

**TAH HSIN INDUSTRIAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**06/30 , 2020 and 12/31 、 06/30 , 2019**

Unit : NT\$ thousands

Assets		06/30/2020		12/31/2019		06/30/2019	
Code	Account	Amount	%	Amount	%	Amount	%
<b>11XX</b>	<b>Total current Assets</b>	<b>\$10,962,757</b>	<b>77</b>	<b>\$6,762,847</b>	<b>68</b>	<b>\$4,540,568</b>	<b>45</b>
1100	Cash and cash equivalents (Note 1 of [VI])	6,250,611	44	650,253	7	605,855	6
1110	Financial assets at fair value through profit or loss - current (Note 2 of [VI])	899	—	11	—	0	—
1120	Financial assets at fair value through other comprehensive income - current (Note 3 of [VI])	2,238,551	15	2,373,280	24	2,562,360	25
1150	Notes receivable, net (Note 4 of [VI])	101,524	1	75,653	1	97,897	1
1170	Accounts receivable, net (Note 5 of [VI])	241,944	2	266,439	3	314,456	3
1180	Accounts receivable - related parties, net (Note 5 of [VI])	5,302	—	19,778	—	12,061	—
1200	Other receivables	5,870	—	4,285	—	69,492	1
1210	Other receivables - related parties	1,043	—	4	—	256	—
1220	Current income tax assets	4,020	—	3,742	—	5,722	—
130X	Inventories (Note 6 of [VI])	665,790	5	628,815	6	745,266	7
1410	Prepayments	53,584	—	54,292	—	65,863	1
1460	Non-current assets held for sale (Note 7 of [VI])	0	0	2,597,758	26	0	0
1476	Other current financial assets (Note 1 of [VI])	1,390,354	10	85,458	1	58,811	1
1479	Other current assets, others	3,265	—	3,079	—	2,529	—
<b>15XX</b>	<b>Total non-current assets</b>	<b>3,332,930</b>	<b>23</b>	<b>3,162,466</b>	<b>32</b>	<b>5,547,516</b>	<b>55</b>
1517	Financial assets at fair value through other comprehensive income - non-current (Note 3 of [VI])	712,990	5	664,682	7	620,218	6
1550	Investments accounted for using the equity method (Note 8 of [VI])	611,344	4	537,581	5	354,419	4
1600	Property, plant and equipment (Note 9 of [VI])	1,483,340	10	1,481,666	15	1,628,259	16
1755	Rights-of-use assets (Note 10 of [VI])	83,473	1	87,287	1	92,225	1
1760	Investment properties, net (Note 11 of [VI])	271,912	2	271,930	3	2,703,393	27
1840	Deferred income tax assets	102,762	1	100,230	1	129,746	1
1920	Refundable deposits	13,929	—	14,014	—	14,610	—
1970	Other long-term investments	810	—	810	—	810	—
1980	Total other non-current financial assets (Note 1 of [VI])	48,197	—	0	0	0	0
1995	Other assets - non-current	4,173	—	4,266	—	3,836	—
<b>1XXX</b>	<b>Total assets</b>	<b>\$14,295,687</b>	<b>100</b>	<b>\$9,925,313</b>	<b>100</b>	<b>\$10,088,084</b>	<b>100</b>

