

English Translation of Financial Statements Originally Issued in Chinese

TAH HSIN INDUSTRIAL CORPORATION

BALANCE SHEETS

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
ASSETS					
Current assets					
1100	Cash and cash equivalents(Notes 4,6(1))	\$1,826,219	16	\$1,190,096	10
1110	Current financial assets at fair value through profit or loss(Notes 4,6(2))	1,978	-	-	-
1120	Current financial assets at fair value through other comprehensive income(Note 6(3))	3,905,841	35	4,369,097	35
1150	Notes receivable, net(Note 6(4))	44,225	1	59,145	1
1160	Notes receivable due from related parties, net(Note 6(4))	1,710	-	1,364	-
1170	Accounts receivable, net(Note 6(5))	304,659	3	277,381	2
1180	Accounts receivable due from related parties, net(Note 6(5))	35,506	-	44,412	-
1200	Other receivables	15,411	-	13,482	-
1210	Other receivables due from related parties	2,016	-	146,059	1
1220	Current tax assets	1,382	-	1,515	-
130x	Current inventories(Notes 4,6(6))	562,931	5	602,327	5
1410	Prepayments	19,609	-	32,102	-
1476	Other current financial assets(Note 6)	580,710	5	1,690,000	14
11xx	Total Current assets	7,302,197	65	8,426,980	68
Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income(Note 6(7))	349,883	3	464,800	4
1550	Investments accounted for using equity method(Notes 4,6(8))	1,593,789	14	1,655,754	13
1600	Property, plant and equipment(Notes 4,6(9))	1,553,072	14	1,416,746	11
1755	Right-of-use asset(Notes 4,6(10))	2,225	-	3,610	-
1760	Investment property, net(Notes 4,6(101))	345,466	3	345,477	3
1840	Deferred tax assets(Note 6(2105))	70,375	1	80,966	1
1920	Guarantee deposits paid	1,817	-	1,817	-
1970	Other long-term investments, net	810	-	810	-
1975	Net defined benefit asset, non-current(Notes 4,6)	1,043	-	-	-
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
LIABILITIES AND EQUITY					
Current liabilities					
2130	Current contract liabilities(Note 6(109))	\$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 to related parties	2,503	-	3,658	-
2200	Other payables	146,168	1	122,054	1
2220	Other payables to related parties	24,696	-	23,384	-
2230	Current tax liabilities	28,402	-	265,881	2
2250	Current provisions(Notes 4,6(102))	8,458	-	8,458	-
2280	Current lease liabilities(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(2105))	197,569	2	180,746	2
2580	Non-current lease liabilities(Note 6(10))	900	-	2,239	-
2640	Net defined benefit liability, non-current(Note 6(103))	-	-	13,326	-
2645	Guarantee deposits received	6,900	-	5,938	-
2650	Credit balance of investments accounted for using equity method(Notes 4,6)	13,254	-	4,635	-
25xx	Total Non-current liabilities	218,623	2	206,884	2
2xxx	Total Liabilities	611,232	5	852,404	7
LIABILITIES AND EQUITY					
Equity					
3100	Share capital(Notes 4,6(104))	990,990	9	990,990	8
3200	Capital surplus(Note 6(105))	200,160	2	182,030	1
3300	Retained earnings(Note 6(106))	7,760,947	69	7,538,998	61
3400	Other equity interest(Note 6(107))	1,740,578	16	2,915,781	24
3500	Treasury shares(Note 6(108))	(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

Chairman: Wu, Zi-Cong

President: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

English Translation of Financial Statements Originally Issued in Chinese

TAH HSIN INDUSTRIAL CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	2022	%	2021	%
Operating revenue(Notes 4,6(109))	\$2,336,212	100	\$2,015,136	100
Operating costs(Note 6(6)(210))	(1,981,681)	(85)	(1,767,548)	(88)
Unrealized profit (loss) from sales	354,531	15	247,588	12
Realized profit (loss) on from sales	(2,057)	-	(1,429)	-
Gross profit (loss) from operations	1,429	-	3,939	-
Gross profit (loss) from operations	353,903	15	250,098	12
Operating expenses(Note 6(210))				
Selling expenses	(108,457)	(5)	(114,359)	(6)
Administrative expenses	(107,267)	(4)	(108,529)	(5)
Expected credit impairment loss (or gain)	(1,291)	-	(1,460)	-
Operating expenses	(217,015)	(9)	(224,348)	(11)
Net operating income (loss)	136,888	6	25,750	1
Non-operating income and expenses				
Interest income(Note 6(2101))	31,853	1	18,829	1
Other income(Note 6(2102))	378,762	16	154,698	7
Other gains and losses(Notes 4,6(2103))	146,457	6	(8,989)	-
Finance costs(Notes 4,6(2104))	(188)	-	(88)	-
Share of profit (loss) of subsidiaries, associates and joint	67,923	3	84,543	4
Non-operating income and expenses	624,807	26	248,993	12
Profit (loss) from continuing operations before tax	761,695	32	274,743	13
Tax expense (income)(Note 6(2105))	(53,521)	(2)	(269,382)	(13)
Profit (loss) from continuing operations	708,174	30	5,361	-
Net income (loss)	708,174	30	5,361	-
Other comprehensive income(Note 6(2106))				
Components of other comprehensive income that will not be reclassified to profit or loss				
Gains (losses) on remeasurements of defined benefit plans(Note 6(103))	9,270	-	(12,178)	(1)
Unrealised gains (losses) from investments in equity instruments measured at fair value through other	(992,065)	(42)	694,132	35
Unrealised gains (losses) from investments in equity instruments measured at fair value through other	(210,468)	(9)	(117,397)	(6)
Components of other comprehensive income that will not	(1,193,263)	(51)	564,557	28
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	35,732	1	(27,940)	(1)
Unrealised gains (losses) from investments in debt instruments measured at fair value through other	(1,256)	-	-	-
Income tax related to components of other comprehensive	(7,146)	-	5,588	-
Components of other comprehensive income that will be	27,330	1	(22,352)	(1)
Other comprehensive income	(\$1,165,933)	(50)	\$542,205	27
Total comprehensive income	(\$457,759)	(20)	\$547,566	27
Earnings Per Share				
Basic earnings per share(Note 6(2107))	\$7.41		\$0.04	
Diluted earnings per share(Note 6(2107))	\$7.41		\$0.04	

