

Stock Code: 1315

Tahsin Industrial Corporatoin

Annual General Shareholders' Meeting 2022

Meeting Handbook

**Hold the shareholders meeting:
entity shareholders meeting**

Date and Time:

June 17, 2022 (Friday) 9:00 a.m. sharp

Venue:

**No. 51, 35th Road, Taichung Industrial Park,
Xitun District, Taichung City (Head Office)**

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Tahsin Industrial Corporatoin

Meeting Procedure for the 2022 Annual General Meeting of Shareholders

- I. Announce the meeting**
- II. Matters for reporting**
- III. Matters for ratification**
- IV. Matters for discussion**
- V. Extraordinary motion**
- VI. Adjournment**

Tahsin Industrial Corporatoin

Meeting Agenda for the 2022 Ordinary Meeting of Shareholders

Date and Time: June 17, 2022 (Friday) 9:00 a.m. sharp

Venue: No. 51, 35th Road, Taichung Industrial Park, Xitun District, Taichung City (Head Office)

I. Company Reports:

- (1) 2021 Business Report
- (2) 2021 Audit Committee Report
- (3) Update the company's report on "Code of Practice on Corporate Governance"
- (4) Update the company's report on "Code of Practice on Sustainable Growth"
- (5) Report on the situation of handling guarantee by endorsement.
- (6) Report on the situation of appropriation of retained earnings via cash dividends in 2021.
- (7) Report on the situation of distribution of remuneration to directors and employees in 2021.

II. Matters for ratification:

Proposal 1: Ratification of the 2021 Business Report and 2021 Financial Statements.

Proposal 2: Ratification of the 2021 Distribution of Earnings.

III. Matters for discussion:

Proposal 1: Proposal of amendments to the Company's Articles of Incorporation.

Proposal 2: Proposal of amendments to the Company's "Procedure for Acquisition and Disposal of Assets".

Proposal 3: Proposal of amendments to the Company's "Rules of Procedure for Shareholders' Meeting".

IV. Extraordinary motion

V. Adjournment

Matters for reporting

I. Year 2021 Operating Report, being submitted for validation and adoption.

Explanatory notes: Year 2021 Business Report, please refer to Page 5 - 9 of the Handbook.

II. Year 2021 Audit Committee's Review Report, hereby submitted for verification

Explanatory note: Audit Committee's Review Report, please refer to Page 10 of the Handbook.

III. Update the company's report on "Codes of practice on Corporate governance", hereby submitted for verification.

Explanatory note: In order to construct an effective framework for corporate governance, in accordance with relevant provisions under the Law and Regulation, hereby update the Company's "Codes of practice on Corporate Governance", please refer to Page 11 -31 of the Handbook.

IV. Update the company's report on "Codes of practice on sustainable growth", hereby submitted for verification.

Explanatory note: in order to realize company's social responsibility, and facilitate improvement in the economy, environment, and society so as to achieve the objective of sustainable growth, in accordance with relevant provisions in the regulation, we update the company's "Code of practice on Sustainable Growth," please refer to Page 32 - 39 of the Handbook.

V. The report on the situation of handling guarantee by endorsement, hereby submitted for verification.

Explanatory note: The situation of external guarantee by endorsement issued by the company as at December 31, 2021 is as follows:

Guaranteed person	Endorsed amount		
	Foreign currency (\$)		NT\$
Tahsin Shoji Co., Ltd	JPY	500,000,000	120,250,000
Total			120,250,000

VI. Report on the Status of 2021 Profit Distribution as Cash Dividends to Shareholders, hereby reported for decision making.

Explanation:

1. In accordance with Paragraph 5, Article 240 of the Companies Act, the resolution of Board

of Directors to pay cash dividends from the company's earnings shall be reported at the shareholders' meeting.

- The Company passed a resolution at the shareholders' meeting on June 5, 2020 to amend the Company's Article of Incorporation, authorizing the Board of Directors to distribute cash dividends at the end of every half of a year. The amount and date of the cash dividends for each half of 2021 resolved by the Board of Directors of the Company are as follows:

2021	Date of the board's resolution	Cash dividend per share (NT\$)	Total cash dividends (NT\$)	Date of disbursement
First half of the fiscal year	110.08.11	2	277,200,000	110.09.30
Second half of the fiscal year	111.03.25	2.5	247,747,500	111.05.18
Total		4.5	524,947,500	

- The above-mentioned distribution of cash dividends shall be distributed in dollars (rounded down to the nearest dollar) and the aggregated rounded off amounts shall be recorded as other income of the Company.

VII. Report on the Status of 2021 Compensation distributed to Employees and Remuneration distributed to Directors and Supervisors, hereby reported for decision making.

Explanation:

- In accordance with the provisions of Company's Articles of Incorporation, if the Company generates profits for the year, the Company shall distribute no less than 0.5% of total profit as compensation to employees, and no more than 0.5% of total profit as remuneration to directors and supervisors.
- The Company's 2021 pre-tax profit before deducting the amount distributed as compensation to employees and remuneration to directors and supervisors is NT\$274,742,465.
- This proposal is approved by the resolution of the Remuneration Committee on March 8, 2022, and adopted by the resolution of the Board of Directors on March 25, 2022.

Distributed items:	Amount to be distributed per the Board's resolution (NT\$)	Way of distribution
Compensation to Employees	1,480,000	Cash
Remuneration to Directors and Supervisors	1,300,000	Cash

Tahsin Industrial Corporatoin

2021 Business Report

2021 Business Report

Dear Shareholders, ladies and gentlemen

Now the Company's Operating Performance in 2021 is reported as follows: The Company's operating revenue in 2021 was NT\$2,015.13 million, an increase of 12.18% compared with that in 2020. The operating profit was NT\$25.75 million, an increase by NT\$17.81 million compared with that in 2020. The net income before tax was NT\$274.74 million, a decline by NT\$5,654.88 million compared with that in 2020, net income after tax reduced by NT\$5,423.89 million from 2020 to NT\$5.36 million in 2021.

The segmental analysis of sales by product category and geographical market in recent two years is presented as follows:

Sales by product category						
Product category segment	2021		2020		Unit: NT\$1,000	
	Improvement (Decline) compared with previous year					
	Amount	%	Amount	%	Amount	%
Rainwear department	924,985	45.90	936,464	52.13	(11,479)	(1.23)
Garment department	574,028	28.49	423,898	23.60	150,130	35.42
New product department	258,738	12.84	201,081	11.19	57,657	28.67
PP department	257,385	12.77	234,955	13.08	22,430	9.55
Total	2,015,136	100.00	1,796,398	100.00	218,738	12.18

Sales by geographical market						
Geographical market segment	2021		Year 2020		Unit: NT\$1,000	
	Improvement (Decline) compared with previous year					
	Amount	%	Amount	%	Amount	%
Taiwan	404,678	20.08	379,213	21.11	25,465	6.72
America	308,543	15.31	273,917	15.25	34,626	12.64
Europe	802,986	39.85	641,551	35.71	161,435	25.16
Japan	283,409	14.06	330,611	18.41	(47,202)	(14.28)
Other	215,520	10.70	171,106	9.52	44,414	25.96
Total	2,015,136	100.00	1,796,398	100.00	218,738	12.18

The parent company only operating revenue, profitability and return on investment in the most recent two years are analyzed as shown below:

(1) Parent company only sales and profitability performance in the last two years

Unit: NT\$ thousand

Items	2021		2020	
	Amount	%	Amount	%
Net operating revenue	2,015,136	100.00	1,796,398	100.00
Gross operating profit	247,588	12.28	212,893	11.85
Operating profit	25,750	1.28	7,936	0.44
Net profit before tax	274,743	13.63	5,929,631	330.08
Net income after tax	5,361	0.27	5,429,260	302.23

(2) Profitability

Items			2021	2020
Profitability	Return on total assets (%)		0.04 %	48.76 %
	Return on shareholders' equity (%)		0.05 %	52.84 %
	to Paid-in capital	Operating profit	2.60 %	0.57 %
		Net profit before tax	27.72 %	427.82 %
	Net profit rate (%)		0.27 %	302.23 %
	Earnings per share (NT\$)		NT\$0.04	NT\$31.97

(3) Return on Investment

Items	2021	2020
Price-to-Earnings Ratio	1758.25	1.73
Price / Dividend Ratio	15.63	6.91
Cash Dividend Yield	6.40%	14.48%

II. Outline of 2022 Business Plan

〈I〉 Summary of 2021 Business Plan

1. Operating Strategies:

[Improve staff living standards] [Technological innovation, Attaches great importance to the quality]

[Stimulate employees' potential to create profits] [Serve customers at reasonable prices]

2. Estimated target for sales:

The sales target in 2021 is NT\$2.2 billion for the Company, and NT\$2.5 billion for the Group. We will actively develop new customers, stabilize order receiving, balance production capacity, win more lucrative orders, and improve business performance and profitability.

The anticipated sales for major products of the Group in 2022 is as follows:

Unit: NT\$ million

	Anticipated sales for the Company			Anticipated sales for the Group		
Product category	Domestic sales	Export sales	Expected sales	Domestic sales	Export sales	Expected sales
Raincoat	110	1,039	1,149	110	1,168	1,278
Garment	102	445	547	102	548	650
Stationery	-	66	66	-	81	81
Binding machine	-	36	36	-	45	45
Laminator	-	156	156	-	192	192
PP corrugated board	210	36	246	210	44	254
Total	422	1,778	2,200	422	2,078	2,500

3. Important production and sales strategies:

- (1) New customers from both domestic market and overseas market are continuously developed, digital communication is employed to accelerate the timeliness of proofing development, and communication are conducted with customers online to expedite clarification on order details. Coordinate with customers to forecast order quantity on quarterly basis, cooperate with overseas factories to plan production capacity on advance basis, in order to ensure smooth delivery of finished goods.
- (2) Collect environmental friendly cloth materials and provide to customers for reference, develop domestic material supplier and directly purchase from the source in order to assure quality and timeliness.
- (3) Due to prevailing impact of Covid-19 pandemic, overseas factories continuously adhere to the epidemic preventive measures, staff and workers are encouraged to complete vaccination, so as to stabilize employee attendance and improve productivity.

- (4) Due to gradual release of epidemic quarantine, the overseas demand for protective gear products has increased. Recruitment for production line is continuously carried out to catch up with the production schedule, meanwhile the container situation is closely observed and monitored in order to expedite transportation and delivery.
- (5) PP corrugated board for overseas market is continuously promoted, through publication in newspaper and website. New ejecting machines are purchased for factories in order to expand production and assure quality, and increase the market share.

〈 II 〉 Future development strategy:

- 1. Development of new customers and acquisition of new orders:

Develop new customers in overseas market and expand the business; foster a closer relationship with customers, balance the load and resource between peak and slack season, prioritize product quality, satisfy customers' needs, gain customers' trust. Design new series of products for domestic sales using new environmentally friendly materials, explore new projects from government departments and win their orders, enhance product sales performance.

- 2. Digital operation:

Upgrade computer hardware and software, utilize digital communication, digital operations, effectively accelerate the operating process, reduce paper demand. Digital connectivity helps to manage and control procurement, material receipt and transfer, production, shipment, collection, and other circumstances on real time basis.

- 3. Import of new machinery and equipment

Purchase of new extruder machines, expand product lines, increase production volume while assuring quality and achieving energy saving; update digital sewing machines in overseas factories, which can quickly adjust settings, reframe templates to facilitate standard operation for workers; import labor-saving handling equipment to ensure worker safety.

- 4. Solar energy use plan:

It is planned to use solar energy panels to generate electricity for the plants, and the efficiency of energy storage facility is being assessed. On the topic of caring for earth and protect its environment, the Company is considerate about its social

responsibility and takes a proactive step to preserve energy and reduce carbon emission.

Looking back on 2021, in the face of Covid-19 pandemic and high prices, the operation team led all employees to focus on their respective businesses with pragmatism and integrity, business revenue grew steadily.

Marching into 2022, Tahsin carefully faces the various uncertainties, risks and variables around the world. The approach is to timely adjust production capacity and distribute production facilities; strengthen customers' loyalty, implement quality management, and place importance to issues such as "corporate governance", "social communion" and "environmental sustainability", fulfills corporate social responsibility, re-layout for sustainable operation, enhances industrial value, and create maximum return on investment for shareholders.

Chairman: Wu,Zi-Cong

Manager: Wu,Zi-Cong

Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporatoin

Audit Committee's Review Report

The 2021 Business Report and Profit Distribution Proposal prepared by the Company's Board of Directors, along with the consolidated and individual financial statements audited by Crowe Horwath (Taiwan) CPAs' Chang, Fu-Lang and Chiu, Kuei-Ling have been submitted to the Audit Committee for review and approval without finding any non-conformity. The Audit Committee hence issued the Review Report in accordance with Article 219 of the Companies Act for approval.

To

2022 Shareholders' Meeting

Convener of the Audit Committee: Lin, Ko-Wu

March 25, 2022

Tahsin Industrial Corporatoin

Codes of practice on Corporate Governance

Article 1 General provisions

Article 1 In order to build a sound system of corporate governance, promote the healthy development of the securities market, the Company jointly formulated this Code making reference to the Taiwan Stock Exchange Co., Ltd. (hereinafter referred to as the Stock Exchange) and the Corporate Consortium Over-the-Counter Securities Exchange of the Republic of China (hereinafter referred to as the OTC market), hereby establishes "Tahsin Industrial Corporation's Code of Practice for Corporate Governance", for compliance.

Article 2 In setting up the corporate governance system, in addition to having abided by the provisions of the Law and Regulation as well as Articles of Incorporation, the Company should adhere to the following principles:

- I. Safeguard the rights and interests of shareholders.
- II. Strengthen the duties of board of directors.
- III. Play the functionality of Audit Committee.
- IV. Respect the rights and interests of related parties.
- V. Increase the transparency of information.