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Liabilities and Equity		06/30/2020		12/31/2019		06/30/2019	
Code	Account	Amount	%	Amount	%	Amount	%
<b>21XX</b>	<b>Total current liabilities</b>	<b>\$1,326,412</b>	<b>10</b>	<b>\$1,272,212</b>	<b>12</b>	<b>\$1,101,705</b>	<b>11</b>
2100	Short-term borrowings (Note 12 of [VI])	219,888	2	304,349	3	437,145	4
2110	Short-term bills payable (Note 13 of [VI])	0	0	39,988	—	0	0
2120	Current financial liabilities at fair value through profit or loss (Note 2 of [VI])	0	0	0	0	53	—
2150	Notes payable	90,816	1	117,278	1	134,032	1
2170	Accounts payable	45,741	—	43,603	—	52,994	1
2180	Accounts payable - related parties	0	0	3	—	1,306	—
2200	Other payables	924,815	7	205,760	2	440,143	5
2220	Other payables - related parties	1,428	—	6,207	—	3,716	—
2230	Current tax liabilities (Note 15 of [VI])	2,547	—	805	—	1,619	—
2250	Provisions - current (Note 14 of [VI])	9,467	—	9,467	—	9,467	—
2260	Liabilities directly related to non-current assets (or disposal groups) held for sale (Note 7 of [VI])	0	0	527,820	6	0	0
2280	Lease liabilities - current (Note 10 of [VI])	3,144	—	2,927	—	3,097	—
2320	Long-term liabilities due within one year	3,849	—	3,862	—	4,038	—
2399	Other current liabilities - others	24,717	—	10,143	—	14,095	—
<b>25XX</b>	<b>Total non-current liabilities</b>	<b>210,268</b>	<b>1</b>	<b>259,874</b>	<b>3</b>	<b>812,917</b>	<b>8</b>
2540	Long-term borrowings (Note 15 of [VI])	332	—	2,264	—	4,386	—
2570	Deferred income tax liabilities	181,852	1	181,544	2	711,896	7
2580	Lease liabilities - non-current (Note 10 of [VI])	14,936	—	16,338	—	18,540	—
2640	Net defined benefit liabilities - non-current (Note 16 of [VI])	5,839	—	50,245	1	67,936	1
2645	Guarantee deposits received	7,309	—	9,483	—	10,159	—
<b>2XXX</b>	<b>Total liabilities</b>	<b>1,536,680</b>	<b>11</b>	<b>1,532,086</b>	<b>15</b>	<b>1,914,622</b>	<b>19</b>
3100	Share capital (Note 17 of [VI])	1,980,000	14	1,980,000	20	1,980,000	20
3200	Capital reserve (Note 18 of [VI])	131,798	1	105,429	1	96,864	1
3300	Retained earnings (Note 19 of [VI])	8,708,999	61	4,196,822	43	4,009,668	40
3400	Other equity (Note 20 of [VI])	2,034,869	14	2,207,928	22	2,193,143	21
3500	Treasury stock (Note 21 of [VI])	(118,879)	(1)	(118,879)	(1)	(118,879)	(1)
31XX	Equity attributable to owners of the parent company	12,736,787	89	8,371,300	85	8,160,796	81
36XX	Non-controlling interest (Note 22 of [VI])	22,220	—	21,927	—	12,666	—
<b>3XXX</b>	<b>Total equity</b>	<b>12,759,007</b>	<b>89</b>	<b>8,393,227</b>	<b>85</b>	<b>8,173,462</b>	<b>81</b>
	<b>Total liabilities and equity</b>	<b>\$14,295,687</b>	<b>100</b>	<b>\$9,925,313</b>	<b>100</b>	<b>\$10,088,084</b>	<b>100</b>

