

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	%
<b>ASSETS</b>					
	Current assets				
1100	Cash and cash equivalents(Note 6)	\$2,019,589	18	\$1,509,695	12
1110	Current financial assets at fair value through profit or loss(Note 6)	1,978	-	-	-
1120	Current financial assets at fair value through other comprehensive income(Note 6)	4,050,561	35	4,564,082	36
1150	Notes receivable, net(Note 6)	76,177	1	88,641	1
1170	Accounts receivable, net(Note 6)	339,514	3	317,236	3
1180	Accounts receivable due from related parties, net(Note 6)	18,535	-	16,499	-
1200	Other receivables	20,914	-	18,701	-
1210	Other receivables due from related parties	833	-	1,834	-
1220	Current tax assets	8,472	-	4,957	-
130x	Current inventories(Note 6)	749,392	6	756,419	6
1410	Prepayments	25,219	-	40,376	-
1476	Other current financial assets(Note 6)	640,876	6	1,712,362	13
1479	Other current assets, others	988	-	1,153	-
11xx	Total Current assets	7,953,048	69	9,031,955	71
	Non-current assets				
1517	Non-current financial assets at fair value through other comprehensive income(Note 6)	586,578	5	768,053	6
1550	Investments accounted for using equity method(Note 6)	471,598	4	574,360	5
1600	Property, plant and equipment(Note 6)	1,970,028	17	1,757,705	14
1755	Right-of-use asset(Note 6)	74,039	1	74,133	-
1760	Investment property, net(Note 6)	345,465	3	401,177	3
1840	Deferred tax assets(Note 6)	95,918	1	104,239	1
1920	Guarantee deposits paid	3,807	-	3,883	-
1970	Other long-term investments, net	810	-	810	-
1975	Net defined benefit asset, non-current(Notes 4,6)	1,043	-	-	-
1980	Other non-current financial assets(Note 6)	26,448	-	36,924	-
1995	Other non-current assets, others	5,759	-	1,485	-
15xx	Total Non-current assets	3,581,493	31	3,722,769	29
1xxx	Total Assets	\$11,534,541	100	\$12,754,724	100
<b>LIABILITIES AND EQUITY</b>					
	Current liabilities				
2100	Current borrowings(Note 6)	\$160,541	1	\$255,760	2
2110	Short-term notes and bills payable(Note 6)	25,000	-	-	-
2120	Current financial liabilities at fair value through profit or loss(Note 6)	3,209	-	12	-
2130	Current contract liabilities(Note 6)	12,117	-	11,457	-
2150	Notes payable	122,289	1	146,175	1
2170	Accounts payable	60,245	1	79,939	1
2180	Accounts payable to related parties	140	-	-	-
2200	Other payables	229,807	2	196,696	2
2220	Other payables to related parties	3,413	-	1,211	-
2230	Current tax liabilities	50,252	1	266,975	2
2250	Current provisions(Note 6)	8,458	-	8,458	-
2280	Current lease liabilities(Note 6)	2,904	-	2,655	-
2399	Other current liabilities, others	2,002	-	2,112	-
21xx	Total Current liabilities	680,377	6	971,450	8
	Non-current liabilities				
2570	Deferred tax liabilities(Note 6)	197,569	2	180,746	1
2580	Non-current lease liabilities(Note 6)	8,250	-	9,877	-
2640	Net defined benefit liability, non-current(Notes 4,6)	-	-	13,326	-
2645	Guarantee deposits received	9,601	-	9,043	-
25xx	Total Non-current liabilities	215,420	2	212,992	1
2xxx	Total Liabilities	895,797	8	1,184,442	9
<b>LIABILITIES AND EQUITY</b>					
	Equity				
	Equity attributable to owners of parent				
3100	Share capital(Note 6)	990,990	9	990,990	8
3200	Capital surplus(Note 6)	200,160	2	182,030	2
3300	Retained earnings(Note 6)	7,760,947	67	7,538,998	59
3400	Other equity interest(Note 6)	1,740,578	15	2,915,781	23
3500	Treasury shares(Note 6)	(83,230)	(1)	(83,230)	(1)
31xx	Total Equity attributable to owners of parent	10,609,445	92	11,544,569	91
36xx	Non-controlling interests(Note 6)	29,299	-	25,713	-
3xxx	Total Equity	10,638,744	92	11,570,282	91
	Total Liabilities And Equity	\$11,534,541	100	\$12,754,724	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(Note 6)	\$2,669,360	100	\$2,378,900	100
Operating costs(Note 6)	(2,164,045)	(81)	(2,012,513)	(85)
Unrealized profit (loss) from sales	505,315	19	366,387	15
Operating expenses(Note 6)				
Selling expenses	(108,441)	(4)	(113,369)	(5)
Administrative expenses	(225,260)	(8)	(244,044)	(10)
Expected credit impairment loss (or gain)	(1,181)	-	(1,724)	-
Operating expenses	(334,882)	(12)	(359,137)	(15)
Net operating income (loss)	170,433	7	7,250	-
Non-operating income and expenses				
Interest income(Note 6)	33,568	1	20,592	1
Other income(Note 6)	431,635	16	223,676	9
Other gains and losses(Note 6)	130,305	5	(15,798)	-
Finance costs(Note 6)	(2,342)	-	(1,907)	-
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	-	-	5,024	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	23,146	1	41,877	2
Non-operating income and expenses	616,312	23	273,464	12
Profit (loss) from continuing operations before tax	786,745	30	280,714	12
Tax expense (income)(Note 6(2108))	(75,521)	(3)	(274,282)	(12)
Profit (loss) from continuing operations	711,224	27	6,432	-
Net income (loss)	711,224	27	6,432	-
Other comprehensive income(Note 6)				
Components of other comprehensive income that will not be reclassified to profit or loss				
Gains (losses) on remeasurements of defined benefit plans(Note 6)	9,270	-	(12,178)	-
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,108,888)	(42)	637,831	27
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income, associates and joint ventures	(93,645)	(3)	(61,096)	(3)
Components of other comprehensive income that will not be reclassified to profit or loss	(1,193,263)	(45)	564,557	24
Components of other comprehensive income that will be reclassified to profit or loss				
Exchange differences on translation	36,819	1	(28,266)	(1)
Unrealised gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(1,256)	-	-	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(7,146)	-	5,588	-
Components of other comprehensive income that will be reclassified to profit or loss	28,417	1	(22,678)	(1)
Other comprehensive income	(\$1,164,846)	(44)	\$541,879	23
Total comprehensive income	(\$453,622)	(17)	\$548,311	23
Profit (loss), attributable to:				
Profit (loss), attributable to stockholders of the parent	\$708,174	27	\$5,361	-
Profit (loss), attributable to non-controlling interests	3,050	-	1,071	-
	\$711,224	27	\$6,432	-
Comprehensive income attributable to:				
Stockholders of the parent (Comprehensive income)	(\$457,759)	(17)	\$547,566	23
Non-controlling interests (Comprehensive income)	4,137	-	745	-
	(\$453,622)	(17)	\$548,311	23
Earnings Per Share				
Basic earnings per share(Note 6)	\$7.41		\$0.04	
Diluted earnings per share	\$7.41		\$0.04	

