

Tahsin Industrial Corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

Unit: Thousand NTD

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6 (1))	\$ 3,987,427	31	\$650,253	7
1110	Financial assets at fair value through profit or loss - current (Note 6 (2))	-	-	11	-
1120	Financial assets at fair value through other comprehensive income - current (Notes 6 (3))	3,079,853	24	2,373,280	24
1150	(Net) Notes receivables (Note 6 (4))	90,597	-	75,653	1
1170	(Net) Accounts receivable (Note 6 (5))	310,098	2	266,439	3
1180	(Net) Accounts receivable – related parties (Note 6 (5))	15,263	-	19,778	-
1200	Other receivables	13,225	-	4,285	-
1210	Other receivables - related parties	969	-	4	-
1220	Current income tax assets	5,332	-	3,742	-
130x	Inventories (Notes 4 and 6 (6))	606,977	5	628,815	6
1410	Prepayments	58,371	-	54,292	-
1460	(Net) Non-current assets held for sale (or disposal groups) (Note 6 (7))	-	-	2,597,758	26
1476	Other financial assets - current (Note 6 (1))	1,532,322	12	85,458	1
1479	Other current assets - Others	1,649	-	3,079	-
11xx	Total current assets	9,702,083	74	6,762,847	68
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6 (8))	705,348	5	664,682	7
1550	Investments accounted for using the equity method (Notes 4 and 6 (9))	646,294	5	537,581	5
1600	Property, plant, and equipment (Notes 4 and 6 (10))	1,496,595	12	1,481,666	15
1755	Right-of-use asset (Notes 4 and 6 (11))	80,609	1	87,287	1
1760	Investment properties (Notes 4 and 6 (12))	271,896	2	271,930	3
1840	Deferred tax assets (Note 6 (30))	106,332	1	100,230	1
1920	Refundable deposits	2,789	-	14,014	-
1970	Other Long-term investment (net)	810	-	810	-
1980	Other financial assets - non-current (Note 6 (1))	50,335	-	-	-
1995	Other non-current assets, others	3,329	-	4,266	-
15xx	Total non-current assets	3,364,337	26	3,162,466	32
1xxx	Total Assets	\$ 13,066,420	100	\$ 9,925,313	100

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Tahsin Industrial Corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

Unit: Thousand NTD

Code	Liabilities and equity	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term loans (Note 6 (13))	\$ 214,130	2	\$ 304,349	3
2110	Short-term bills payable (Note 6 (14))	-	-	39,988	-
2120	Financial assets at fair value through profit or loss - current (Note 6 (2))	39	-	-	-
2150	Notes payable	92,939	1	117,278	1
2170	Trade payables	68,653	-	43,603	-
2180	Accounts payable - related parties	-	-	3	-
2200	Other payables	240,539	2	205,760	2
2220	Other payables- related parties	4,792	-	6,207	-
2230	Current income tax liabilities	6,545	-	805	-
2250	Provisions - Current (Notes 4 and 6 (15))	9,467	-	9,467	-
2260	Liabilities related to non-current assets classified as held for sale (or disposal groups) (Note 6 (7))	-	-	527,820	6
2280	Lease liabilities - current (Notes 6 (11))	3,035	-	2,927	-
2320	Long-term liabilities - current portion (Note 6 (16))	2,266	-	3,862	-
2399	Other current liabilities	10,258	-	10,143	-
21xx	Total current liabilities	652,663	5	1,272,212	12
	Noncurrent liabilities				
2540	Long-term loans (Note 6 (16))	-	-	2,264	-
2570	Deferred tax liabilities (Note 6 (30))	180,755	2	181,544	2
2580	Lease liabilities - non-current (Note 6 (11))	12,948	-	16,338	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 6 (17))	7,920	-	50,245	1
2645	Guarantee deposits received	8,040	-	9,483	-
25xx	Total non-current liabilities	209,663	2	259,874	3
2xxx	Total liabilities	862,326	7	1,532,086	15
	Equity				
	Equity Attributable to the Shareholders of the Parent Company				
3100	Share capital (Notes 4 and 6 (18))	1,386,000	11	1,980,000	20
3200	Capital surplus (Note 6 (19))	151,782	1	105,429	1
3300	Retained earnings (Note 6 (20))	8,350,263	64	4,196,822	43
3400	Other equity (Note 6 (21))	2,388,550	18	2,207,928	22
3500	Finance costs (Note 6 (22))	(97,469)	(1)	(118,879)	(1)
31xx	Total equity attributable to owners of the parent company	12,179,126	93	8,371,300	85
36xx	Non-controlling interest (Note 6 (23))	24,968	-	21,927	-
3xxx	Total equity	12,204,094	93	8,393,227	85
	Total liabilities and equity	\$ 13,066,420	100	\$ 9,925,313	100