Article 3 (Establish internal control system) In accordance with the provisions of the "Guideline on setting up internal control system by public listed companies", the Company should appraise the overall operating activities in the Company and its subsidiaries, design and positively implement its internal control system, and review the process and situation at any time, to adapt with changes in internal and external environment of the Company, to ensure the continuity and efficiency of the system design and implementation. The company should put the self-assessment exercise in the internal control system in practice, on that basis, the board of directors and the management should review the self-assessment work done by respective departments at least once a year, and review the reports issued from the internal audit department on quarterly basis. Audit Committee shall pay attention to the process and supervise them accordingly. The Company should establish communication channels and mechanic among independent directors, audit committee and internal audit officers. Directors are expected to hold regular consultations with internal auditors to review the internal

controls with particular reference to deficiencies in the system. They should make records of the consultation details, track and implement improvements and submit report to the Board of Directors. The management of the Company shall pay high attention to the internal audit department and its personnels, and provide them adequate authority to accurately inspect and evaluate the deficiencies in the internal control system, and measure the efficiency of operations, so as to ensure the continuous and effective implementation of the system, and assist the Board and the Management to discharge their duties, thus putting the corporate governance system in place. The appointment, removal, job performance assessment and remuneration of the internal auditors of the Company shall be submitted to the Board of Directors for review or the Internal Audit supervisor reports the same to the Chairman of the Board for approval.

Article 3-1 (Person in charge of corporate governance and related matters) The Company shall allocate suitable and appropriate number of corporate governance personnel according to the company's size, business situation and management needs, and shall designate a corporate governance supervisor in accordance with the provisions of the competent authorities and stock exchanges, who shall be the highest rank supervisor responsible for corporate governance and related matters. The supervisor shall have obtained the qualifications of lawyers, accountants or having engaged in legal, legal compliance, internal audit, finance, treasury, corporate governance, or other related profession at financial institutions, securities industry or public listed companies, holding supervisory position for more than three years. The corporate governance related affairs mentioned in the preceding paragraph should include at least the following content:

- I. Matters related to Board of Directors' meeting and Shareholders' meeting shall be dealt with in accordance with the law.
- II. Prepare minutes of meeting for board of directors' meetings and shareholders' meetings.
- III. Assist directors in taking office and continuing education.
- IV. Provide directors with materials necessary for them to execute duties.
- V. Assist directors to adhere to laws and regulations.
- VI. Other matters pursuant to Company's Articles of Incorporation or agreements.

Article 2 Safeguard the rights and interests of directors

Section 1: Encourage directors to participate in corporate governance

Article 4 The corporate governance system of this Company should safeguard the rights and interests of shareholders, and fairly treat all the shareholders. The Company should

establish a corporate governance system that allows shareholders to take cognizance fully of significant events in the Company, to enjoy rights to participate in, make decisions, etc. as needed.

Article 5 The Company should organize shareholders' meetings from time to time in accordance with the Companies Act and the provisions of relevant laws and regulations, besides should formulate a complete code of procedure for shareholders' meeting, whereby matters to be resolved by shareholders' meeting must be processed in accordance with the code. The content discussed and resolved in the Company's shareholders' meeting should comply with provisions under the law and regulation as well as the Company's Articles of Incorporation.

Article 6 The Board of Directors of the Company shall properly arrange the topics and procedures for the shareholders' meeting, fix the principles and operational procedures for the shareholders' nomination of directors and shareholders' meeting proposals, and properly handle the proposals which are submitted by the shareholders in accordance with the law; a convenient place shall be arranged for the shareholders' meeting, to be held via video conference, the meeting shall start no earlier than 9:00 a.m. or not later than 3:00 p.m., sufficient time and appropriate personnel shall be assigned to handle the attendance procedure, no additional supporting documents shall be arbitrarily added to the attendance verification procedure; shareholders shall be given sufficient time for discussion on each topic and shall be given appropriate opportunities to speak out their thoughts and suggestions. The Chairman of the Board of Directors shall preside in person over the shareholders' meeting convened by the Board of Directors. At least 50% of the members of the Board (including at least one independent director) must attend the meeting in person. In addition, the convener of the Audit Committee and at least one member representing other functional committees shall attend the meeting too. These attendances shall be recorded in the minutes of the Shareholders' Meeting.

Article 7 The Company shall encourage shareholders to participate in corporate governance and appoint a professional service agency to handle the affairs of shareholders' meetings, so that shareholders' meetings can be convened and carried out legally, effectively and safely. The Company shall, through various ways and means, fully adopt the technology-enabled information disclosure method, simultaneously upload the Chinese and English versions of the annual report, annual financial statements and reports, shareholders' meeting notice, meeting manual and meeting supplementary

information, and shall adopt electronic voting, to increase the shareholders' attendance rate at the shareholders' meeting, and to ensure that the shareholders can exercise their rights according to the law. Company should avoid raising of provisional motions and amendments to the original proposals during the shareholders' meeting. On the day after the shareholders' meeting is convened, the Company shall enter the results of the shareholders' consent, opposition, and waiver into the public information observatory site.

Article 8 The Company shall, in accordance with the provisions of the Companies Act and relevant laws and regulations, make records of the year, month, day, venue, chairman's name and resolution method of the meeting in the minutes of the shareholders' meeting, and shall record the essentials and results of the deliberations in the meeting. The method of voting and the number of rights conferred to elected directors to-be shall be specified clearly for the election of directors. The minutes of shareholders' meetings should be kept properly on a permanent basis during the existence of the company, and that information should be fully disclosed especially when the Company does set up a website.

Article 9 The Chairperson of the Shareholders' Meeting of the Company shall be fully aware of and comply with the Rules of procedure set by the Company in order to maintain a smooth agenda and shall not arbitrarily declare adjournment of the meeting. In order to protect the rights and interests of the majority shareholders, in the event that the chairperson declares an adjournment of the meeting in violation of the rules of procedure, the other members of the board of directors should promptly assist the attending shareholders by following the procedures established pursuant to the law, to select one person as the new chairperson, with the consent of a majority of the voting rights above 50% of the shareholders in attendance, and continue the meeting.

Article 10 (Company should pay attention to the shareholders' rights to know and should prevent insider trading) The Company should place importance on shareholders' rights to know and obey the provisions related to the disclosure of information. The information on the company's financials, business operation, shareholdings by internal personnel, and status of corporate governance should be disclosed to shareholders on a regular and timely basis via public information observatory site or the company's website. In order to treat shareholders equally, the release of the various types of information referred to in the preceding paragraph should be also disclosed in English simultaneously. In order to safeguard the rights and interests of shareholders and enable equal treatment for

shareholders, the Company shall formulate inhouse rules to prohibit internal staff from using unpublished information to buy and sell securities on the market. The preceding rules shall include measures to control the trading of securities by persons within the Company starting from the date of receiving the Company's financial report or related information on business operation, including (but not limited to) the stipulation that directors are not allowed to trade their shares during the 30 days before the announcement of the annual financial report, and during the closure period of 15 days before the announcement of the quarterly financial report.

Article 10-1 (Reporting on Directors' Remuneration at the General Meeting of Shareholders) The Company is advised to report on the remuneration received by the Directors at the General Meeting of Shareholders, including the remuneration policy, the content of individual remuneration, the amount, and its relevance to the results of the performance assessment.

Article 11 Shareholders shall have the right to share in the company's surplus earnings. In order to ensure the rights and interests of shareholders to make investment, in accordance with the provisions under Article 184 of the Companies Act, the shareholders can inspect and verify the listing prepared by the Board of Directors, the Audit Committee's report, vote for or against a resolution on the profit distribution of loss provision. Shareholders may elect to engage an inspector to perform verification work prior to the implementation of a resolution. Shareholders may, in accordance with the provisions of Article 245 of the Companies Act, request the court to appoint an inspector to examine the company's business accounts, situation of assets or properties, specific matters, specific transaction documents and records. The Board of Directors, the Audit Committee and the managers of the Company shall fully cooperate with the inspectors in their verification work as described in the preceding two items, and shall not have conduct to evade, obstruct or refuse in any way.

Article 12 Acquisition or disposal of assets, drawing of capital loans, render of guarantees by endorsement, other major financial and business activities by the Company shall be dealt with in accordance with the relevant laws and regulations, and those transactions should be documented per relevant procedure in the form of a report to be submitted to the shareholders' meeting for approval, so as to safeguard the rights and interests of the shareholders. In the event of a merger or public acquisition by the Company, apart from complying with the provisions of relevant laws and regulations, the Company shall pay attention to the fairness and reasonableness in the scheme and transactions of

the merger or public acquisition, and be mindful about information disclosure as well as the healthy state of the company's financial structure in the future. The Company's personnel dealing with the matters related to the preceding paragraph shall pay attention to conflicts of interest and refrain from being entangled in sensitive affairs.

Article 13 In order to assure the rights and interests of shareholders, the Company should engage a dedicated personnel to properly handle shareholders' suggestions, doubts and disputes. If a resolution of the shareholders' meeting or board of directors of the Company is in breach of the laws and regulations or the articles of incorporation of the company, or their directors or managers violate the provisions of the laws and regulations or the articles of incorporation of the company during performance of their duties, until causing damage to the rights and interests of the shareholders, the company shall properly handle the lawsuit filed by the shareholders in accordance with the law. The Company should prescribe inhouse operating procedure to properly handle the preceding two matters, keep written records for future audit, and incorporate them into the internal control system for management control.

Section 2: Establish a mechanism for interaction directors and shareholders

Article 13-1 (Board of directors has a responsibility to build a mechanism for interaction with shareholders) The Company's board of directors has a responsibility to build a mechanism for interaction with shareholders, in order to improve mutual understanding of both parties on the Company's development goals.

Article 13-2 (Apply effective methods to contact and communicate with shareholders, and gain support) In addition to communicating with shareholders via shareholders' meetings, encouraging them to take part in shareholders' meetings, the Company's board of directors shall employ effective methods to contact shareholders, together with independent directors and managers, to gain comprehension of shareholders' opinions and matters of their concerns, board of directors should explain the company's policies and gain shareholders' support.

Section 3: Corporate governance relationship between Company and Its Affiliates

Article 14 The personnel, assets, financial goals and responsibilities between the Company and its Affiliates should have been clarified, risk assessment and proper set up of firewalls are to be carried out.

Article 15 Unless otherwise provided by the laws and regulations, the manager of the Company shall not concurrently act as a similar managerial role for other affiliated enterprises.

Directors who act for themselves or others within the company's business scope should explain the material content of their conducts and obtain permission from the shareholders.

Article 16 The Company shall establish and improve the management objectives and systems of finance, business and accounting in accordance with the relevant laws and regulations. Together with its affiliated enterprises, the Company should carry out comprehensive risk assessments on their major banks, customers and suppliers, and implement the necessary control mechanisms to reduce credit risk.

Article 17 Those who have business dealings between the Company and its affiliates shall, based on the principle of fairness and reasonableness, formulate written rules for the operations of finance and business between each other. For the signing of contracts, the price conditions and payment methods should be clearly defined, and irregular transactions should be avoided. Transactions or contractual signings between the Company and its related parties and their shareholders shall also be handled in accordance with the principles stated in the preceding paragraph, and act of tunnelling must be strictly prohibited.

Article 18 Corporate shareholder in possession of controlling capacity should obey the following matters:

- I. Owns a duty of good faith to other shareholders, and shall not directly or indirectly enable the company to engage in irregular operations or business activities that are neither profitable nor of economic sense.
- II. His / Her representative shall obey the relevant rules for the exercise of his/her rights and participation in the resolutions as set out by the Company, shall exercise his/her voting rights in adherence to the principle of good faith and acting in the best interest of all shareholders when attending shareholders' meeting, and be able to fulfill a duty of loyalty and a duty of care of a director.
- III. The nomination of directors for the company shall be handled in accordance with the provisions under the relevant laws and regulations as well as the articles of incorporation of the company, and shall not overstep the scope of the powers of the shareholders' meeting and the board of directors.
- IV. Must not inappropriately interfere with the Company's decisions or obstruct business activities.

- V. The production and operation of the company shall not be restricted or hindered by unfair competition acts such as monopolizing procurement or blocking sales channels.
- VI. The legal representative appointed for the purpose of being elected as a director shall meet the professional qualifications required by the company and shall not be arbitrarily reassigned.

Article 19 The Company should at all times maintain a list of principal shareholders who hold a relatively larger proportion of shares and can actually control the Company as well as the ultimate controllers of the principal shareholders. The Company shall periodically disclose any pledge, increase or decrease in the company's shares by shareholders holding more than 10% of the shares, or any other significant events that may cause changes in the shares, for the other shareholders to monitor. The major shareholders referred to in Item 1 are those shareholders whose shareholding percentage is at least 5% or whose shareholding percentage is among the top 10, but the Company may set a lower shareholding percentage based on their actual control of the Company's shareholding.

Article 3 Strengthen the function of board of directors.

Section 1: Board of directors structure

Article 20 The Board of Directors shall direct the Company's strategy, supervise the management, and be responsible to the Company and its shareholders. The operations and arrangements of the Company's corporate governance system shall ensure that the Board of Directors shall exercise its authority in accordance with provisions under the laws and regulations as well as the Articles of Incorporation, or the resolutions of the shareholders' meeting. The structure of the Board of Directors of the Company shall determine the appropriate number of directors with five or more members, taking into account the scale of the Company's operations and development and the shareholdings of its major shareholders, and taking into account practical operational needs. The composition of the Board of Directors shall take into account diversity, and shall formulate appropriate diversity guidelines with respect to its own operations, business model and development needs, including but not limited to the following two major criteria.

- I. Basic criteria and values: gender, age, nationality and culture, etc.

- II. Expertise and skills: Professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The members of the Board should generally possess the knowledge, skills and qualities necessary to carry out their duties. To achieve the desired objectives of corporate governance, the Board as a whole should possess the following competencies.

To achieve the desired objectives of corporate governance, the Board as a whole should have possess following competencies.

- I. Operational judgment ability.
- II. Accounting and financial analysis skills.
- III. Operation management capability.
- IV. Crisis management capability.
- V. Industry knowledge.
- VI. International market perspective.
- VII. Leadership skill.
- VIII. Decision-making ability.

Article 21 The Company shall establish fair, impartial and open procedures for the election of directors in accordance with the principles of protecting shareholders' rights and interests and treating shareholders fairly, and encourage shareholders to participate in, and shall adopt a cumulative voting system to fully reflect shareholders' opinions in compliance with the Companies Act. Except for those approved by the competent authority, more than half of the directors of the Company shall not be related to each other as spouses or relatives within two layers. If the number of directors falls below five for any reason, the Company shall hold a by-election at the latest shareholders' meeting. However, if the number of directors' vacancies reaches one-third of the number of seats set forth in the Articles of Incorporation, the Company shall convene an interim meeting of shareholders for a by-election within 60 days from the date of occurrence. The total shareholding ratio of all directors on the board of directors of the Company shall comply with the laws and regulations, and the restrictions on the transfer of shares, the creation or release of pledges and changes in the shares of each director shall be handled in accordance with the relevant provisions, and all information shall be fully disclosed.