Chairman: Wu, Zi-Cong

President: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

English Translation of Financial Statements Originally Issued in Chinese

TAI HSIN INDUSTRIAL CORPORATION

STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

Description	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury shares	Total equity
Beginning Balance	\$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 retained earnings:									
Legal reserve appropriated	-	-	737,203	-	(737,203)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(831,600)	-	-	-	(831,600)
Other changes in capital surplus	-	273	-	-	-	-	-	-	273
Consolidated Net Income	-	-	-	-	5,361	-	-	-	5,361
Total comprehensive income	-	-	-	-	(12,178)	(22,352)	576,735	-	542,205
Capital reduction	(395,010)	-	-	-	(6,817)	(22,352)	576,735	-	547,566
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	29,975	-	-	-	-	-	-	(395,010)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	27,152	-	(27,152)	-	29,975
Others	-	-	-	-	-	-	-	14,239	14,239
End of Year	\$990,990	\$182,030	\$1,570,733	\$573,800	\$5,394,465	(\$106,328)	\$3,022,109	(\$83,230)	\$11,544,569
Beginning Balance	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 retained earnings:									
Cash dividends of ordinary share	-	-	-	-	(495,495)	-	-	-	(495,495)
Other changes in capital surplus	-	270	-	-	-	-	-	-	270
Consolidated Net Income	-	-	-	-	708,174	-	-	-	708,174
Total comprehensive income	-	-	-	-	9,270	28,586	(1,203,789)	-	(1,165,933)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	-	-	-	717,444	28,586	(1,203,789)	-	(457,759)
End of Year	\$990,990	\$200,160	\$1,570,733	\$573,800	\$5,616,414	(\$77,742)	\$1,818,320	(\$83,230)	\$10,609,445

Chairman: Wu, Zi-Cong

President: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

English Translation of Financial Statements Originally Issued in Chinese

TAH HSIN INDUSTRIAL CORPORATION

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

Description	2022	2021
Cash flows from (used in) operating activities, indirect method		
Profit (loss) before tax	\$761,695	\$274,743
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	38,652	30,011
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	1,291	1,460
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	825	-
Interest expense	188	88
Interest income	(31,853)	(18,829)
Dividend income	(348,774)	(129,774)
Investment Loss (Income) Recognized under Equity Method	(67,923)	(84,543)
Loss (gain) on disposal of property, plan and equipment	(572)	(206)
Property, plan and equipment transferred to expenses	2,130	-
Unrealized profit (loss) from sales	2,057	1,429
Realized loss (profit) on from sales	(1,429)	(3,939)
Unrealized foreign exchange loss (gain)	2,147	1,633
Other Adjustments to Reconcile Net Income	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 due from related parties	(346)	(246)
Decrease (increase) in accounts receivable	(32,059)	(17,579)
Decrease (increase) in accounts receivable due from related parties	8,978	11,088
Decrease (increase) in other receivable	1,863	(6,008)
Decrease (increase) in other receivable due from related parties	3	(507)
Decrease (increase) in inventories	39,396	(151,243)
Decrease (increase) in prepayments	12,493	21,500
Decrease (increase) in other operating 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 to related parties	(1,155)	1,994
Increase (decrease) in other payable	(3,986)	(43,324)

Increase (decrease) in other payable to 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 liability	(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 taxes refund (paid)	(270,599)	215
Net cash flows from (used in) operating activities	605,883	74,955
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(414,313)	(901,010)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	140,179
Acquisition of financial assets measured at fair value through profit or loss	(2,803)	-
Acquisition of investments accounted for using equity method	(18,997)	(79,500)
Acquisition of property, plant and equipment	(147,867)	(387,678)
Proceeds from 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 flows from (used in) investing activities	526,150	(1,428,671)
Cash flows from (used in) financing activities		
Increase in guarantee deposits received	2,170	1,106
Decrease in guarantee deposits received	(1,208)	(80)
Repayments of principle of lease liabilities	(1,377)	(641)
Cash dividends paid	(495,495)	(831,600)
Capital reduction payments to shareholders	-	(395,010)
Net cash flows from (used in) financing activities	(495,910)	(1,226,225)
Net increase (decrease) in cash and cash equivalents	636,123	(2,579,941)
Cash and cash equivalents at beginning of period	1,190,096	3,770,037
Cash and cash equivalents at end of period	\$1,826,219	\$1,190,096

Chairman: Wu, Zi-Cong

President: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je