(The accompanying notes are an integral part of the Consolidated Financial Statements.)

Chairman: Wu, Zi-Cong

Manager: Huang, Chun-Jia

Chief Accountant: Lai Ken-Min

Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2020 and 2019

Unit: Thousand NTD

Code	Items	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 6 (24))	\$ 2,233,540	100	\$ 2,440,599	100
5000	Operating Costs (Note 6 (6) (25))	(1,851,340)	(83)	(2,034,682)	(83)
5900	Gross Profit (loss)	382,200	17	405,917	17
	Other expenses (Note 6 (25))				
6100	Marketing expenses	(108,251)	(5)	(118,471)	(5)
6200	Administrative expenses	(233,697)	(10)	(249,950)	(10)
6450	Expected credit losses (benefits)	(2,219)	-	4,202	-
6000	Total operating expenses	(344,167)	(15)	(364,219)	(15)
6900	Operating profit (loss)	38,033	2	41,698	2
	Non-operating income and expenses				
7100	Interest income (Note 6 (26))	21,469	1	12,105	-
7010	Other income (Note 6 (27))	168,378	7	273,379	11
7020	Other gains and losses (Note 6 (28))	5,654,794	253	402,983	17
7050	Finance costs (Notes 4 and 6 (29))	(3,604)	-	(7,099)	-
7055	Expected credit losses (benefits)	(5,455)	-	-	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	59,559	3	11,490	-
7000	Total non-operating income and expenses	5,895,141	264	692,858	28
7900	Net profit (loss) before tax	5,933,174	266	734,556	30
7950	Benefit of income tax (expense) (Note 6 (30))	(502,963)	(23)	(36,416)	(1)
8000	Profit (loss) from continuing operations	5,430,211	243	698,140	29
8200	Profit (loss) (Note 6)	5,430,211	243	698,140	29
	Other comprehensive income (Note 6 (31))				
	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 6 (17))	(3,113)	-	(24,627)	(1)
8316	Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	128,805	6	(4,950)	-
8326	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income of affiliated enterprises and joint ventures	69,905	3	235,201	10
8310	Components of other comprehensive income that will not be reclassified to profit or loss:	195,597	9	205,624	9
	Items that may be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(17,298)	(1)	(17,651)	(1)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	3,424	-	3,430	-
8360	Items that may be reclassified subsequently to profit or loss:	(13,874)	(1)	(14,221)	(1)
8300	Other comprehensive income - net after tax	\$ 181,723	8	\$ 191,403	8
8500	Total Comprehensive Income for the Year	\$ 5,611,934	251	\$ 889,543	37
8600	Profit (loss), attributable to:				
8610	Shareholders of the parent company (net income/loss)	\$ 5,429,260	243	\$ 696,250	29
8620	Non-controlling Interests (profit or loss)	951	-	1,890	-
		\$ 5,430,211	243	\$ 698,140	29
8700	Total comprehensive income attributable to:				
8710	Owners of the parent company (consolidated profit and loss)	\$ 5,611,163	251	\$ 888,153	37
8720	Non-controlling interests (consolidated profit and loss)	771	-	1,390	-
		\$ 5,611,934	251	\$ 889,543	37
	Earnings Per Share				
9750	Basic earnings per share (Note 6 (32))	\$ 31.97		\$3.65	
9850	Diluted earnings per share	\$ 31.89		\$3.65	

(The accompanying notes are an integral part of the Consolidated Financial Statements.)