Article 22 The Company shall, in accordance with the laws and regulations of the competent authorities, specify in the Articles of Incorporation that a candidate nomination system shall be adopted for the election of directors, and carefully evaluate the qualifications of the nominees and the existence of any of the matters set forth in each paragraph of Article 30 of the Companies Act, and shall abide by the provisions of Article 192-1 of the Companies Act.

Article 23 The responsibilities of the Chairman and the General Manager of the Company shall be clearly delineated. The Chairman of the Board of Directors and the General Manager or equivalent persons should not be held by the same person. If the Company establishes a functional committee, the duties of the committee shall be clearly assigned.

Section 2: System of Independent Directors

Article 24 In accordance with the Company's Articles of Incorporation, the number of independent directors shall not be less than two and not less than one-fifth of the number of directors, and the term of office of independent directors shall not exceed three consecutive terms. Independent directors should have professional knowledge and their shareholding should be limited. They should not be directors (including independent directors) or supervisors of more than five listed companies at the same time, except as prescribed by relevant laws and regulations, and they should maintain independence within the scope of their business and should not have direct or indirect interests with the company. If the Company, its group enterprises and organizations, together with other companies and their group enterprises and organizations nominate directors, supervisors or managers of the other party as independent director candidates, the Company shall disclose the nomination of independent director candidates and explain the suitability of such independent director candidates at the time of acceptance. If elected as an independent director, the number of election rights should be disclosed. The group companies and organizations referred to in the preceding paragraph apply to the Company's subsidiaries, consortiums that contribute more than 50% of their funds directly or indirectly, and other institutions or legal entities with substantial control capacities. Independent directors and non-independent directors are not allowed to change their status during their term of service. The professional qualifications, restrictions on shareholding and concurrent employment, recognition of independence, method of nomination and other matters to be followed by independent directors shall be governed by the Securities Exchange Act, the Regulations Governing

the Establishment and Matters to be Followed by Independent Directors of Public Companies and the regulations of the Stock Exchange.

Article 25 In accordance with the provisions of the Securities and Exchange Act, the Company shall submit the following matters to the board of directors for resolution; if the independent directors have any objection or reservation, they shall state it in the minutes of the board of directors' meeting.

- I. The internal control system shall be established or amended in accordance with the provisions of Article 14-1 of the Securities and Exchange Act.
- II. In accordance with Article 36-1 of the Securities and Exchange Act, the Company establishes or amends procedures for handling significant financial operations involving the acquisition or disposal of assets, engaging in derivative transactions, lending of funds to others, and endorsement or guarantee for others.
- III. Matters involving directors' own interests.
- IV. Significant transactions of asset or derivative products.
- V. Significant loans, endorsements or provision of guarantees.
- VI. The raising, issuance or private placement of securities of an equity nature.
- VII. The appointment, dismissal or remuneration of a certifying accountant.
- VIII. Appointment or removal of the Head of finance, accounting or internal audit.
- IX. Other significant matters as stipulated by the competent authorities.

Article 26 The Company shall specify the scope of duties and responsibilities of the independent directors and the related human and material resources to be entrusted for the exercise of their functions. No other member of the Company or the Board of Directors shall obstruct, refuse or circumvent an independent director in the performance of his or her business. The Company shall specify the remuneration of directors in accordance with the relevant laws and regulations, and the remuneration of directors shall fully reflect the performance of individuals and the long-term operating performance of the Company, and shall take into account the risks of the Company's operation. The independent directors may be entitled to a reasonable remuneration different from that of the ordinary directors.

Chapter 3: Functional Committee

Article 27 The Company's Board of Directors may set up audit, compensation and remuneration, nomination, risk management or other functional committees, taking into account the size of the Company, the nature of its business, and the number of board members, in

order to improve the supervisory functions and strengthen the management functions in the Company, and may establish environmental protection, corporate social responsibility or other committees based on the concept of corporate social responsibility and sustainable management, as specified in the Articles of Incorporation. The remuneration and compensation or other functional committees shall be accountable to the Board of Directors and shall submit their proposals to the Board of Directors for resolution. However, this does not apply to those members of the audit committee who exercise the power of the supervisor in accordance with the provisions of Article 14-4 Paragraph 4 of the Securities and Exchange Act. The Remuneration or other functional committee shall establish organizational rules and regulations, which shall be adopted by resolution of the Board of Directors. The organizational rules shall include the number of members in the committee, their terms of office, terms of reference, rules of procedure, and the resources to be provided by the Company in exercising its duties and responsibilities.

Article 28 The Company shall establish an Audit Committee consisting of all independent directors, of whom the number shall not be less than three, one of whom shall be the convener and at least one of whom shall have accounting or financial expertise. The exercise of the powers and duties of the Audit Committee and its independent directors and related matters shall be governed by the Securities and Exchange Act, the Regulations Governing the Exercise of Powers and Functions by Audit Committees of Public Companies, and the provisions of the Stock Exchange.

Article 28-1 The Company shall establish a Remuneration Committee, and a majority of its members shall be independent directors. The professional qualifications of its members, the exercise of their powers and duties, the establishment of organizational rules and regulations, and related matters shall be governed by the provisions of the "Procedures for the Establishment and Exercise of Functions of the Remuneration Committee of Companies whose stocks are listed or traded on Securities Firms' Trading Premises.

Article 28-2 (Whistleblower system) The Company shall set up and announce internal and external whistleblower channels and establish a whistleblower protection system; the receiving unit shall be independent, the files provided by the whistleblower shall be protected by encryption, access rights shall be appropriately restricted, and internal operating procedures shall be established and controlled by the internal control system.

Article 29 In order to enhance the quality of financial reporting, the Company shall appoint an agent for the accounting supervisor. The agent of the accounting supervisor mentioned in the preceding paragraph shall benchmark with the accounting supervisor and attend continuing education every year in order to strengthen his or her professional ability. The accounting personnels who prepare financial statements and reports shall also study professional-related courses for at least six hours each year, either through participation in in-house education training or attending professional courses provided by the accounting supervisor training institutions. The Company shall select a professional, responsible and independent certified public accountant to regularly conduct audits of the Company's financial condition and internal controls. The Company shall review and improve the irregularities or deficiencies discovered and disclosed by the accountants in the course of the audit and the specific suggestions for improvement or prevention of such deficiencies, and shall establish a communication channel or mechanism between the independent directors or the audit committee and the certified public accountants, and shall formulate internal operating procedures and incorporate them into the internal control system. The Company shall periodically (at least once a year) evaluate the independence and suitability of the appointed accountants. If the Company has not replaced its accountants for seven consecutive years or if they have been disciplined or their independence has been compromised, the Company shall evaluate the need to change its accountants and report the results of the evaluation to the Board of Directors.

Article 30 The Company is encouraged to appoint professional and suitable lawyers to provide appropriate legal consultation services to the Company or to assist the Board of Directors and the Management to enhance their legal literacy to prevent the Company and related personnel from violating laws and regulations and to promote the operation of corporate governance practices under the relevant legal framework and statutory procedures. In the event that the directors or management are involved in litigation or disputes with shareholders in the conduct of business in accordance with the law, the Company shall, depending on the circumstances, engage a lawyer to assist.

Section 4: Rules for board of directors' meeting and procedure for decision-making

Article 31 The Board of Directors shall meet at least once a quarter and may convene a meeting at any time in case of emergency. For a convocation of the board of directors' meeting, the board of directors shall indicate the reasons for the convocation, notify the directors 7 days in advance, and provide sufficient information for the meeting to be sent at the time

of the notice of convocation. If there is insufficient information at a meeting, the directors have the right to request for additional information or to postpone the meeting after the board of directors' resolution. The Company shall prescribe the rules and procedures for the Board of Directors' meetings; the main contents of the proceedings, operating procedures, matters to be included in the minutes, announcements and other matters to be complied with shall be handled in accordance with the Rules Governing the Conduct of Meetings of Directors of Public Companies.

Article 32 The directors shall uphold a high degree of self-discipline and shall explain at the current board meeting the important contents of their interests regarding the motions listed in the board meeting if they have an interest in themselves or the legal entity they represent, and shall not join in the discussion or vote if it is harmful to the interests of the Company, and shall recuse themselves from the discussion or vote and shall not exercise their voting rights on behalf of other directors. The recusal of a director shall be expressly set forth in the rules of procedure for the board of directors' meeting.

Article 33 The independent directors of the Company shall attend the Board of Directors' meetings in person and shall not appoint a non-independent director to act as a proxy for them on matters required by Article 14-3 of the Securities and Exchange Act. If an independent director has objections or reservations, his / her objections or reservations shall be documented in the record of the board meeting; if an independent director cannot attend a board meeting in person to express his or her objection or reservation, he or she shall, unless there is a valid reason, issue a written opinion in advance, which shall be recorded in the minutes of the board meeting. If any of the following matters are resolved by the Board of Directors, in addition to being set forth in the minutes of the meeting, an announcement shall be made and reported on the Market Observation Post System no later than two hours prior to the start of trading hours on the business day following the date of the Board of Directors' meeting.

- I. Independent directors have objections or reservations and have records or written statements.
- II. For companies with an audit committee, matters not approved by the audit committee shall be approved by at least two-thirds of all directors.

The Board of Directors may, depending on the content of the proposal, notify the non-directorate manager of the relevant department to attend the meeting as an observer. report on the current business situation of the Company and answer questions from the directors. If necessary, accountants, lawyers, or other professionals may be invited to

attend the meetings to assist the directors in understanding the current situation of the Company and making appropriate resolutions, but they should leave the meeting during the discussion and voting. The members of the Board of Directors shall keep detailed records of meeting reports and summaries of proposals, methods, and results of each resolution in accordance with the relevant provisions.

Article 34 The minutes of the Board of Directors' meetings shall be signed or sealed by the Chairman of the meeting and the Recorder of the meeting and distributed to each Director within 20 days after the meeting. The attendance book of the Board of Directors shall be part of the minutes and shall be included in the important records of the Company and shall be kept in a permanent and proper manner during the continuance of the Company. The minutes shall be made, distributed and maintained by electronic means. The Company shall record or videotape the entire meeting of the Board of Directors and keep it for at least five years, which may be kept in electronic form. In the event of a lawsuit regarding a resolution of the Board of Directors' meeting before the expiration of the aforementioned retention period, the relevant audio or video recordings shall continue to be retained and the aforementioned provisions shall not apply. If a board meeting is held by video conference, the audio and video recordings of the meeting shall be part of the minutes of the meeting and shall be preserved permanently. If a resolution of the board of directors violates the law, the articles of incorporation, or the resolution of the shareholders' meeting and causes damage to the Company, the directors who disagree with the resolution shall be exempted from liability for compensation as evidenced by records or written statements.

Article 35 The Company shall refer the following matters to the Board of Directors for discussion:

- I. The operating plan of the Company.
- II. The annual financial report and the semi-annual financial report. However, except for the semi-annual financial report which is not subject to audit by a certified public accountant pursuant to the law.
- III. In accordance with Article 14-1 of the Securities and Exchange Act, the Company establishes or amends an internal control system and evaluates the effectiveness of the internal control system.
- IV. In accordance with Article 36-1 of the Securities and Exchange Act, the Company establishes or amends procedures for handling significant financial operations involving the acquisition or disposal of assets, engaging in derivative transactions, lending of funds to others, and endorsement or guarantee for others.

- V. The raising, issuance or private placement of securities of an equity nature.
- VI. Performance appraisal and remuneration standards for managers.
- VII. Remuneration structure and system for directors.
- VIII. Appointment or removal of the Head of finance, accounting or internal audit.
- IX. Donations to related parties or major donations to non-related parties.
However, public welfare donations for emergency relief due to major natural disasters may be submitted to the next board of directors for ratification.
- X. In compliance with Article 14-3 of the Securities and Exchange Act, any other significant matters that should be resolved by the shareholders' meeting or proposed to the board of directors according to law or articles of incorporation or significant matters as stipulated by competent authorities.

Except for the aforementioned matters that should be brought to the Board of Directors for discussion, if the Board of Directors authorizes the exercise of the Board of Directors' duties and powers during the recess of the Board of Directors' meeting in accordance with the provisions of the Law or the Articles of Incorporation, the level, content or matters of authorization shall be specific and definite, and no general authorization shall be granted.

Except for the aforementioned matters that should be brought to the Board of Directors for discussion, if the Board of Directors authorizes the exercise of the Board of Directors' duties and powers during the recess of the Board of Directors' meeting in accordance with the provisions of the Law or the Articles of Incorporation, the level, content or matters of authorization shall be specific and definite, and no general authorization shall be granted.

Except for the aforementioned matters that should be brought to the Board of Directors for discussion, if the Board of Directors authorizes the exercise of the Board of Directors' duties and powers during the recess of the Board of Directors' meeting in accordance with the provisions of the Law or the Articles of Incorporation, the level, content or matters of authorization shall be specific and definite, and no general authorization shall be granted.

Article 36 The Company shall clearly deliver the resolutions of the Board of Directors to the appropriate executive units or personnel and request that they be implemented in accordance with the schedule and objectives of the plan, and at the same time, include them in the tracking management to confirm the assessment of their implementation. The Board of Directors shall fully grasp the progress of implementation and report on it

at the next meeting so that the Board of Directors can implement the operational management decisions.

Section 5: Director's duty of care and fidelity and director's responsibility

Article 37 The members of the Board of Directors shall faithfully perform the business and exercise their duties of care as good managers, and exercise their powers and duties with a high degree of self-discipline and prudence, and shall actually adhere to the resolutions of the Board of Directors in the execution of the Company's business, except for matters that should be resolved by the shareholders' meeting in accordance with the law or the Company's Articles of Incorporation. The Company shall establish a method and procedure for evaluating the performance of the Board of Directors. In addition to regular annual self-assessment or peer evaluation of the Board of Directors and individual directors, the Company may also appoint an external professional organization or conduct performance evaluation by other appropriate means; the evaluation of the performance of the Board of Directors shall include the following components and set appropriate evaluation indicators taking into account the needs of the Company:

- I. The degree of participation in the company's operations.
- II. To improve the quality of decision making by the Board of Directors.
- III. Composition and structure of the board of directors.
- IV. Election of directors and continuing education.
- V. Internal control.

