,271		56.80		
Total				$540,980		$2,746,109			$3,905,841	

Note: The fair value of public shares/beneficiary certificate is the closing market price on December 31, 2022

Statement 4

Tahsin Industrial Corporation

Statement of notes receivable - unrelated parties

December 31, 2022

Unit: Thousand NTD

Customer name	Summary	Amount	Remarks
Total amount of notes receivable			
Company A		$4,935	
Company B		4,835	
Company C		4,075	
Others		31,748	
Total		$45,593	(5% and under)
Less: provision for losses		(1,368)	
Net amount		$44,225	

Statement 5

Tahsin Industrial Corporation

Statement of accounts receivable - unrelated related parties

December 31, 2022

Unit: NTD and foreign currency/ Thousand

Customer name	Summary	Amount	Remarks
Unrelated party			
Company A	USD4,230	$129,897	
Company B	USD 1,735	53,278	
Company C	USD 592	18,174	
Others	(Including USD1,158)	114,014	
Total		315,363	(Under 5%)
Less: provision for losses		(10,704)	
Net amount		$304,659	

Foreign exchange rate on December 31, 2022 USD:NTD=1:30.71

Statement 6

Tahsin Industrial Corporation

Statement of other receivables

December 31, 2022

Unit: NTD and foreign currency/ Thousand

Items	Summary	Amount	Remarks
Other receivables			
	Business tax refundable	$6,743	
	Dividends receivable	4,180	
	Others	4,488	
Total		$15,411	
Other receivables - related parties			
	Overdue interest receivable	$4	
	Receivable from money advanced for others	2,012	
	Dividends receivable	-	
	Service fee receivable	-	
Total		$2,016	

Statement 7

Tahsin Industrial Corporation

Statement of inventories

December 31, 2022

Unit: Thousand NTD

Items	Summary	Amount		Remarks
		Cost	Net Realizable Value	
Raw materials		$72,437	$72,464	
	PP Compound COPO	32,583		
	TAFFETA	3,998		
	Three-layer laminated cloth	2,435		
	Others	33,421		
Materials		$49,555	$49,595	
	New machine materials	38,090		
	Others	11,465		
Work in process		$293,555	$322,810	
	Raincoat	208,788		
	Garment	61,805		
	Laminator	13,661		
	PP Corrugated Board	9,301		
Finished goods		$149,634	$172,551	
	Garment	58,684		
	Raincoat	41,743		
	PP Corrugated Board	23,596		
	Others	25,611		
Total inventory		$565,181	$617,420	
Less: Allowance for loss for market price decline and obsolete and slow-moving inventories.		(2,250)		
Net inventory		$562,931	$617,420	

Statement 8

Tahsin Industrial Corporation

Statement of Prepayments

December 31, 2022

Unit: NTD and foreign currency/ Thousand

Items	Summary	Amount	Remarks
Prepayments for purchases		$11,155	
Prepaid expenses	Prepaid insurance premiums	511	
	Prepaid repairs and maintenance	923	
	Prepaid processing fees	1,945	
	Others	4,468	
Office supplies		607	
Total		$19,609	

Statement 9

Tahsin Industrial Corporation

Statement of financial assets at fair value through other comprehensive income - non-current

January 1 to December 31, 2022

Unit: NTD Thousand/Number of shares: 1000

Name	Beginning balance		Increase in this period		Decrease in this period		Ending balance		Accumulated impairment	Provide guarantee or pledge	Remarks
	Shares	Fair Value	Shares	Amount	Shares	Amount	Shares	Fair Value			
Investments in equity instruments at fair value through other comprehensive income: Asia Pacific Investment Corporation	10,000	$464,800	-	-	-	131,200-	10,000	$333,600	Not applicable	None	
Vetnostrum Animal Health Co., Ltd.	-	-	95	$2,091	-	-	95	2,091	Not applicable	None	
subtotal		$464,800	-	$2,091	-	131,200		$335,691		None	
Investments in liability instruments at fair value through other comprehensive income: TSMC Arizona Corp Bond (3)	-	-	6	15,448	-	1,256	6	14,192	-	None	
Subtotal				15,448	-	1,256		14,192			
Total		$464,800		$17,539	-	$132,456		$349,883			

Description: Current period increases (decreases) are recognized as unrealized valuation gains (losses).