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Wu, Zi-Cong

President: Huang, Chun-Jia

Chief Accountant: Lai, Ken-Min

**TAH HSIN INDUSTRIAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**Jan - Jun , 2020 、 2019**

Unit:NT\$thousands

Code	Items	Apr- Jun , 2020		Apr- Jun , 2019		Jan- Jun , 2020		Jan- Jun , 2019	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Note 23 of [VI])	\$481,209	100	\$607,181	100	\$1,002,853	100	\$1,117,700	100
5000	Operating costs (Notes 6 and 27of [VI])	(405,467)	(84)	(494,557)	(81)	(838,902)	(84)	(923,135)	(83)
5900	Gross profit	75,742	16	112,624	19	163,951	16	194,565	17
6000	Operation expenses (Note 27 of [VI])	(86,439)	(18)	(107,945)	(18)	(173,336)	(17)	(195,293)	(17)
6100	Marketing expenses	(26,600)	(6)	(31,712)	(5)	(55,611)	(5)	(63,662)	(5)
6200	Administrative expenses	(57,507)	(12)	(73,369)	(12)	(119,019)	(12)	(133,246)	(12)
6450	Expected credit impairment (loss) gain	(2,332)	—	(2,864)	(1)	1,294	—	1,615	—
6900	Operating profit (loss)	(10,697)	(2)	4,679	1	(9,385)	(1)	(728)	—
7000	Total non-operating income and expenses	5,236,052	1,088	482,559	79	5,246,594	523	488,709	44
7100	Total interest income (Note 24 of [VI])	3,389	1	3,020	—	5,467	1	6,475	1
7010	Other income Other income(Note 25 of [VI])	11,128	2	11,481	1	21,863	2	21,774	2
7020	Other income (Note 26 of [VI])	5,184,833	1,077	471,369	78	5,185,534	517	467,826	42
7050	Financial costs (Note 28 of [VI])	(976)	—	(2,305)	—	(2,076)	—	(4,690)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method(Note 28 of [VI])	37,678	8	(1,006)	—	35,806	3	(2,676)	—
7900	Net income before tax	5,225,355	1,086	487,238	80	5,237,209	522	487,981	44
7950	Income tax (expenses) benefits (Note 29 of [VI])	1,632	0	(6,545)	(1)	(1,569)	—	(2,496)	—
8200	Net income	\$5,226,987	1,086	\$480,693	79	\$5,235,640	522	\$485,485	44
	Other comprehensive income, net after tax								
8310	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized valuation gains and losses from equity investment instruments measured at fair value through other comprehensive income	418,084	87	(6,130)	-1	(215,332)	(21)	139,665	12
8326	Unrealized valuation gains and loss from investment in equity instruments measured at fair value through other comprehensive income of associates and joint ventures	71,686	15	18,698	3	49,754	5	56,645	5
		489,770	102	12,568	2	(165,578)	(16)	196,310	17
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translation of foreign financial statements	(10,660)	(2)	3,467	1	(9,821)	(1)	6,911	1
8399	Income tax related to the items that may be subsequently reclassified into profit or loss	2,073	—	(725)	—	1,870	—	(1,358)	—
		(\$8,587)	—	\$2,742	—	(\$7,951)	(1)	\$5,553	1
8300	Other comprehensive income, net after tax (Note 30 of [VI])	\$481,183	100	\$15,310	3	(\$173,529)	(17)	\$201,863	18
8500	Total comprehensive income	\$5,708,170	1,185	\$496,003	82	\$5,062,111	505	\$687,348	62
8600	Net profit attributable to:								
8610	Owners of the parent company (profit/loss)	\$5,226,140	1,086	\$479,803	79	\$5,234,877	522	\$484,469	43
8620	Non-controlling interest (profit/loss)	\$847	—	\$890	—	\$763	—	\$1,016	—
8700	Total comprehensive income attributable to:								
8710	Owners of the parent company (comprehensive profit or loss)	\$5,707,617	1,186	\$495,274	82	\$5,061,818	505	\$686,214	61
8720	Non-controlling interest (comprehensive profit or loss)	\$553	—	\$729	—	\$293	—	\$1,134	—
	Earnings per share (NT\$) (Note 30 of [VI])								
9750	Basic earnings per share	27.38		2.51		27.43		2.54	
9850	Diluted earnings per share	27.31		2.51		27.35		2.54	

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Wu, Zi-Cong

President: Huang, Chun-Jia

Chief Accountant: Lai, Ken-Min

**TAH HSIN INDUSTRIAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**Jan - Jun , 2020 、 2019**

Unit : NT\$ thousands

Unit : NT\$ thousands

Description	Equity attributable to owners of the parent company									Non-controlling interest	Total equity
	Share capital	Capital surplus	Retained earnings			Other equity		Treasury shares	Total equity attributable to owners of the parent company		
	Common stock		Legal reserve	Special reserve	Undistributed earnings	Conversion difference of financial statements of foreign operating institutions	Gains (losses) from investments in equity instruments measured at fair value through other comprehensive income				
Balance as of January 1, 2019	\$1,980,000	\$96,162	\$736,766	\$2,581,834	\$444,199	(\$56,561)	\$2,047,959	(\$118,879)	\$7,711,480	\$11,532	\$7,723,012
Legal reserve appropriated			\$22,947		(\$22,947)				\$0		\$0
Cash dividends of ordinary share					(\$237,600)				(\$237,600)		(\$237,600)
Reversal of special reserve				(\$66,543)	\$66,543				\$0		\$0
Due to donated assets received ( overdue repayment of unclaimed dividends)		\$702							\$702		\$702
Profit (loss)					484,469				484,469	1,016	485,485
Other comprehensive income						\$5,435	\$196,310		\$201,745	\$118	\$201,863
Balance as of June 30, 2019	\$1,980,000	\$96,864	\$759,713	\$2,515,291	\$734,664	(\$51,126)	\$2,244,269	(\$118,879)	\$8,160,796	\$12,666	\$8,173,462
Balance as of January 1, 2020	\$1,980,000	\$105,429	\$759,713	\$2,515,291	\$921,818	(\$70,282)	\$2,278,210	(\$118,879)	\$8,371,300	\$21,927	\$8,393,227
Legal reserve appropriated			\$73,817		(\$73,817)				\$0		\$0
Cash dividends of ordinary share					(\$722,700)				(\$722,700)		(\$722,700)
Reversal of special reserve				(\$1,941,491)	\$1,941,491				\$0		\$0
Other changes in capital surplus ( overdue repayment of unclaimed dividends)		\$319							\$319		\$319
Other comprehensive income					5,234,877				5,234,877	763	5,235,640
Other comprehensive income						(7,481)	(165,578)		(173,059)	(470)	(173,529)
Adjustments of capital surplus for company's cash dividends received by subsidiaries		26,050							26,050		26,050
Balance as of June 30, 2020	\$1,980,000	\$131,798	\$833,530	\$573,800	\$7,301,669	(\$77,763)	\$2,112,632	(\$118,879)	\$12,736,787	\$22,220	\$12,759,007