The assessment of the performance of board members (self or peers) should include the following components, taking into account the company's

Demand is properly adjusted:

- I. Mastery of company's goals and tasks.
- II. Cognitive awareness of director's roles and responsibilities.
- III. The degree of participation in the company's operations.
- IV. Management of internal relationship and communication.
- V. Director's professionalism and continuing education.
- VI. Internal control.

The Company shall conduct a performance evaluation of the functional committee, which shall include the following components, with appropriate adjustments to take into account the Company's needs.

The Company shall conduct a performance evaluation of the functional committee, which shall include the following components, with appropriate adjustments to take into account the Company's needs.

- I. The degree of participation in the company's operations.
- II. Cognitive awareness of functional committee's roles and responsibilities.
- III. To improve the quality of decision making by the Functional Committee.
- IV. Composition and structure of the functional committee.
- V. Internal control.

The Company should submit the results of performance appraisal to Board of Directors, and use the results as a reference to determine the remuneration and nominate renewal for individual directors.

as a reference to determine the remuneration and nominate renewal for individual directors.

Article 37-1 (Establish intellectual property management system)

Board of Directors should appraise and monitor the Company's intellectual properties as to their operational direction and performance, on areas as listed underneath, to ensure the Company, under a management cycle of "plan, execute, inspection and action", construct a management system for intellectual property:

intellectual property:

- I. Formulate intellectual property management policies, objectives and systems related to operational strategies.
- II. Establish, implement, and maintain a management system for the acquisition, protection, maintenance, and use of intellectual property according to its scale and type.
- III. Determine and provide the resources necessary to effectively implement and maintain an intellectual property management system.
- IV. Observe internal and external risks or opportunities related to intellectual property management and undertake countermeasures.
- V. Plan and implement a continuous improvement mechanism to ensure that the operation and effectiveness of the intellectual property management system meet the Company's expectations.

Article 38 If a resolution of the Board of Directors violates the laws and regulations or the Articles of Incorporation, and if a shareholder or independent director who has held shares for at least one year requests that the Board of Directors be notified to stop the execution of the resolution, the Board of Directors shall promptly and appropriately handle or stop

the execution of the relevant resolution. If a member of the Board of Directors discovers that the Company is in danger of being materially damaged, he or she should follow the preceding provisions and immediately report to the Audit Committee or an independent member of the Audit Committee.

Article 39 The Company shall take out liability insurance for its directors during their term of office for the compensation liability that they are legally liable for in the execution of their business scope, in order to reduce and diversify the risk of significant damage to the Company and its shareholders due to the mistakes or negligent acts of directors. After the Company has taken out or renewed liability insurance for its directors, the Company shall submit a report to the most recent board of directors' meeting on the amount of liability insurance coverage, coverage and premium rates.

Article 40 Members of the Board of Directors are encouraged to attend continuing education courses covering finance, risk management, business, commerce, accounting, law or corporate social responsibility related to corporate governance topics at the institutions designated in the "Essentials of Further Education for Directors and Supervisors of Listed Companies" when they are newly appointed or during their term of office, and to instruct employees at all levels to enhance their professional and legal knowledge.

Article 4 Respect for Stakeholder Rights

Article 41 The Company shall maintain smooth communication channels with banks and other creditors, employees, consumers, suppliers, communities or other stakeholders of the Company, and shall respect and protect their legitimate rights and interests, and shall set up a stakeholder area on the Company's website. When the legitimate rights and interests of stakeholders are infringed, the Company shall handle the matter appropriately in good faith.

Article 42 The Bank and other creditors should provide sufficient information to enable them to make judgments and decisions regarding the Company's operations and financial condition. When their legal rights are infringed, the company should respond positively and in a courageous and responsible manner, so that creditors can have appropriate channels to obtain compensation.

Article 43 The Company shall establish employee communication channels and encourage direct communication between employees and management or directors to appropriately reflect employees' opinions on the Company's operation and financial condition or major decisions involving employees' interests.

Article 44 The Company should pay attention to consumer rights, community environmental protection and public welfare issues while maintaining normal business development and maximizing shareholders' interests, and attach importance to corporate social responsibility.

Article 5 Improving information transparency

Section I strengthen information disclosure

Article 45 The company shall faithfully perform its obligations in accordance with relevant laws and regulations or the provisions of the stock exchange. This corporation shall establish an online reporting system for public information and designate a person to be responsible for the search of the company's information

Collect and disclose the work, and establish a spokesman system to ensure that it may affect the decisions of shareholders and stakeholders

The information of the policy can be disclosed in a timely and appropriate manner.

Article 46 In order to enhance the accuracy and timeliness of the disclosure of material information, the Company shall appoint a person who has a thorough understanding of the Company's finances and business or can coordinate with various departments to provide relevant information, and who can speak on behalf of the Company alone to the outside world as the Company's spokesperson and acting spokesperson. The Company shall have more than one proxy spokesperson, and any proxy spokesperson shall be able to speak to the public on behalf of the spokesperson alone when the spokesperson is unable to perform his or her speaking duties, but the order of proxy shall be confirmed to avoid confusion. In order to implement the spokesperson system, the company shall specify a unified speaking procedure, and require the management and employees to keep financial and business sensitive information in strict confidentiality, and shall not disseminate any information arbitrarily. When there is a change of spokesperson or acting spokesperson, information disclosure shall be handled immediately.

Article 47 The Company shall make use of the convenience of the Internet to set up a website with information and corporate governance information related to the Company's financial operations for the reference of shareholders and interested parties, etc. It is also appropriate to provide financial, corporate governance or other related information in English. The former website should be maintained by a dedicated person, and the information listed should be detailed and accurate and updated immediately to avoid the risk of misleading.

Article 48 The Company shall hold corporate meetings in accordance with the regulations of the Stock Exchange and shall keep them in the form of audio or video recordings. The financial and business information of the Company's Explanatory Committee shall be entered into the Market Observation Post System (MOPS) in accordance with the regulations of the stock exchange, and shall be made available through the Company's website or other appropriate channels.

Section 2: Corporate Governance Information Disclosure

Article 49 The following corporate governance-related information will be disclosed in an appropriate manner and continuously updated according to the actual implementation of the Company's website.

- I. Board of Directors, Functional Committees: Organizational structure, members' biographies, powers and responsibilities, policies, training and Operating status.
- II. Industrial relations.
- III. APC security management.
- IV. Corporate governance-related regulations.
- V. Special site for interested parties.
- VI. Information related corporate governance.

Article 6 supplementary articles

Article 50 The Company shall keep an eye on the development of domestic and international corporate governance systems and review and improve the corporate governance system established by the Company in order to enhance the effectiveness of corporate governance.

Article 51 This Code was approved by the Board of Directors on March 25, 2022 and became effective for implementation, and was disclosed on the Market Observation Post System, as amended.

Tahsin Industrial Corporatoin

Code of practice on Sustainable Growth

Chapter 1 General provisions

- Article 1 In order to build a sound system of corporate governance, practise the social responsibility of enterprise, promote the improvement in economy, environment and society, so as to achieve a goal of susutainable growth, the Company jointly formulated this Code making reference to the Taiwan Stock Exchange Co., Ltd. (hereinafter referred to as the Stock Exchange) and the Corporate Consortium Over-the-Counter Securities Exchange of the Republic of China (hereinafter referred to as the OTC market), hereby establishes "Tahsin Industrial Corporation's Code of Practice for Sustainable Growth", for compliance.
- Article 2 The scope of application of this Code includes the overall operating activities of the Company and its group enterprises. While engaging in business operation, the Company actively practices sustainable growth to comply with international development trends, and through bearing responsibility as a corporate citizen, enhance contribution to national economy, improve the quality of life of employees, communities and society, and promote the competitive advantage based on sustainable growth.
- Article 3 In promoting sustainable growth, the Company shall pay attention to the rights and interests of interested parties, place importance to the environmental, social and corporate governance factors while pursuing sustainable operation and profitability, and incorporate them into the company's management policies and operating activities. The company shall, in accordance with the principle of materiality, conduct risk assessment on environmental, social and corporate governance issues related to the Company's operation, and formulate relevant risk management policies or strategies.
- Article 4 The Company's practice of sustainable growth should adhere to the following principles:
- I. Put corporate governance in practice.
 - II. Develop sustainable environment.
 - III. Maintain public welfare of society
 - IV. Enhance the disclosure of information on the enterprise's sustainable growth.

Article 5 The company shall consider the relationship between the development trend of sustainability matters both at home and abroad and the core business of the enterprise, the impact of the overall operating activities of the Company and its group enterprises on interested parties, formulate sustainable growth policies, systems or relevant management guidelines and specific action plans, and submit a report to the shareholders' meeting after being approved by the board of directors. When shareholders put forward matters involving sustainable growth, Company's board of directors shall review and list in the shareholders' meeting agenda.

Chapter 2 Putting corporate governance in practice.

Article 6 The Company should abide by the Listed and OTC companies' Code of practice on corporate governance and Code of operating in good faith, as well as making reference to the Code of Ethical Conduct formulated by the Listed and OTC companies, and establish an effective governance framework and related ethical standards, so as to consummate the corporate governance for the Company.

Article 7 The directors of the company should discharge the duty of care of virtuous managers, urging enterprises to practice sustainable growth, and at all times review its implementation effectiveness as well as continuous improvement, so as to ensure the practice of sustainable growth policy. When promoting the goal of sustainable growth, the board of directors of the company should fully consider the interests of interested parties and include the following matters:

- I. Put forward the mission or vision of sustainable growth, formulate sustainable growth policies, systems or relatd management guidelines.
- II. Incorporate sustainable growth into the Company's operating activities and development direction, and approve the specific promotion plan for sustainable growth.
- III. Ensure the timeliness and correctness of information disclosure related to sustainable growth.

The economic, environmental and social issues arising from Company's operating activities shall be handled by the senior management authorized by the board of directors, and the handling situation shall be reported to the board of directors. The operational process and relevant responsible personnel shall be specific and clear.

Article 8 This Company should regularly organize education and training to promote sustainable growth, including publicizing the matters referred to in paragraph 2 of the preceding article.

- Article 9 In order to improve the management of sustainable growth, the Company should establish a governance framework to promote sustainable growth, and set up a full-time (part-time) unit to push forward sustainable growth, responsible for the proposal and implementation of sustainable growth policies, systems or relevant management guidelines and specific promotion plans, and report to the board of directors regularly. The company should formulate a reasonable policy for wage, salary and remuneration to ensure that the salary planning can meet the strategic objective of the organization and satisfy the interests of interested parties. The employee performance appraisal system should be combined with the sustainable growth policy, a clear and effective reward and punishment system should also be set up.
- Article 10 The Company should respect the rights and interests of interested parties, identify the interested parties of the company, and set up a special area on the company's website for interested parties; understand the reasonable expectations and needs of interested parties through appropriate communication, and properly respond to their concerns on important sustainable growth issues.

Chapter 3 Development of sustainable environment

- Article 11 The company should adhere to the relevant environmental laws and regulations as well as international standards, appropriately protect the natural environment, and strive to achieve the goal of environmental sustainability in the conduct of operational activities and internal management.
- Article 12 The company should strive to improve the efficiency of energy utilization and use renewable materials with low impact on the environment so that the resources on the earth are sustainable for future use.
- Article 13 The company should establish an appropriate environmental management system according to its industrial characteristics. The system should include the following items:
- I. Collect sufficient information and evaluate timely with regard to the impact of operating activities on the natural environment.
 - II. Establish measurable goals for environmental sustainability, and regularly reviews the sustainability and relevance of each of their development.
 - III. Formulate specific plans or action plans and other implementation measures, and regularly review the effectiveness of their operation.
- Article 14 The Company should set up a special (part-time) environmental management unit or engage a personnel to formulate, promote and maintain relevant environmental management systems and specific action plans, and regularly hold environmental education courses for management and employees.

- Article 15 The Company should consider the impact of operations on ecological efficiency, promote and publicize the concept of sustainable consumption, and conduct research and development, procurement, production, finished goods delivery, service and other operational activities in accordance with the following principles, so as to reduce the impact of the Company's operations on the natural environment and human beings.
- I. Reduce resource and energy consumption of products and services.
 - II. Reduce the discharge of pollutants, toxic substances and waste, and properly manage disposal of waste.
 - III. Improve the recyclability and reuse of raw materials or products.
 - IV. Maximize the sustainable use of renewable resources.
 - V. Prolong the durability of products.
 - VI. Increase the effectiveness of our products and services.
- Article 16 In order to improve the efficiency of water usage, the Company shall properly and sustainably utilize water resources and formulate relevant management measures. The Company shall strengthen environmental protection and construct treatment facilities to avoid pollution on water, air and soil, and try every effort to reduce adverse impacts on human health and the environment, and adopt the best feasible measures and techniques to control and prevent pollution.
- Article 17 The Company should assess the potential risks and opportunities of climate change to the enterprise now and in the future and undertake relevant countermeasures. The Company should adopt standards or guidelines commonly used at home and abroad, implement the corporate greenhouse gas inventory and disclosure, the scope of which shall include:
- I. Direct greenhouse gas emissions: The source of greenhouse gas emissions is owned or controlled by the company.
 - II. Indirect greenhouse gas emissions: the result of the use of energy such as electricity, heat or steam.
 - III. Other indirect emissions: Emissions from the company's activities, which are not indirect energy emissions, but come from sources owned or controlled by other companies.
- The Company should compile statistics on greenhouse gas emissions, water consumption and total weight of wastes, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water usage reduction or other waste management, and incorporate rights for carbon requisition into the Company's carbon reduction strategy plan, and promote the strategy, in order to reduce the impact of the Company's operational activities on climate change.