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**TAH 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 attributable to owners of parent	Non-controlling interests	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	\$24,968	\$12,204,094
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	737,203	-	(737,203)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(831,600)	-	-	-	(831,600)	-	(831,600)
Other changes in capital surplus	-	273	-	-	-	-	-	-	273	-	273
Consolidated Net Income	-	-	-	-	5,361	-	-	-	5,361	1,071	6,432
Total comprehensive income	-	-	-	-	(12,178)	(22,352)	576,735	-	542,205	(326)	541,879
Capital reduction	(395,010)	-	-	-	(6,817)	(22,352)	576,735	-	547,566	745	548,311
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	29,975	-	-	-	-	-	-	(395,010)	-	(395,010)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	29,975	-	29,975
Others	-	-	-	-	-	-	-	-	-	-	-
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	\$25,713	\$11,570,282
Beginning Balance	990,990	182,030	1,570,733	573,800	5,394,465	(106,328)	3,022,109	(83,230)	11,544,569	25,713	11,570,282
Appropriation and distribution of retained earnings:											
Cash dividends of ordinary share	-	-	-	-	(495,495)	-	-	-	(495,495)	-	(495,495)
Other changes in capital surplus	-	270	-	-	-	-	-	-	270	-	270
Consolidated Net Income	-	-	-	-	708,174	-	-	-	708,174	3,050	711,224
Total comprehensive income	-	-	-	-	9,270	28,586	(1,203,789)	-	(1,165,933)	1,087	(1,164,846)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	17,860	-	-	717,444	28,586	(1,203,789)	-	(457,759)	4,137	(453,622)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	17,860	-	17,860
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	\$29,299	\$10,638,744