Chairman: Wu, Zi-Cong

Manager: Huang, Chun-Jia

Chief Accountant: Lai Ken-Min

Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2020 and 2019
Unit: Thousand NTD

	Equity Attributable to the Shareholders of the Parent Company										Total equity to owners of the parent company	Non-controlling interests	Total Equity
	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 translating the financial statements of foreign operations	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Treasury stock					
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		
Appropriation and distribution of earnings													
Provision for legal reserve	-	-	22,947	-	(22,947)	-	-	-	-	-	-		
Ordinary cash dividends	-	-	-	-	(237,600)	-	-	-	(237,600)	-	(237,600)		
Reversal of special reserve	-	-	-	(66,543)	66,543	-	-	-	-	-	-		
Other changes in capital surplus	-	702	-	-	-	-	-	-	-	-	-		
Profit (loss) after tax of 2019	-	-	-	-	696,250	-	-	-	702	-	702		
Other comprehensive income after tax in 2019	-	-	-	-	(24,627)	(13,721)	230,251	-	696,250	1,890	698,140		
Total Comprehensive Income for the Year	-	-	-	-	671,623	(13,721)	230,251	-	191,903	(500)	191,403		
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	8,565	-	-	-	-	-	-	888,153	1,390	889,543		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	8,565	-	8,565		
Balance as of December 31, 2019	\$ 1,980,000	\$ 105,429	\$ 759,713	\$ 2,515,291	\$ 921,818	\$ (70,282)	\$ 2,278,210	\$(118,879)	-	9,005	9,005		
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		
Appropriation and distribution of earnings									8,371,300	21,927	8,393,227		
Provision for legal reserve	-	-	73,817	-	(73,817)	-	-	-	-	-	-		
Ordinary cash dividends	-	-	-	-	(1,277,100)	-	-	-	-	-	-		
Reversal of special reserve	-	-	-	(1,941,491)	1,941,491	-	-	-	(1,277,100)	-	(1,277,100)		
Other changes in capital surplus	-	319	-	-	-	-	-	-	-	-	-		
Net Income after tax of 2020	-	-	-	-	5,429,260	-	-	-	319	-	319		
Other comprehensive income after tax in 2020	-	-	-	-	(3,113)	(13,694)	198,710	-	5,429,260	951	5,430,211		
Total Comprehensive Income for the Year	-	-	-	-	5,426,147	(13,694)	198,710	-	181,903	(180)	181,723		
Capital reduction	(594,000)	-	-	-	-	-	-	-	5,611,163	771	5,611,934		
Retirement of treasury shares	-	-	-	-	-	-	-	-	(594,000)	-	(594,000)		
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	46,034	-	-	-	-	-	21,410	21,410	-	21,410		
Changes in non-controlling interests	-	-	-	-	-	-	-	-	46,034	-	46,034		
Disposals of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,394	-	(4,394)	-	-	2,270	2,270		
Balance as of December 31, 2020	\$ 1,386,000	\$ 151,782	\$ 833,530	\$ 573,800	\$ 6,942,933	\$ (83,976)	\$ 2,472,526	\$ (97,469)	\$ 12,179,126	\$ 24,968	\$ 12,204,094		

(The accompanying notes are an integral part of the Consolidated Financial Statements.)