Chapter 4 Maintain public welfare of society

- Article 18 The Company shall comply with relevant laws and regulations and adhere to the International Human Rights Conventions, such as gender equality, the right to work and the prohibition of discrimination. In order to fulfill its responsibility to protect human rights, the Company shall formulate relevant management policies and procedures, including:
- I. Propose a corporate human rights policy or statement.
 - II. To assess the impacts of the Company's operations and internal management on human rights, and to determine the corresponding procedures for handling them.
 - III. Periodically review the effectiveness of the company's human rights policy or statement.
 - IV. When human rights are violated, the procedures for dealing with the interested parties involved should be disclosed
- The Company shall comply with internationally recognized labour human rights, such as freedom of association, the right to collective bargaining, care for the disadvantaged group, prohibition of child labor, elimination of all forms of forced labor, and elimination of employment discrimination, etc. The Company shall affirm that its human resources policies do not discriminate on the basis of gender, race, socio-economic class, age, marital and family status, in order to achieve equality and fairness in employment, working conditions, compensation, benefits, training, evaluation and promotion opportunities.
- For matters that endanger the rights and interests of workers, the Company shall provide an effective and appropriate complaint mechanism to ensure that the process of filing a complaint is equal and transparent. The channels for appeal should be concise, convenient and smooth, and employees' complaints should be appropriately responded to.
- Article 19 The Company shall provide employees with information on the labor laws of the country in which it operates and their rights in the law.
- Article 20 The Company shall provide a safe and healthy working environment for its employees, including the provision of necessary health and first aid facilities, and shall endeavor to reduce hazards to employee safety and health in order to prevent occupational hazards. The Company is encouraged to implement safety and health education training for its employees on a regular basis.
- Article 21 The Company shall create a good environment for the career development of employees and establish an effective competency training and career development program. The Company shall establish and implement reasonable

employee benefit measures (including salary, vacation and other benefits, etc.) and appropriately reflect operational performance or results in employee compensation to ensure the recruitment, retention and encouragement of human resources and to achieve the goal of sustainable operation.

Article 22 The Company shall establish a channel for employees to communicate with each other regularly so that employees have the right to receive information and express their opinions on the Company's business management activities and decisions. The Company shall respect the right of employee representatives to exercise consultation with respect to working conditions and provide employees with the necessary information and hardware facilities to facilitate consultation and cooperation between the employer and employees as well as employee representatives. The Company shall notify employees in a reasonable manner of changes in operations that may have a material impact on employees.

Article 22-1 The Company shall treat customers or consumers of its products or services in a fair and reasonable manner, including the principles of fairness and honesty in contracting, duty of care and loyalty, truthfulness in advertising, suitability of products or services, notification and disclosure, correlation between compensation and performance, protection of complaints, and professionalism of business personnel, and shall formulate relevant implementation strategies and specific measures.

Article 23 The Company shall be responsible for its products and services and pay attention to marketing ethics. Its research and development, procurement, production, operation and service processes shall ensure the transparency and security of product and service information, formulate and disclose its consumer rights policies, and implement them in its operations to prevent products or services from harming consumer rights, health and safety.

Article 24 The Company shall ensure the quality of products and services in accordance with governmental regulations and relevant industry standards. The Company shall comply with relevant laws and regulations and international standards with respect to customer health and safety, customer privacy, marketing and labeling of products and services, and shall not deceive, mislead, defraud or any other actions that undermine consumer trust or harm the rights and interests of consumers.

Article 25 The Company shall evaluate and manage all risks that may cause business interruption, to reduce the adverse impact on consumers and society. The Company shall provide transparent and effective consumer complaint procedures for its products and services, handle consumer complaints fairly and promptly, comply with the Personal Information Protection Act and other

relevant laws and regulations, respect the privacy of consumers, and protect the personal data provided by consumers.

Article 26 The Company is encouraged to assess the environmental and social impacts of its procurement practices on the communities from which it supplies, and to work with its suppliers to implement corporate social responsibility. The Company should formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor and human rights. Before engaging in business, the Company should evaluate whether its suppliers have a record of environmental and social impacts and avoid transactions with those whose corporate social responsibility policies are in conflict. When the Company enters into a contract with its major suppliers, it is appropriate to include provisions for compliance with the Corporate Social Responsibility policies of both parties and for the supplier to terminate or cancel the contract at any time if the supplier is involved in a violation of the policy that has a significant impact on the environment and society in the community where the supply is sourced.

Article 27 The Company shall evaluate the impact of the Company's operations on the community and appropriately employ manpower in the areas where the Company operates in order to enhance community recognition. Through equity investments, commercial activities, donations, corporate volunteer services or other public interest professional services, the Company may invest resources in organizations that solve social or environmental problems through a business model, or participate in community development and community education related activities of civic organizations, charitable and philanthropic groups and government agencies, in order to promote community development.

Chapter 5 Enhance disclosure of company's sustainable growth information

Article 28 The Company shall disclose information in accordance with relevant laws and regulations and the Code of Corporate Governance Practices for Listed and OTC Companies, and shall fully disclose relevant and reliable information related to sustainable growth in order to enhance information transparency. The Company discloses the followig information related to sustainable growth:

I. Policies, systems or related management guidelines for sustainable growth and specific promotion plans approved by the Board of Directors.

- II. The risks and impacts of implementing corporate governance, developing a sustainable environment, and safeguarding social welfare on the Company's operations and financial condition.
- III. The Company's objectives, measures and implementation performance for sustainable growth.
- IV. Major interested parties and issues of their concern.
- V. Disclosure of information on the management and performance results of major environmental and social issues by key suppliers.
- VI. Other information related to sustainable growth.

Article 29 The Company shall adopt internationally recognized standards or guidelines for the preparation of sustainability reports to disclose the promotion of sustainable growth, and it is advisable to obtain third-party confirmation or assurance to enhance the reliability of the information. Its content should include:

- I. Implement sustainable development policies, systems or related management guidelines and specific promotion plans.
- II. Major interested parties and issues of their concern.
- III. The company reviews and appraises the the implementation of corporate governance, the development of a sustainable environment, the maintenance of social welfare and the promotion of economic development.
- IV. Future improvement areas and goals.

Chapter 6 supplementary articles

Article 30 The Company shall pay attention to the development of domestic and international standards related to sustainable growth and changes in the corporate environment at all times, and review and improve the sustainable growth system established by the Company to enhance the effectiveness of promoting sustainable growth.

Article 31 This Code was approved by the Board of Directors on March 25, 2022 and became effective for implementation, and was disclosed on the Market Observation Post System, as amended.

Matters for ratification

Case 1

Proposal: Ratification of the 2021 Business Report and Financial

Statements

Proposed by the Board of

Directors

Explanation: The Company's 2021 Financial Statements audited by CPAs have been submitted along with the 2021 Business Report to the Audit Committee for review without finding any non-conformity. Please acknowledge.

Attachments:

- I. Business Report (Please refer to #pages 5 - 9# of the Handbook).
- II. Financial Statements (Please refer to #pages 41 - 52# of the Handbook).

Resolution:

Tahsin Industrial Corporation

Parent Company Only Balance Sheets

December 31, 2021 and 2020

Unit: Thousand NTD

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6 (1))	\$1,190,096	10	\$3,770,037	30
1120	Financial assets at fair value through other comprehensive income - current (Notes 6 (2))	4,369,097	35	3,034,533	24
1150	Notes receivable, net (Note 6 (3))	59,145	1	34,070	-
1160	Accounts receivable – related parties (Note 6 (3))	1,364	-	1,118	-
1170	Accounts receivable - net (Note 6 (4))	277,381	2	261,088	2
1180	Accounts receivable – related parties (Note 6 (4))	44,412	-	56,532	-
1200	Other receivables	13,482	-	5,519	-
1210	Other receivables - related parties	146,059	1	1,566	-
1220	Current income tax assets	1,515	-	2,586	-
130x	Inventories (Notes 4 and 6 (5))	602,327	5	451,084	4
1410	Prepayments	32,102	-	53,602	-
1476	Other financial assets - current (Note 6 (1))	1,690,000	14	1,490,000	12
11xx	Total current assets	8,426,980	68	9,161,735	72
	Non-current Assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6 (6))	464,800	4	344,400	3
1550	Investments accounted for using the equity method (Notes 4 and 6 (7))	1,655,754	13	1,729,690	13
1600	Property, plant, and equipment (Notes 4 and 6 (8))	1,416,746	11	1,122,488	9
1755	Right-of-use asset (Notes 4 and 6 (9))	3,610	-	253	-
1760	Investment properties (Notes 4 and 6 (10))	345,477	3	271,896	2
1840	Deferred tax assets (Note 6 (24))	80,966	1	78,023	1
1920	Refundable deposits	1,817	-	567	-
1970	Other long-term investment (net)	810	-	810	-
1990	Other non-current assets, others	13	-	330	-
15xx	Total non-current assets	3,969,993	32	3,548,457	28
1xxx	Total Assets	\$12,396,973	100	\$12,710,192	100

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Tahsin Industrial Corporation

Parent Company Only Balance Sheets

December 31, 2021 and 2020

Unit: Thousand NTD

Code	Liabilities and equity	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current liabilities				
2130	Contract liabilities - current (Note 6 (18))	\$11,114	-	\$5,463	-
2150	Notes payable	146,175	1	92,939	1
2170	Accounts payable	62,896	1	51,983	-
2180	Accounts payable - related parties	3,658	-	1,664	-
2200	Other payables	122,054	1	155,788	1
2220	Other payables- related parties	23,384	-	19,437	-
2230	Current income tax liabilities	265,881	2	-	-
2250	Provisions - current (Notes 4 and 6 (11))	8,458	-	9,467	-
2280	Lease liabilities - current (Note 6 (9))	1,377	-	202	-
2300	Other current liabilities	523	-	494	-
21xx	Total current liabilities	645,520	5	337,437	2
	Non-current liabilities				
2570	Deferred tax liabilities (Note 6 (24))	180,746	2	180,746	2
2580	Lease liabilities - non-current (Notes 6 (9))	2,239	-	51	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 6 (12))	13,326	-	7,920	-
2645	Guarantee deposits received	5,938	-	4,912	-
2650	Investments accounted for using the equity method - credit (Note 6 (7))	4,635	-	-	-
25xx	Total non-current liabilities	206,884	2	193,629	2
2xxx	Total liabilities	852,404	7	531,066	4
	Equity				
3100	Share capital (Notes 4 and 6 (13))	990,990	8	1,386,000	11
3200	Capital surplus (Note 6 (14))	182,030	1	151,782	1
3300	Retained earnings (Note 6 (15))	7,538,998	61	8,350,263	66
3400	Other equity (Note 6 (16))	2,915,781	24	2,388,550	19
3500	Treasury shares (Note 6 (17))	(83,230)	(1)	(97,469)	(1)
3xxx	Total equity	11,544,569	93	12,179,126	96
	Total liabilities and equity	\$12,396,973	100	\$12,710,192	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: Lai,Ken-Min

Tahsin Industrial Corporation

Parent Company Only Statements of Comprehensive Income For the Years Ended December 31, 2021 and 2020

Unit: Thousand NTD

Code	Items	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 6 (18))	\$2,015,136	100	\$1,796,398	100
5000	Operating costs (Note 6 (5) (19))	(1,767,548)	(88)	(1,583,505)	(88)
5900	Gross Profit (loss)	247,588	12	212,893	12
5910	Unrealized gain (loss) from sale, net (loss)	(1,429)	-	(3,939)	-
5920	Realized gain (loss) from sale (Loss)	3,939	-	2,315	-
5950	Net Gross Profit (loss)	250,098	12	211,269	12
	Operating expenses (Note 6 (19))				
6100	Marketing expenses	(114,359)	(6)	(108,404)	(6)
6200	Administrative expenses	(108,529)	(5)	(93,680)	(6)
6450	Expected credit impairment loss (gain)	(1,460)	-	(1,249)	-
6000	Total operating expenses	(224,348)	(11)	(203,333)	(12)
6900	Operating profit (loss)	25,750	1	7,936	-
	Non-operating income and expenses				
7100	Interest income (Note 6 (20))	18,829	1	19,877	1
7010	Other income (Note 6 (21))	154,698	7	140,272	8
7020	Other gains and losses (Notes 4 and 6 (22))	(8,989)	-	5,656,038	315
7050	Finance costs (Notes 4 and 6 (23))	(88)	-	(547)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method	84,543	4	106,055	6
7000	Total non-operating income and expenses	248,993	12	5,921,695	330
7900	Net profit (loss) before tax	274,743	13	5,929,631	330
7950	Expense (benefit) of income tax (Note 6 (24))	(269,382)	(13)	(500,371)	(28)
8000	Profit (loss) from continuing operations	5,361	-	5,429,260	302
8200	Net Income	5,361	-	5,429,260	302
	Other comprehensive income (Note 6 (25))				
	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 6 (12))	(12,178)	(1)	(3,113)	-
8316	Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	694,132	35	70,196	4
8336	Unrealized valuation gain or loss on investments in equity instruments measured at FVTOCI - subsidiaries, associates, and joint ventures	(117,397)	(6)	128,514	7
8310	Total items that will not be reclassified subsequently to profit or loss:	564,557	28	195,597	11
	Items that may be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(27,940)	(1)	(17,118)	(1)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	5,588	-	3,424	-
8360	Items that may be reclassified subsequently to profit or loss:	(22,352)	(1)	(13,694)	(1)
8300	Other comprehensive income - net	\$542,205	27	\$181,903	10
8500	Total Comprehensive Income for the Year	\$547,566	27	\$5,611,163	312
	Earnings Per Share				
9750	Basic earnings per share (Note 6 (26))	\$0.04		\$31.97	
9850	Diluted earnings per share (Note 6 (26))	\$0.04		\$31.89	

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

Chairman: Wu,Zi-Cong

Manager: Wu,Zi-Cong

Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporation

Parent Company Only Statements of Changes in Equity For the Years Ended December 31, 2021 and 2020

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, 2020	\$1,980,000	\$105,429	\$759,713	\$2,515,291	\$921,818	(\$70,282)	\$2,278,210	(\$118,879)	\$8,371,300
Appropriation and distribution of earnings:									
Provision for legal reserve	-	-	73,817	-	(73,817)	-	-	-	-
Ordinary cash dividends	-	-	-	-	(1,277,100)	-	-	-	(1,277,100)
Reversal of special reserve	-	-	-	(1,941,491)	1,941,491	-	-	-	-
Other changes in capital surplus	-	319	-	-	-	-	-	-	319
Net income (net loss) for 2020	-	-	-	-	5,429,260	-	-	-	5,429,260
Other comprehensive income for 2020	-	-	-	-	(3,113)	(13,694)	198,710	-	181,903
Total comprehensive income in 2020	-	-	-	-	5,426,147	(13,694)	198,710	-	5,611,163
Capital reduction	(594,000)	-	-	-	-	-	-	-	(594,000)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	46,034	-	-	-	-	-	-	46,034
Disposals of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,394	-	(4,394)	-	-
Others	-	-	-	-	-	-	-	21,410	21,410
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
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 2021	-	-	-	-	5,361	-	-	-	5,361
Other comprehensive income for 2021	-	-	-	-	(12,178)	(22,352)	576,735	-	542,205
Total comprehensive income in 2021	-	-	-	-	(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 December 31, 2021	\$990,990	\$182,030	\$1,570,733	\$573,800	\$5,394,465	(\$106,328)	\$3,022,109	(\$83,230)	\$11,544,569