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman: Wu, Zi-Cong

President: Huang, Chun-Jia

Chief Accountant: Lai, Ken-Min

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Jan -Jun , 2020 、 2019**

Unit : NT\$ thousands

Description	Jan - Jun , 2020	Jan - Jun , 2019
<b>Cash flows for operating activities, indirect method</b>		
Net profit (loss) before tax	\$5,237,209	\$487,981
Adjustments:		
Income and expenses that do not affect cash flow		
Depreciation expense	27,164	26,347
Expected credit loss (gain) / Provision (reversal of provision) for bad debt ex	(1,294)	(1,615)
Net loss (gain) of financial assets and liabilities measured at fair value through profit or loss	(896)	(742)
Interest expense	2,076	4,690
Interest revenue	(5,467)	(6,475)
Share of the loss (profit) of associates and joint ventures recognized by the equity method	(35,806)	2,676
Loss (gain) on disposal of property, plan and equipment	(1,721)	(445,637)
Loss (gain) on disposal of investment properties	0	(14,314)
Loss (gain) on disposal of non-current assets classified as held for sale	(5,252,869)	0
Reversal of impairment loss on non-financial assets	0	(17,925)
Unrealized foreign exchange losses (gains)	824	417
Others	319	702
Changes in current assets and liabilities related to operating activities		
(Increase) decrease in notes receivables	(25,913)	24,178
(Increase) decrease in accounts receivable	24,605	51,334
(Increase) decrease in accounts receivable - related parties	14,887	3,705
(Increase) decrease in other receivables	(1,585)	(431)
(Increase) decrease in other receivables - related parties	163	(216)
(Increase) decrease in inventories	(36,975)	(105,752)
(Increase) decrease in prepayments	708	(38,116)
(Increase) decrease in other current assets	(186)	(899)
(Increase) decrease in other financial assets	70,104	18,693
Increase (decrease) in notes payable	(26,462)	(8,328)
Increase (decrease) in accounts payable	2,138	(14,672)
Increase (decrease) in accounts payable - related parties	(3)	1,033
Increase (decrease) in other payables	25,271	(779)
Increase (decrease) in other payables - related parties	(4,779)	(3,721)
Increase (decrease) in other current liabilities	14,574	4,634
Increase (decrease) in net defined benefit liabilities	(44,406)	(39,471)
Interest received	5,275	6,475
Dividends received	10,650	6,450
Interest paid	(2,091)	(4,680)
Income tax refund (paid)	(818)	(2,117)
Net cash flows to (from) operating activities	(5,304)	(66,575)

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<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive	(128,911)	0
Proceeds from disposal of non-current assets classified as held for sale	7,322,807	0
Acquisition of property, plant and equipment	(32,838)	(46,126)
Disposal of property, plant and equipment	2,121	466,461
Increase in refundable deposits	0	(509)
Decrease in refundable deposits	85	0
Proceeds from disposal of investment properties	0	16,887
Increase in other financial assets	(1,423,197)	0
Increase in other non-current assets	0	(932)
Decrease in other non-current assets	93	0
	5,740,160	435,781
Net cash flows to (from) investing activities:		
<b>Cash flows form financing activities:</b>		
Decrease in short-term loans	(83,776)	(137,335)
Decrease in short-term notes and bills payable	(40,000)	(270,000)
Repayment of long-term borrowings	(1,941)	(1,972)
Increase in guarantee deposit received	84	2,220
Decrease in guarantee deposit received	(2,200)	(3,000)
Payments of lease liabilities	(1,445)	(1,520)
Net cash flows to (from) financial activities	(129,278)	(411,607)
Effect of exchange rate changes on cash and cash equivalents	(5,220)	11,443
Net increase (decrease) in cash and cash equivalents	5,600,358	(30,958)
Increase (decrease) in cash and cash equivalents of the period	650,253	636,813
Cash and cash equivalents at the beginning of the period	6,250,611	605,855
Cash and cash equivalents reported in the statement of financial position	6,250,611	605,855

Chairman: Wu, Zi-Cong

President: Huang, Chun-Jia

Chief Accountant: Lai, Ken-Min