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**TAI HSIEN 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	\$786,745	\$280,714
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	66,710	58,010
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	1,181	(3,300)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	3,974	(24)
Interest expense	2,342	1,907
Interest income	(33,568)	(20,592)
Dividend income	(382,489)	(181,571)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(23,146)	(41,877)
Loss (gain) on disposal of property, plan and equipment	(705)	(457)
Property, plan and equipment transferred to expenses	3,194	-
Unrealized foreign exchange loss (gain)	2,281	683
Other Adjustments to Reconcile Net Income	270	(54)
Total adjustments to reconcile profit (loss)	(359,956)	(187,275)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	12,925	1,181
Decrease (increase) in accounts receivable	(26,952)	(8,582)
Decrease (increase) in accounts receivable due from related parties	(2,100)	(1,317)
Decrease (increase) in other receivable	2,130	(4,026)
Decrease (increase) in other receivable due from related parties	1,001	(865)
Decrease (increase) in inventories	7,027	(149,442)
Decrease (increase) in prepayments	15,157	17,995
Decrease (increase) in other current assets	165	496
Decrease (increase) in other financial assets	(37,804)	19,960
Decrease (increase) in other operating assets	(1,043)	-
Total changes in operating assets	(29,494)	(124,600)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	660	3,568
Increase (decrease) in notes payable	(23,886)	53,236
Increase (decrease) in accounts payable	(19,694)	11,286
Increase (decrease) in accounts payable to related parties	140	-
Increase (decrease) in other payable	1,564	(53,460)
Increase (decrease) in other payable to related parties	2,202	(3,581)
Increase (decrease) in provisions	-	(1,009)
Increase (decrease) in other current liabilities	(110)	(257)

Increase (decrease) in net defined benefit liability	(4, 056)	(6, 772)
Total changes in operating liabilities	(43, 180)	3, 011
Total changes in operating assets and liabilities	(72, 674)	(121, 589)
Total adjustments	(432, 630)	(308, 864)
Cash inflow (outflow) generated from operations	354, 115	(28, 150)
Interest received	29, 530	21, 549
Dividends received	419, 367	231, 665
Interest paid	(2, 321)	(1, 880)
Income taxes refund (paid)	(274, 407)	(8, 811)
Net cash flows from (used in) operating activities	526, 284	214, 373
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(414, 313)	(1, 215, 535)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	306, 407
Acquisition of financial assets measured at fair value through profit or loss	(2, 803)	-
Acquisition of investments accounted for using equity method	(4, 180)	-
Acquisition of property, plant and equipment	(171, 669)	(401, 151)
Proceeds from disposal of property, plant and equipment	971	603
Increase in refundable deposits	-	(1, 250)
Decrease in refundable deposits	76	156
Acquisition of investment properties	(780)	(55, 730)
Increase in other financial assets	-	(200, 000)
Decrease in other financial assets	1, 119, 766	13, 411
Increase in other non-current assets	(4, 274)	-
Decrease in other non-current assets	-	7, 287
Net cash flows from (used in) investing activities	522, 794	(1, 545, 802)
Cash flows from (used in) financing activities		
Increase in short-term loans	-	100, 000
Decrease in short-term loans	(89, 839)	(32, 472)
Increase in short-term notes and bills payable	25, 000	-
Repayments of long-term debt	-	(2, 092)
Increase in guarantee deposits received	2, 170	1, 106
Decrease in guarantee deposits received	(1, 659)	(80)
Repayments of principle of lease liabilities	(2, 674)	(3, 254)
Cash dividends paid	(477, 635)	(801, 625)
Capital reduction payments to shareholders	-	(380, 771)
Change in non-controlling interests	(551)	-
Net cash flows from (used in) financing activities	(545, 188)	(1, 119, 188)
Effect of exchange rate changes on cash and cash equivalents	6, 004	(27, 115)
Net increase (decrease) in cash and cash equivalents	509, 894	(2, 477, 732)
Cash and cash equivalents at beginning of period	1, 509, 695	3, 987, 427
Cash and cash equivalents at end of period	\$2, 019, 589	\$1, 509, 695

**Chairman: Wu, Zi-Cong**

**President: Wu, Zi-Cong**

**Chief Accountant: Chen, Ming-Je**