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

Chairman: Wu,Zi-Cong

Manager: Wu,Zi-Cong

Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporation

Parent Company Only Statements of Cash Flows For the Years Ended December 31, 2021 and 2020

Unit: Thousand NTD

Item	December 31, 2021	December 31, 2020
Cash flows from operating activities - indirect method		
Net profit (loss) before tax	\$274,743	\$5,929,631
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	30,011	25,755
Expected credit losses (benefits)	1,460	1,249
Interest expenses	88	547
Interest revenue	(18,829)	(19,877)
Dividend revenue	(129,774)	(109,477)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	(84,543)	(106,055)
Loss (gain) on disposal and disposition of property, plant and equipment	(206)	(2,166)
Loss (gain) on disposal of non-current assets classified as held for sale	-	(5,754,207)
Unrealized gain (loss) from sale, net (loss)	1,429	3,939
Realized loss (gain) on sales	(3,939)	(2,315)
Unrealized exchange loss (gain)	1,633	2,996
Other items	273	319
Total adjustments to reconcile profit (loss)	(202,397)	(5,959,292)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	(25,850)	(2,052)
Decrease (increase) in notes receivable - related parties	(246)	90
Decrease (increase) in accounts receivable	(17,579)	(49,501)
Decrease (increase) in accounts receivable - related parties	11,088	24,327
Decrease (increase) in other receivables	(6,008)	(644)
Decrease (increase) in other receivables - related parties	(507)	(1,044)
Decrease (increase) in inventories	(151,243)	8,838
Decrease (increase) in prepayments	21,500	(4,458)
Total changes in operating assets	(168,845)	(24,444)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	5,651	1,102
Increase (decrease) in notes payable	53,236	(24,293)
Increase (decrease) in accounts payable	10,913	22,163
Increase (decrease) in accounts payable - related parties	1,994	1,664
Increase (decrease) in other payables	(43,324)	44,989
Increases (decreases) in other payables - related parties	3,947	(9,516)
Increase (decrease) in provisions	(1,009)	-
Increase (decrease) in other current liabilities	29	(5)

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Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: Thousand NTD

Item	December 31, 2021	December 31, 2020
Increase (decrease) in net defined benefit liabilities	(\$6,772)	(\$45,438)
Total changes in operating liabilities	24,665	(9,334)
Total changes in operating assets and liabilities	(144,180)	(33,778)
Total adjustments	(346,577)	(5,993,070)
Cash inflow (outflow) generated from operations	(71,834)	(63,439)
Interest received	18,613	19,931
Dividends received	128,049	125,352
Interest paid	(88)	(561)
Income tax refunded (paid)	215	(1,515)
Net cash provided by (used in) operating activities	74,955	79,768
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(901,010)	(635,291)
Disposal of financial assets at fair value through other comprehensive income	140,179	46,834
Acquisition of investments accounted for using the equity method	(79,500)	(36,844)
Disposal of non-current assets held for sale	-	8,351,965
Acquisition of property, plant and equipment	(387,678)	(35,779)
Disposal of property, plant, and equipment	271	2,292
Increase in refundable deposits	(1,250)	-
Decrease in refundable deposits	-	40
Increase in other financial assets	(200,000)	(1,490,000)
Decrease in other non-current assets	317	1,111
Income tax refunded (paid)	-	(1,029,158)
Net cash provided by (used in) investing activities	(1,428,671)	5,175,170
Cash flows from financing activities		
Decrease in short-term loans	-	(77,000)
Decrease in short-term bills payable	-	(40,000)
Increase in guarantee deposits received	1,106	84
Decrease in guarantee deposits received	(80)	(2,440)
Repayments of principal portion of the lease	(641)	(202)
Cash dividends paid	(831,600)	(1,277,100)
Capital reduction	(395,010)	(594,000)
Net cash provided by (used in) financing activities	(1,226,225)	(1,990,658)
Increase (decrease) in cash and cash equivalents	(2,579,941)	3,264,280
Cash and cash equivalents at beginning of the period	3,770,037	505,757
Cash and cash equivalents at end of the period	\$1,190,096	\$3,770,037

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

Chairman: Wu,Zi-Cong

Manager: Wu,Zi-Cong

Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: Thousand NTD

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6 (1))	\$1,509,695	12	\$3,987,427	31
1120	Financial assets at fair value through other comprehensive income - current (Notes 6 (3))	4,564,082	36	3,079,853	24
1150	(Net) Notes receivables (Note 6 (4))	88,641	1	90,597	-
1170	(Net) Accounts receivable (Note 6 (5))	317,236	3	310,098	2
1180	(Net) Accounts receivable – related parties (Note 6 (5))	16,499	-	15,263	-
1200	Other receivables	18,701	-	13,225	-
1210	Other receivables - related parties	1,834	-	969	-
1220	Current income tax assets	4,957	-	5,332	-
130x	Inventories (Notes 4 and 6 (6))	756,419	6	606,977	5
1410	Prepayments	40,376	-	58,371	-
1476	Other financial assets - current (Note 6 (1))	1,712,362	13	1,532,322	12
1479	Other current assets - Others	1,153	-	1,649	-
11xx	Total current assets	9,031,955	71	9,702,083	74
	Non-current Assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6 (7))	768,053	6	705,348	5
1550	Investments accounted for using the equity method (Notes 4 and 6 (8))	574,360	5	646,294	5
1600	Property, plant and equipment (Notes 4 and 6 (9))	1,757,705	14	1,496,595	12
1755	Right-of-use asset (Notes 4 and 6 (10))	74,133	-	80,609	1
1760	Investment properties - net (Notes 4 and 6 (11))	401,177	3	271,896	2
1840	Deferred tax assets (Note 6 (28))	104,239	1	106,332	1
1920	Refundable deposits	3,883	-	2,789	-
1970	Other long-term investment (net)	810	-	810	-
1980	Other financial assets - non-current (Note 6 (1))	36,924	-	50,335	-
1995	Other non-current assets, others	1,485	-	3,329	-
15xx	Total non-current assets	3,722,769	29	3,364,337	26
1xxx	Total Assets	\$12,754,724	100	\$13,066,420	100

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Tahsin Industrial Corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: Thousand NTD

Code	Liabilities and equity	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term loans (Note 6 (12))	\$255,760	2	\$214,130	2
2120	Financial assets at fair value through profit or loss - current (Note 6 (2))	12	-	39	-
2130	Contract liabilities - current (Note 6 (22))	11,457	-	7,889	-
2150	Notes payable	146,175	1	92,939	1
2170	Accounts payable	79,939	1	68,653	-
2200	Other payables	196,696	2	240,539	2
2220	Other payables- related parties	1,211	-	4,792	-
2230	Current income tax liabilities	266,975	2	6,545	-
2250	Provisions - current (Notes 4 and 6 (13))	8,458	-	9,467	-
2280	Lease liabilities - current (Note 6 (10))	2,655	-	3,035	-
2320	Long-term liabilities - current portion (Note 6 (14))	-	-	2,266	-
2399	Other current liabilities	2,112	-	2,369	-
21xx	Total current liabilities	971,450	8	652,663	5
	Non-current liabilities				
2570	Deferred tax liabilities (Note 6 (28))	180,746	1	180,755	2
2580	Lease liabilities - non-current (Notes 6 (10))	9,877	-	12,948	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 6 (15))	13,326	-	7,920	-
2645	Guarantee deposits received	9,043	-	8,040	-
25xx	Total non-current liabilities	212,992	1	209,663	2
2xxx	Total liabilities	1,184,442	9	862,326	7
	Equity				
	Equity Attributable to the Shareholders of the Parent Company				
3100	Share capital (Note 4 and 6 (16))	990,990	8	1,386,000	11
3200	Capital surplus (Note 6 (17))	182,030	2	151,782	1
3300	Retained earnings (Note 6 (18))	7,538,998	59	8,350,263	64
3400	Other equity (Note 6 (19))	2,915,781	23	2,388,550	18
3500	Treasury shares (Note 6 (20))	(83,230)	(1)	(97,469)	(1)
31xx	Total equity attributable to owners of the parent company	11,544,569	91	12,179,126	93
36xx	Non-controlling interest (Note 6 (21))	25,713	-	24,968	-
3xxx	Total equity	11,570,282	91	12,204,094	93
	Total liabilities and equity	\$12,754,724	100	\$13,066,420	100

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

Chairman: Wu,Zi-Cong

Manager: Wu,Zi-Cong

Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Unit: Thousand NTD

Code	Items	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 6 (22))	\$2,378,900	100	\$2,233,540	100
5000	Operating Costs (Note 6 (6) (23))	(2,012,513)	(85)	(1,851,340)	(83)
5900	Gross Profit (loss)	366,387	15	382,200	17
	Operating expenses (Note 6 (23))				
6100	Marketing expenses	(113,369)	(5)	(108,251)	(5)
6200	Administrative expenses	(244,044)	(10)	(233,697)	(10)
6450	Expected credit losses (benefits)	(1,724)	-	(2,219)	-
6000	Total operating expenses	(359,137)	(15)	(344,167)	(15)
6900	Operating profit (loss)	7,250	-	38,033	2
	Non-operating income and expenses				
7100	Interest income (Note 6 (24))	20,592	1	21,469	1
7010	Other income (Note 6 (25))	223,676	9	168,378	7
7020	Other gains and losses (Note 6 (26))	(15,798)	-	5,654,794	253
7050	Finance costs (Notes 4 and 6 (27))	(1,907)	-	(3,604)	-
7055	Expected credit losses (benefits)	5,024	-	(5,455)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	41,877	2	59,559	3
7000	Total non-operating income and expenses	273,464	12	5,895,141	264
7900	Net profit (loss) before tax	280,714	12	5,933,174	266
7950	Benefit of income tax (expense) (Note 6 (28))	(274,282)	(12)	(502,963)	(23)
8000	Profit (loss) from continuing operations	6,432	-	5,430,211	243
8200	Profit (loss)	6,432	-	5,430,211	243
	Other comprehensive income (Note 6 (29))				
	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 6 (15))	(12,178)	-	(3,113)	-
8316	Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	637,831	27	128,805	6
8326	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income of affiliated enterprises and joint ventures	(61,096)	(3)	69,905	3
8310	Components of other comprehensive income that will not be reclassified to profit or loss:	564,557	24	195,597	9
	Items that may be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	(28,266)	(1)	(17,298)	(1)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	5,588	-	3,424	-
8360	Items that may be reclassified subsequently to profit or loss:	(22,678)	(1)	(13,874)	(1)
8300	Other comprehensive income - net after tax	\$541,879	23	\$181,723	8
8500	Total Comprehensive Income for the Year	\$548,311	23	\$5,611,934	251
8600	Profit (loss), attributable to:				
8610	Shareholders of the parent company (net income/loss)	\$5,361	-	\$5,429,260	243
8620	Non-controlling interests (profit or loss)	1,071	-	951	-
		\$6,432	-	\$5,430,211	243
8700	Total comprehensive income attributable to:				
8710	Owners of the parent company (consolidated profit and loss)	\$547,566	23	\$5,611,163	251
8720	Non-controlling interests (consolidated profit and loss)	745	-	771	-
		\$548,311	23	\$5,611,934	251
	Earnings Per Share				
9750	Basic earnings per share (Note 6 (30))	\$0.04		\$31.97	
9850	Diluted earnings per share	\$0.04		\$31.89	

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

Chairman: Wu,Zi-Cong

Manager: Wu,Zi-Cong

Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporation and its subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2021 and 2020
Unit: Thousand NTD

	Equity Attributable to the Shareholders of the Parent Company										Non-controlling interests	Total Equity
	Retained earnings					Other Equity			Total equity to owners of the parent company			
	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, 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												
Provision for legal reserve	-	-	73,817	-	(73,817)	-	-	-	-	-	-	
Ordinary cash dividends	-	-	-	-	(1,277,100)	-	-	-	(1,277,100)	-	(1,277,100)	
Reversal of special reserve	-	-	-	(1,941,491)	1,941,491	-	-	-	-	-	-	
Other changes in capital surplus	-	319	-	-	-	-	-	-	319	-	319	
Profit (loss) after tax of 2020	-	-	-	-	5,429,260	-	-	-	5,429,260	951	5,430,211	
Other comprehensive income after tax in 2020	-	-	-	-	(3,113)	(13,694)	198,710	-	181,903	(180)	181,723	
Total Comprehensive Income for the Year	-	-	-	-	5,426,147	(13,694)	198,710	-	5,611,163	771	5,611,934	
Capital reduction	(594,000)	-	-	-	-	-	-	-	(594,000)	-	(594,000)	
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	46,034	-	-	-	-	-	-	46,034	-	46,034	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	2,270	2,270	
Disposals of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	4,394	-	(4,394)	-	-	-	-	
Others	-	-	-	-	-	-	-	21,410	21,410	-	21,410	
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	
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	24,968	12,204,094	
Appropriation and distribution of earnings												
Provision for legal reserve	-	-	737,203	-	(737,203)	-	-	-	-	-	-	
Ordinary cash dividends	-	-	-	-	(831,600)	-	-	-	(831,600)	-	(831,600)	
Other changes in capital surplus	-	273	-	-	-	-	-	-	273	-	273	
Profit (loss) after tax of 2021	-	-	-	-	5,361	-	-	-	5,361	1,071	6,432	
Other comprehensive income after tax in 2021	-	-	-	-	(12,178)	(22,352)	576,735	-	542,205	(326)	541,879	
Total Comprehensive Income for the Year	-	-	-	-	(6,817)	(22,352)	576,735	-	547,566	745	548,311	
Capital reduction	(395,010)	-	-	-	-	-	-	-	(395,010)	-	(395,010)	
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	29,975	-	-	-	-	-	-	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	-	14,239	
Balance as of December 31, 2021	\$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	