Chairman: Wu, Zi-Cong

Manager: Huang, Chun-Jia

Chief Accountant: Lai Ken-Min

Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

Unit: Thousand NTD

Items	December 31, 2020	December 31, 2019
Cash flows from (used in) operating activities, indirect method		
Net profit (loss) before tax	\$ 5,933,174	\$ 734,556
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	56,820	52,037
Expected credit losses (benefits)	7,674	(4,202)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	50	(810)
Interest expenses	3,604	7,099
Interest revenue	(21,469)	(12,105)
Dividend income	(109,477)	(228,000)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(59,559)	(11,490)
Loss (gain) on disposal and disposition of property, plant and equipment	(2,441)	(444,834)
Loss (gain) on disposal of investment property	-	(14,315)
Loss (gain) on disposal of Non-current assets classified as held for sale	(5,754,207)	-
Gain on reversal of impairment loss on non-financial assets	-	(19,633)
Unrealized exchange loss (gain)	1,573	3,502
Other adjustments to reconcile profit (loss)	319	702
Total adjustments to reconcile profit (loss)	(5,877,113)	(672,049)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	(15,006)	46,754
Decrease (increase) in accounts receivable	(47,454)	107,264
Decrease (increase) in accounts receivable - related parties	4,594	(4,515)
Decrease (increase) in other receivables	(4,538)	5,812
Decrease (increase) in other receivables - related parties	(965)	36
Decrease (increase) in inventories	21,838	12,030
Decrease (increase) in prepayments	(4,079)	(26,545)
Decrease (increase) in other non-current assets	1,430	(1,449)
Decrease (increase) in other financial assets	43,136	(7,954)
Total changes in operating assets	(1,044)	131,433
Changes in operating liabilities		
Increase (decrease) in notes payable	(24,339)	(25,082)
Increase (decrease) in accounts payable	25,050	(24,687)
Increase (decrease) in accounts payable to related parties	(3)	(270)
Increase (decrease) in other payables	38,811	(5,968)
Increases (decreases) in other payables to related parties	(1,415)	(1,230)
Increase (decrease) in other current liabilities	115	610
Increase (decrease) in net defined benefit liabilities	(45,438)	(81,789)
Total changes in operating liabilities	(7,219)	(138,416)
Total changes in operating assets and liabilities	(8,263)	(6,983)
Total adjustments	(5,885,376)	(679,032)
Cash inflow (outflow) generated from operations	47,798	55,524

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Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

Unit: Thousand NTD

Items	December 31, 2020	December 31, 2019
Interest received	\$ 19,192	\$ 12,105
Dividends received	127,705	235,917
Interest paid	(3,617)	(7,182)
Income tax refunded (paid)	(2,276)	(4,971)
Net cash provided by (used in) operating activities	188,802	291,393
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(665,267)	-
Disposal of financial assets at fair value through other comprehensive income	46,834	-
Acquisition of subsidiaries (less the cash received)	-	(9,890)
Disposal of non-current assets held for sale	8,351,965	-
Acquisition of property, plant and equipment	(81,468)	(79,315)
Disposal of property, plant, and equipment	2,892	530,222
Decrease in refundable deposits	11,225	87
Acquisition of right-of-use assets	-	(1,418)
Disposal of investment properties	-	16,887
Increase in other financial assets	(1,540,335)	-
Increase in other non-current assets	(4,518)	(1,137)
Income tax refunded (paid)	(1,029,158)	-
Net cash flows from (used in) investing activities	5,092,170	455,436
Cash flows from financing activities		
Decrease in short-term loans	(90,496)	(259,533)
Decrease in short-term bills payable	(40,000)	(230,000)
Repayments of long-term loans	(3,875)	(3,971)
Increase in guarantee deposits received	940	3,564
Decrease in guarantee deposits received	(2,440)	(4,909)
Repayments of principal portion of the lease	(3,128)	(3,312)
Cash dividends paid	(1,231,066)	(229,035)
Capital reduction	(572,590)	-
Changes in non-controlling interests	2,270	-
Net cash provided by (used in) financing activities	(1,940,385)	(727,196)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(3,413)	(6,193)
Net increase (decrease) in cash and cash equivalents	3,337,174	13,440
Cash and cash equivalents at beginning of the period	650,253	636,813
Cash and cash equivalents at end of period	\$ 3,987,427	\$ 650,253

(The accompanying notes are an integral part of the Consolidated Financial Statements.)

Chairman: Wu, Zi-Cong

Manager: Huang, Chun-Jia

Chief Accountant: Lai Ken-Min