Statement 10

Tahsin Industrial Corporation

Statement of changes in investments accounted for using the equity method (including investments accounted for using the equity method - credit)
January 1 to December 31, 2022
Unit: NTD Thousand/Number of shares: 1000

Name	Beginning balance		Increase in this period		Decrease in this period		Ending balance			Market value or Net Equity Value		Provide guarantee	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding Ratio	Amount	Unit price (NTD)	Net equity	or pledge	Remarks
Subsidiaries:													
Tahsin Shoji Co., Ltd.	800	$133,504	-	$ -	-	$21,962	800	100.00	$111,542	$167.51	$134,736	None	
Yuk Wing Development, Ltd.		36	-	3	-	-	-	100.00	39		39	None	
DAFU Plastic Industry Co., Ltd.		158,996	-	23,948	-	-	-	91.26	182,944		183,078	None	
Tah Viet Co., Ltd.		123,024	-	23,804	-	-	-	100.00	146,828		146,828	None	
Myanmar Tah Hsin Industrial Co., Ltd.		225,469	-	62,630	-	-	-	100.00	288,099		288,099	None	
Tah Fa Investment Co., Ltd.	18,000	1,090,850	-	-	-	149,027	18,000	100.00	941,823	73.08	1,109,866	None	
Less: Recognized as treasury stock (Tah Fa Investment Co., Ltd) (Tah Fa Investment Co., Ltd)		(83,230)	-	-		-	-		(83,230)				
Subtotal of subsidiary		1,648,649		110,385		170,989	-		1,588,045				
Affiliates:													
Good Harvest Machinery Industrial Co., Ltd.	5,000	7,105	-	-	-	1,361	5,000	26.51	5,744	1.42	5,744	None	
Total		$1,655,754		$110,385		$172,350			$1593,789				
Investments accounted for using the equity method - credit													
Subsidiary:													
USA TAHSININDUSTRIALCORP.	1	($4,635)	-	$7,306	-	$15,925	1	100.00	($13,254)	($13,254.74)	($13,254)	None	
Total		($4,635)		$7,306		$15,925			($13,254)				

Statement 11

Tahsin Industrial Corporation

Statement of changes in long-term investments

January 1 to December 31, 2022

Unit: NTD Thousand/Number of shares: 1000

Name	Beginning balance		Increase in this period		Decrease in this period		Ending balance		Market value or Net Equity Value		Provide guarantee or pledge	Remarks
	Shares	Fair Value	Shares	Amount	Shares	Amount	Shares	Fair Value	Unit Price	Total		
Golf license		$810	-	-	-	-	-	$810	-	-	None	
Total		$810	-	-	-	-	-	$810				

Statement 12

Tahsin Industrial Corporation

Statement of Notes Payable

December 31, 2022

Unit: Thousand NTD

Object	Summary	Amount	Remarks
Company A		$10,761	
Company B		10,089	
Company C		9,061	
Company D		6,148	
Others		86,230	(Under 5%)
Total		$122,289	

Statement 13

Tahsin Industrial Corporation

Statement of Accounts Payable (Related-parties included)

December 31, 2022

Unit: (Thousand NTD/ Thousand Foreign Currency)

Object	Summary	Amount	Remarks
Unrelated party			
Company A		$5,244	
Company B		4,158	
Company C	Including USD117	3,619	
Company D	Including USD111	3,443	
Company E		3,209	
Others	Including USD19	26,883	(Under 5%)
Total		$46,556	
Related parties:			
Fujian Putian DAFU Plastic Industry Co., Ltd.	Including USD82	$2,503	

Statement 14

Tahsin Industrial Corporation

Statement of Other Payables (including related party)

December 31, 2022

Unit: NTD and foreign currency/ Thousand

Items	Summary	Amount	Remarks
Salary payable		$11,700	
Bonus payable		59,876	
	Year-end bonus payable	51,791	
	Bonuses payable to outsourced processing entities	7,543	Including USD240
	Bonuses payable to distribution dealers	542	
Processing fees payable		25,831	Including USD620
Equipment expenses payable		39,764	
Insurance premiums payable		4,224	
Freight payable		3,487	
Employee compensation payable		11,158	
Utility expenses payable		984	
Remuneration for directors and supervisors payable		3,600	
Pension payable		924	
Meals expenses payable		643	
Employee benefits payable		584	
Others		8,089	Including USD206
Total		$170,864	