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

Chairman: Wu,Zi-Cong

Manager: Wu,Zi-Cong

Chief Accountant: Lai,Ken-Min

Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

Unit: Thousand NTD

Items	December 31, 2021	December 31, 2020
Cash flows from (used in) operating activities, indirect method		
Net profit (loss) before tax	\$280,714	\$5,933,174
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expensesD	58,010	56,820
Expected credit losses (benefits)	(3,300)	7,674
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(24)	50
Interest expenses	1,907	3,604
Interest revenue	(20,592)	(21,469)
Dividend revenue	(181,571)	(109,477)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(41,877)	(59,559)
Loss (gain) on disposal and disposition of property, plant and equipment	(457)	(2,441)
Loss (gain) on disposal of non-current assets classified as held for sale	-	(5,754,207)
Unrealized exchange loss (gain)	683	1,573
Other adjustments to reconcile profit (loss)	(54)	319
Total adjustments to reconcile profit (loss)	(187,275)	(5,877,113)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	1,181	(15,006)
Decrease (increase) in accounts receivable	(8,582)	(47,454)
Decrease (increase) in accounts receivable - related parties	(1,317)	4,594
Decrease (increase) in other receivables	(4,026)	(4,538)
Decrease (increase) in other receivables - related parties	(865)	(965)
Decrease (increase) in inventories	(149,442)	21,838
Decrease (increase) in prepayments	17,995	(4,079)
Decrease (increase) in other non-current assets	496	1,430
Decrease (increase) in other financial assets	19,960	43,136
Total changes in operating assets	(124,600)	(1,044)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	3,568	(127)
Increase (decrease) in notes payable	53,236	(24,339)
Increase (decrease) in accounts payable	11,286	25,050
Increase (decrease) in accounts payable to related parties	-	(3)
Increase (decrease) in other payables	(53,460)	38,811
Increases (decreases) in other payables to related parties	(3,581)	(1,415)
Increase (decrease) in provisions	(1,009)	-
Increase (decrease) in other current liabilities	(257)	242
Increase (decrease) in net defined benefit liabilities	(6,772)	(45,438)
Total changes in operating liabilities	3,011	(7,219)
Total changes in operating assets and liabilities	(121,589)	(8,263)
Total adjustments	(308,864)	(5,885,376)
Cash inflow (outflow) generated from operations	(28,150)	47,798

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Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

Unit: Thousand NTD

Items	December 31, 2021	December 31, 2020
Interest received	\$21,549	\$19,192
Dividends received	231,665	127,705
Interest paid	(1,880)	(3,617)
Income tax refunded (paid)	(8,811)	(2,276)
Net cash provided by (used in) operating activities	214,373	188,802
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(1,215,535)	(665,267)
Disposal of financial assets at fair value through other comprehensive income	306,407	46,834
Disposal of non-current assets held for sale	-	8,351,965
Acquisition of property, plant and equipment	(401,151)	(81,468)
Disposal of property, plant, and equipment	603	2,892
Increase in refundable deposits	(1,250)	-
Decrease in refundable deposits	156	11,225
Acquisition of investment properties	(55,730)	-
Increase in other financial assets	(200,000)	(1,540,335)
Decrease in other financial assets	13,411	-
Increase in other non-current assets	-	(4,518)
Decrease in other non-current assets	7,287	-
Income tax refunded (paid)	-	(1,029,158)
Net cash flows from (used in) investing activities	(1,545,802)	5,092,170
Cash flows from financing activities		
Increase in short-term loans	100,000	-
Decrease in short-term loans	(32,472)	(90,496)
Decrease in short-term bills payable	-	(40,000)
Repayments of long-term loans	(2,092)	(3,875)
Increase in guarantee deposits received	1,106	940
Decrease in guarantee deposits received	(80)	(2,440)
Repayments of principal portion of the lease	(3,254)	(3,128)
Cash dividends paid	(801,625)	(1,231,066)
Capital reduction	(380,771)	(572,590)
Changes in non-controlling interests	-	2,270
Net cash provided by (used in) financing activities	(1,119,188)	(1,940,385)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(27,115)	(3,413)
Net increase (decrease) in cash and cash equivalents	(2,477,732)	3,337,174
Cash and cash equivalents at beginning of the period	3,987,427	650,253
Cash and cash equivalents at end of period	\$1,509,695	\$3,987,427

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

Chairman: Wu,Zi-Cong

Manager: Wu,Zi-Cong

Chief Accountant: Lai,Ken-Min

Matters for ratification

Case 2

Proposal: Ratification of the Company's Profit Distribution Proposal 2021

Proposed by the Board of Directors

Explanation:

- I. As of 2021, the total amount of distributable earnings is NT\$5,394,464,551.
- II. Please refer to #page 54# of the Handbook for the Profit Distribution Table , which has been reviewed by the Audit Committee and approved by the Board of Directors.
Please acknowledge.

Resolution:

Tahsin Industrial Corporatoin

Profit Distribution Table

2021

Unit: New Taiwan Dollars (NT\$)

Items	Amount
Distributable net profit	
Beginning balance of retained earnings	5,651,330,401
Net Profit of January 1 to December 31, 2021	5,360,534
Re-measurements of defined benefit plans changes for current year	(12,177,791)
Disposals of investments in equity instruments designated at fair value through other comprehensive income	18,642,591
Disposals by subsidiaries of investments in equity instruments designated at fair value through other comprehensive income	8,508,816
Provision for legal capital reserve (2021)	0
Cash dividends (NT\$ 2 per share) - first half of the year 2021	(277,200,000)
Total	5,394,464,551
Distributable items:	
Cash dividends (NT\$ 2.5 per share) - second half of the year 2021	247,747,500
Unappropriated retained earnings at period end	5,146,717,051
Total	5,394,464,551

Notes:

1. The company's earnings distribution shall be given priority to the undistributed earnings in 2021.
2. The cash dividend is rounded off to the nearest NT Dollar, with the decimal places removed. The aggregated rounded off amounts shall be recorded as other income of the Company.

Chairman: Wu,Zi-Cong

Manager: Wu,Zi-Cong

Chief Accountant: Lai,Ken-Min

Matters for discussion

Case 1

Proposal: Amendments to the Company's Articles of Incorporation, hereby proposed for discussion.

Proposed by the Board of Directors

Explanation: In order to conform with the policy to promote video conference for shareholders' meetings, to allow holding of shareholders' meetings in a flexible manner, it is required for Company to adopt video conference meeting or other modes as announced by the Central Supervisory Organization, hereby proposed to amend a part of the articles in the Company's Articles of Incorporation. Comparison table of the Articles before and after amendment is as attached.

Article No.	Article Before Amendment	Article After Amendment	Reason for Amendment
Article 12-1		During the Company's shareholders' meeting, video conference meeting or other modes as announced by the Central Supervisory Organization should be used.	In order to conform with the policy to promote video conference for shareholders' meeting, to allow holding of the shareholders' meeting in a flexible manner.

Resolution:

Matters for discussion

Case 2

Proposal: Amendment to the Company's Article "Procedure on Acquisition and Disposal of Assets"

Hereby proposed for discussion.

Proposed by the Board of Directors

Explanation: In accordance with the Letter 110, 10, 20 Tai-Zheng-Shang-Yi-Zhi No. 1101805676 of Taiwan Stock Exchange, hereby propose to amend a part of the Article on "Procedure for Acquisition and Disposal of Assets". Comparison table of the articles before and after the amendments is attached.

Article No.	Article Before Amendment	Article After Amendment	Reason for Amendment
Article 32	Apart from acquiring assets for use in the business operation of the Company and its subsidiaries, investment in or purchase of real estates and negotiable securities which are not used for business operation are subject to limit of quota, as follows: I. The total amount of investment properties which are not used for business operation shall not exceed 50% of the net worth in the most recent financial statement of the Company; the same shall not exceed 30% of the net worth in the most recent financial statement of the subsidiaries. II. The total amount of	Apart from acquiring assets for use in the business operation of the Company and <u>its non-exclusive invested subsidiaries, investment in or purchase of real estates <u>and their right-of-use assets</u></u> or negotiable securities which are not used for business operation are subject to limit of quota, as follows: I. The total amount of investment properties <u>and their right-of-use assets</u> which are not used for business operation shall not exceed 50% of the net worth in the most recent financial statement of the Company; the same shall not exceed 30% of the net worth in the most	Pursuant to laws and regulations and operational requirements.

	<p>negotiable securities, =, shall not exceed 40% of the net worth in the most recent financial statement of the Company, the same shall not exceed 20% of the net worth in the most recent financial statement of the subsidiary.</p> <p>III. The quota for investing in individual negotiable securities is not to exceed 25% of the net worth in the most recent financial statement of the Company, not to exceed 10% of the net worth in the most recent financial statement of the subsidiaries.</p>	<p>recent financial statement of <u>each</u> subsidiary.</p> <p>II. The total amount of negotiable securities shall not exceed 40% of the net worth in the most recent financial statement of the Company, the same shall not exceed 20% of the net worth in the most recent financial statement of <u>each</u> subsidiary.</p> <p>III. The quota for investing in individual negotiable securities is not to exceed 25% of the net worth in the most recent financial statement of the Company, not to exceed 10% of the net worth in the most recent financial statement of <u>each</u> subsidiary.</p>	
Article 32-1		<p>When a subsidiary of exclusive investment purchases real estates and their use rights or negotiable securities, the limits of quota are respectively as follows:</p> <p>I. The total amount of investment properties and their use rights in all subsidiary companies of exclusive investment shall not exceed 30% of the net worth in the most recent financial statement of the Company.</p> <p>II. The total amount of negotiable securities in all subsidiaries of exclusive investment shall not exceed 20% of the net worth in the</p>	Pursuant to laws and regulations and operational requirements.

		<p>most recent financial statement of the Company.</p> <p>III. The quota for investing in individual negotiable securities is not to exceed 10% of the net worth in the most recent financial statement of the Company.</p> <p>IV. When each subsidiary exceeds the limit of quota for the investment, if it is authorized by the Board of Directors of the subsidiary as well as approved by the Board of Directors of the Company, the limit shall be withdrawn.</p>	
Article 37	<p>To meet the requirement of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used for calculation.</p> <p><u>In the case of the company's shares which have no par value or having a par value other than NT\$10 per share, for the calculation of transaction amounts of</u></p>	<p>To meet the requirement of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used for calculation.</p>	Practical operational requirements.

	<u>20 percent of the paid-in capital under these Procedures, 10 percent of the equities attributable to owners of the parent shall be the substitute; for the calculation of transaction amount up to NT\$10 billion relative to the paid-in capital under the provisions of these Regulations, NT\$20 billion worth of equities attributable to owners of the parent shall be the substitute.</u>		
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Resolution:

Matters for discussion

Case 3

Proposal: Amendments to the "Rules of Procedure for Shareholders' Meeting", proposed for discussion.

Proposed by the Board of Directors

Explanation: In order to conform with demand of digital age, provide shareholders with a convenient channel to participate in shareholders' meetings, update the requirement to use video conference for shareholders' meeting, amendments to the Company's "Rules of procedure for shareholders' meeting" are proposed.

Comparison table of the articles before and after the amendments is attached.

Article No.	Article Before Amendment	Article After Amendment	Reason for Amendment
Article 3	The shareholders' meeting shall have a sign-in book for the attending shareholders to sign in, or the attending shareholders may pay a sign-in card to sign in on their behalf. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.	The shareholders' meeting shall have a sign-in book for the attending shareholders to sign in, or the attending shareholders may pay a sign-in card to sign in on their behalf. The number of shares present is calculated based on the number of shares reported in the sign-in book or the attendance card <u>and the video conference platform, plus the number of shares exercising the voting rights by written or electronic means.</u>	When a shareholders' meeting is held by video conference, the number of shares of shareholders who have reported by video shall be added to the calculation of the total number of shares present.
Article 5	The meeting of shareholders shall be held at the place where the Company is located or at a place convenient	The meeting of shareholders shall be held at the place where the Company is located or at a place convenient	1. In order to meet the needs of the digital age and provide a

	<p>for the shareholders to attend and suitable for the meeting of shareholders, and the meeting shall commence no earlier than 9:00 a.m. or later than 3:00 p.m.</p>	<p>for the shareholders to attend and suitable for the meeting of shareholders <u>or via video conference</u>. The starting time should not be earlier than 9:00 a.m. or later than 15:00 p.m.</p> <p><u>When the Company holds shareholders' meeting via video conference, it is not affected by the preceding constraint of the venue. Shareholders' meeting which is convened via video conference, before the Chairman announces the adjournment of the meeting, if any natural disaster, accident, or other force majeure hinders the meeting platform or any technical issue of the video conference lasting for 30 minutes, the meeting shall be postponed to the date within five days of the convention or continue the meeting, for which is not applicable Provision under Article 182 of Companies Act.</u></p>	<p>convenient channel for shareholders to participate in shareholders' meetings, the Company can hold shareholders' meetings by video, and the Company has different ways to hold shareholders' meetings, such as physical shareholders' meetings and video conferences.</p> <p>2. Shareholders meeting conducted through video conference is not constrained by the physical location.</p>
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Article 9	<p>When the meeting time commences, Chairman shall announce opening of the meeting, and promulgate information about the number of non-voting seats, number of voting shares in attendance, and so on. The Chairman may adjourn the meeting for a maximum of two (2) times and the total time of the adjournment shall not exceed one (1) hour if the shareholders representing more than half of the total number of issued shares are not present. If the quorum is still not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. If, before the end of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the fictitious resolution made to the meeting for a vote in accordance with Article 174 of the Companies Act.</p>	<p>The chairman should call the meeting to order at the appointed meeting time and announce any information relating to the number of non-voting rights and shares in attendance. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chairman may announce a postponement, provided that no more than two such postponements for a combined total of no more than one hour duration.</p> <p>If the quorum is not met after two postponements and the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act <u>and the shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month; If a shareholders' meeting is held by way of video conference, shareholders who wish</u></p>	<p>If a shareholders' meeting is held by video conference, the Company shall resolve to convene a separate shareholders' meeting, and the shareholders who wish to attend by video conference shall re-register with the Company.</p>
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		<p><u>to attend by video conference shall re-register with the Company no later than 2 days before the date of the shareholders' meeting and shall register on the video conference platform 30 minutes before the commencement of the meeting. Shareholders who complete the attendance by video conference are deemed to have attended the meeting in person.</u></p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chairman may resubmit the tentative resolution for a vote by the meeting pursuant to Article 174 of the Companies Act.</p>	
Article 14-1		<p><u>If a shareholders' meeting is convened by video conference, shareholders participating by video may ask questions by text on the video conference platform after the chairman announces the meeting and before the meeting is adjourned, and the number of questions for each motion shall not exceed two, and each time shall be limited to 200 words.</u></p>	Formulate procedures for shareholder' meeting via video conference, including method to ask question, procedures and limitations.