Statement 15

Tahsin Industrial Corporation

Statement of operating revenue

December 31, 2022

Unit: Thousand NTD

Items	Quantity	Amount	Remarks
Raincoat	128,588Dozens	$1,084,855	
Garment	904,105Pieces	617,845	
Wardrobe	4,885Sets	2,900	
Household fittings	2,227,691PCS	98,174	
Binding machine	51,137Sets	214,123	
Processing of Miscellaneous Items	20,326Dozens	53,378	
PP Corrugated Board	11,326,864PCS	243,122	
Waterproof fabrics	132,468Yard	25,554	
Total Revenue		2,339,951	
Less: Sales Return		(1,693)	
Sales Allowances		(2,046)	
Net operating revenue		$2,336,212	

Statement 16

Tahsin Industrial Corporation

Statement of operating costs
December 31, 2022
Unit: Thousand NTD

Items	Amount - Subtotal	Amount - Total
Raw materials at beginning of period	$119,758	
Purchase	661,158	
Less: Raw materials - end of period	(72,437)	
Disposals	(354)	
Raw materials consumed		$708,125
Materials, beginning of period	57,965	
Purchase	321,028	
Less: Supplies, end of the period	(49,555)	
Disposals	(481)	
Materials consumed		328,957
Direct labor		44,720
Manufacturing expenses (Statement 16)		755,336
Manufacturing cost		1,837,138
Less: work-in-process at beginning of period		279,633
Less: work-in-process at end of period		(293,555)
Cost of finished goods		1,823,216
Finished products at beginning of period		148,570
Finished goods purchased from external sources		163,291
Less: finished products at end of period		(149,635)
Disposals		(905)
Cost of sales		1,984,537
Add (less): Loss due to inventory write-down (gain on recovery)		(1,349)
Add: Unallocated manufacturing expenses		3,318
Less: Gains on sale of scraps		(4,825)
Total operating costs		1,981,681

Statement 17

Tahsin Industrial Corporation

Statement of manufacturing expenses

December 31, 2022

Unit: Thousand NTD

Items	Summary	Amount
Salary expenses		$70,943
Rent expenses		328
Stationery		407
Traveling Expenses		234
Freight cost		358
Cable Fee		270
Repair and maintenance expenses		3,893
Water, electricity, and gas fees		14,981
Insurance expenses		7,800
Subcontract processing expenses		617,860
Entertainment expenses		16
Tax expense		29
Depreciation		28,123
Meal expenses		2,698
Training expenses		42
R&D expenses		198
Gasoline expenses		417
Pension		2,485
Fuel expenses		293
Die-cut and printing plate expenses		427
Consumables		2,595
Sample fees		604
Business operation expenses		3,653
Less: Unallocated manufacturing expenses		(3,318)
Total	$	$755,336

Statement 18

Tahsin Industrial Corporation

Statement of operating expenses
December 31, 2022
Unit: Thousand NTD

Items	Marketing expenses	Administrative expenses	Total
Salary expenses	$56,912	$62,733	$119,645
Rent expenses	196	83	279
Stationery	358	352	710
Traveling Expenses	1,516	662	2,178
Freight cost	19,757	14	19,771
Cable Fee	920	484	1,404
Repair and maintenance expenses	121	2,343	2,464
Advertisement expenses	311	29	340
Water, electricity, and gas fees	301	2,457	2,758
Insurance expenses	6,047	5,713	11,760
Entertainment expenses	229	257	486
Charity Donations	-	655	655
Tax expense	841	2,420	3,261
Depreciation	687	9,842	10,529
Meal expenses	1,684	1,756	3,440
Employee benefits	-	3,622	3,622
Commission expenses	286	-	286
Training expenses	4	100	104
Labor costs	10	2,258	2,268
Pension	2,175	1,973	4,148
Harbor due	538	-	538
Gasoline expenses	777	402	1,179
Custom clearance expenses	1,033	-	1,033
Cleaning expenses	237	1,109	1,346
Sample fees	22	-	22
Air/Sea freight expenses	5,545	-	5,545
Negotiation charges	611	-	611
Building management fees	1,257	92	1,349
General operating expenses	5,005	-	5,005
Business operation expenses	1,077	7,911	8,988
Subtotal	$108,457	$107,267	$215,724
Expected credit losses			1,291
Total			$217,015

Statement 19

Tahsin Industrial Corporation

Statement of other net operating income and expenses

December 31, 2022

Unit: Thousand NTD

Items	Summary	Amount	Remarks
Gain (loss) on disposal of property, plant and equipment		$572	
Net foreign exchange gains (losses)		(155,851)	
Gain and loss of financial assets(liabilities) at fair value through P/L		(825)	
Miscellaneous expenses		(9,141)	
	Stock affairs agency fees	(1,735)	
	House tax and land value tax on land and property leased to others	(2,130)	
	Others	(2,224)	
Total		($146,457)	