Article 18	<p>Unless otherwise provided in the Companies Act and the Company's Articles of Incorporation, a motion shall be approved by a majority of the votes cast by the shareholders present, and the vote shall be deemed to be approved if there is no dissenting vote after consultation with the chairman. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p>	<p>Unless otherwise provided in the Companies Act and the Company's Articles of Incorporation, a motion shall be approved by a majority of the votes cast by the shareholders present, and the vote shall be deemed to be approved if there is no dissenting vote after consultation with the chairman. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.</p> <p><u>If a shareholders' meeting is held by video conference, the Company shall disclose the voting results of each motion and election results on the video conference platform of the shareholders' meeting immediately after the close of voting in accordance with the regulations, and shall continue to disclose the results for at least fifteen minutes after the meeting is adjourned by the chairman.</u></p>	<p>In order to allow shareholders participating in the shareholders' meeting to be informed of the voting status of each resolution and the election results immediately, sufficient time for information disclosure is regulated.</p>
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Resolution:

Extraordinary motion

Adjournment

Independent Auditors' Report

To Tahsin Industrial Corporation:

Audit Opinion

Tahsin Industrial Corporation's Parent Company Only Balance Sheets as of December 31, 2021 and 2020, 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, 2021 and 2020, 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 generally accepted 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, 2021. 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, 2021 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 (18) 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, 2021, 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 NTD2,880,096 thousand, accounting for approximately 23.23% 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 generally accepted in the Republic of China 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 in 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 generally accepted in the Republic of China, we exercise professional judgment and maintain professional 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, 2021. 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 25, 2022

Independent Auditors' Report

To Tahsin Industrial Corporation:

Audit Opinion

Tahsin Industrial Corporation and its subsidiaries' Consolidated Balance Sheets as of December 31, 2021 and 2020, in addition to the Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows, and Notes to Consolidated Financial Statements (including the Summary of Significant Accounting Policies) for the years then ended, have been audited by the CPAs.

In our opinion, the Consolidated 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 Tahsin Industrial Corporation's and its subsidiaries' financial conditions as of December 31, 2021 and 2020, as well as the consolidated 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 generally accepted auditing standards. Our responsibilities under those standards are further described in the section titled "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." We are independent from Tahsin Group 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 Consolidated Financial Statements of Tahsin Industrial Corporation and its subsidiaries for the year ended December 31, 2021. Such matters have been dealt with in the course of auditing the consolidated 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 consolidated financial statements of Tahsin Industrial Corporation and its subsidiaries for the year ended December 31, 2021 are as follows:

Revenue recognition

Please refer to Note 4 (18) of the Consolidated Financial Statements for accounting policies regarding revenue recognition; please see Note 5 (1) 3 of the Consolidated Financial Statements for critical accounting judgments, estimates, and assumptions regarding revenue recognition; please see Note 6 (22) of the Consolidated Financial Statement for disclosure of information related to income.

Key Audit Matters:

The operating revenue of Tahsin Industrial Corporation and its subsidiaries 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 Tahsin Industrial Corporation and its subsidiaries. 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 (6) of the consolidated financial statements for details of the accounting policies for cash and cash equivalents. Please refer to note 6 (1) of the consolidated financial statements for details of the accounting items of cash, equivalent cash and time deposits with an original maturity of more than three months.

Key Audit Matters:

As of December 31, 2021, the cash and cash equivalents held by Tahsin Industrial Corporation and its subsidiaries and time deposits with original maturities of more than three months and more than one year carrying value (listed in other financial of assets-current and other financial assets-non-current) is NTD3,258,981 thousand, accounting for approximately 25.55% of total assets, and the amount is significant to the consolidated financial statements. Due to the inherent risk of cash and cash equivalents and time deposits with an original maturity of more than three months and more than one year, we list these items as one of the key audit items.

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 term deposits with initial terms of over three months and over one year.
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. To obtain a breakdown of the balances of cash and cash equivalents and term deposits with initial terms of over three months and over one year and to check the balance on bank statements and the relevant transaction evidence to confirm the 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.

Other Matters

We have also audited the Parent Company Only Financial Statements of Tahsin Industrial Corporation for 2021 and 2020, on which we have issued an unqualified opinion.

Responsibilities of the Management and the Governance Unit for the Consolidated Financial Statements

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, the responsibility of management includes assessing the ability of Tahsin Industrial Corporation and its subsidiaries to continue as going concerns, disclosing related matters, as well as adopting the going-concern basis of accounting, unless the management intends to liquidate Tahsin Industrial Corporation and its subsidiaries or terminate the business, or no practicable measure other than liquidation or termination of the business can be taken.

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 Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional 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 Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their 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. Acquired necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate under the circumstances. Nevertheless, the purpose of such understanding is not to provide any opinion on the effectiveness of the internal controls of Tahsin Industrial Corporation and subsidiaries.
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. Based on the audit evidence acquired, on the appropriateness of the management's use of the going-concern basis of accounting, and determined whether a material uncertainty exists where events or conditions that might cast significant doubt on the ability of Tahsin Industrial Corporation and its subsidiaries to continue to operate as going concerns. If we believe there may be factors causing significant uncertainties, we are required to remind the users of the consolidated 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 Tahsin Industrial Corporation and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and events.
6. To obtain sufficient and appropriate audit evidence on the financial information from Tahsin Group members to express opinions on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit, and responsible for forming our opinions on the Group.

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.

We determined the key audit matters of the consolidated financial statements of Tahsin Industrial Corporation and its subsidiaries of 2021 from the matters communicated with the governance authorities. 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.

CPA: Chang,Fu-Lang

CPA: Chiu,Kuei Ling

No. of the official approval: FSC No. 10200032833
March 25, 2022

Articles of Incorporation of Tahsin Industrial Corporation

Chapter 1 General provisions

Article 1 The Company was incorporated under the Companies Act of the Republic of China as a company limited by shares, and is named "Tahsin Industrial Corporation".

Article 2 The Company is engaged in various businesses as follows:

- (I.) C306010 Outerwear knitting mills
- (II.) C805010 Manufacturing of plastic sheets, pipes and tubes
- (III.) C805020 Manufacturing of plastic films and bags
- (IV.) C805030 Manufacturing of plastic made groceries
- (V.) C805060 Manufacturing of plastic leather products
- (VI.) C805070 Manufacturing of reinforced plastic products
- (VII.) C805990 Manufacturing of other plastic products
- (VIII.) CB01010 Manufacturing of machinery and equipment
- (IX.) CB01020 Manufacturing of office machines
- (X.) CZ99990 Manufacturing of other industrial products not classified elsewhere
- (XI.) F104110 Wholesale of cloths, clothes, shoes, hats, umbrellas and garment accessories
- (XII.) F204110 Retail sale of cloths, clothes, shoes, hats, umbrellas and garment accessories
- (XIII.) F401010 International trade
- (XIV.) H701010 Construction, development and lease of residential and commercial buildings
- (XV.) CF01011 Manufacturing of medical devices
- (XVI.) F108031 Wholesale of medical devices
- (XVII.) F208031 Retail sale of medical devices
- (XVIII.) ZZ99999 Businesses which are not prohibited or not restricted by laws and regulations, in addition to those within the permitted business scope

Article 3 The Company shall have its head office set up in Taichung City, the Republic of China, and may set up, change, or close a branch office, plant and business office at appropriate places within or outside the territory of the Republic of China when deemed necessary, any of these actions shall be managed in accordance with resolutions of the Board of Directors.

Article 3-1 When the Company makes an outward investment in other company due to business needs through becoming a shareholder of that other company of limited liability, the total amount of investment in such other company shall not exceed 40% of the paid-up capital in the Company, unless it is

approved via a resolution by the Board of Directors.

Article 4 Public announcements of the Company shall be made in accordance with the rules promulgated by the competent authority. The Company shall not act as a guarantor of any nature, unless it is a special resolution adopted by the Board of Directors.

Chapter 2 Capital stock

Article 5 The total capital of the company is NT\$2,415,227,100, divided into 241,522,710 shares with a par value of NT\$10 per share. The shares shall be issued in installments. Within the amount of capital referred to in paragraph 1, NT\$30,000,000 is reserved for the issuance of employee stock option certificates, special shares with stock options or corporate bonds with stock options, totaling 3,000,000 shares, at NT\$10 par value each, which may be issued in installments in accordance with the resolution of the Board of Directors. In compliance with related regulations to share repurchasing, the Board is authorized to buy back the issued shares per its discretion. Treasury stock purchased by the Company shall be transferred to the employees of parents or subsidiaries of the Company or controlled by the Company, and whom have met qualification requirements; stock warrants of the Company shall be issued to the employees of parents or subsidiaries of the Company or controlled by the Company, and whom have met qualification requirements; new shares of restricted employee rights shall be issued to the employees of parents or subsidiaries of the Company or controlled by the Company, and whom have met qualification requirements; when the Company issues new shares, the employees who subscribed to the shares shall be employees of parents or subsidiaries of the Company or controlled by the Company, and whom have met qualification requirements. The Board of Directors is authorized to set qualification requirements as mentioned in the preceding paragraph.

Article 6 The share certificates of the Company shall be in registered form, and shall be affixed with signatures or personal seals of the Director representing the Company and duly certified pursuant to the law before issuance thereof. The Company may be exempted from printing any certificate in respect of the shares issued by it, but shall register with a Centralized Securities Organization as custodian for the shares issued by it.

Article 7 In the event of a transfer of shares or the creation of a pledge, the transferor and the transferee or the pledgee and the pledgee shall jointly issue an application form, sign and seal it, and submit it to the Company or the Company's designated stock transfer agent for registration and transfer.

Article 8 The shareholder shall submit a copy of his or her seal to the Company for its records, and the shareholder shall rely on the seal retained by the Company when receiving dividends from the Company or when

exercising his or her stock rights in writing in the future. If the shareholder's seal is lost or destroyed, it should be replaced with a new seal in accordance with the "Guidelines on Handling of Public Stock Issuance" published by the Financial Supervisory Commission.

Article 9 If a stock certificate is lost or stolen, the Company must notify the Company in writing of the loss and apply for a replacement in accordance with the "Rules Governing the Handling of Shares of Publicly Traded Companies" published by the Financial Supervisory Commission.

Article 10 The registration of stock transfer shall be closed within 60 days prior to the date of each regular shareholders' meeting or within 30 days prior to the date of an extraordinary shareholders' meeting or within five days prior to the date on which the Company decides to distribute dividends and bonuses or other benefits.

Article 11 The Company's shareholder's rights and interests are handled in accordance with the "Rules Governing the Handling of Stock Issued by Public Companies" issued by the Financial Supervisory Commission.

Chapter 3 Shareholders' meeting

Article 12 There are two types of company's shareholders' meetings: General meetings shall be convened by at least once a year by the Board of Directors within six months after close of each fiscal year. Extraordinary shareholders' meetings: shall be convened whenever necessary in accordance to the Companies Act. A notice to convene a regular shareholders' meeting shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and a notice to convene a special shareholders' meeting shall be given to each shareholder no later than 15 days prior to the scheduled meeting date.

Article 13 Except as otherwise provided in the Company Act, resolutions at shareholders' meetings shall be made with the consent of a majority of the shareholders present and voting.

Article 14 If a shareholder is unable to attend in person for any reason, he or she may issue a proxy form issued by the Company and ask the shareholder to sign or seal the proxy form, specifying the scope of authority, and appoint a proxy to attend. If a shareholder is appointed by more than two persons at the same time, the portion of the proxy's voting rights that exceeds 3% of the total voting rights of the outstanding shares shall not be counted. A shareholder shall serve the foregoing proxy to the Company or its designated stock agencies no later than five (5) days prior to the meeting date of the shareholders' meeting.

Article 15 The chairman of the board of directors shall be the chairman of the shareholders' meeting. If the chairman of the board of directors is absent from work or is unable to exercise his or her duties for any reason, the vice chairman of the board of directors shall act on his or her behalf. If the Chairman of the Board fails to designate a chair for the meeting, the directors shall nominate one from among themselves to preside at the

meeting.

- Article 16 The minutes of the shareholders' meeting shall be prepared, signed or sealed by the chairman, and distributed to the shareholders within 20 days after the meeting, and the minutes shall be distributed by public announcement. The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chair, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes, the attendance list bearing the signatures of shareholders present at the meeting and the proxies shall be kept persistently throughout the existence of the Company.

Chapter 4 Director and Audit Committee

- Article 17 The Company has a nine-member board of directors, who are nominated by candidates and are elected by the shareholders' meeting for a term of three years and are eligible for re-election in accordance with the provisions of the Company Act. The Company may, during the term of the Directors, take out liability insurance for the Directors with respect to the liabilities that may arise from the performance of duties during their term of office. In the number of Directors referred to in the preceding paragraph, the number of Independent Directors shall not be less than two and no less than one fifth of the total number of Directors. The professional qualifications, shareholdings, restrictions on concurrent employment, recognition of independence, nomination and election of independent directors and other matters to be complied with shall be in accordance with the relevant laws and regulations. The total number of registered shares held by all Directors shall be handled in accordance with the relevant laws and regulations of the competent authority. Remuneration of Directors of the Company shall be agreed upon by the Board of Directors in accordance with the recommendation of the Remuneration Committee and industry standards.
- Article 17-1 In calling a meeting of the Company's Board of Directors, a notice shall be given to each director no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time. The notice set forth in the preceding Paragraph may be served in writing, or by email or fax, with subject(s) to be discussed at the meeting contained therein.
- Article 18 The board of directors shall be composed of at least two-thirds of the directors present, and a majority of the directors present shall agree to elect from among themselves a chairman to represent the Company externally, and a vice chairman to assist the chairman in carrying out his duties.
- Article 19 If the chairman of the board of directors is absent from office or is unable to exercise his or her duties for any reason, the vice chairman of the board of directors shall act for him or her; if the vice chairman of the board of directors is also absent from office or is unable to exercise his or her duties

for any reason, the chairman of the board of directors shall designate a person to act for him or her; if the chairman of the board of directors does not designate a proxy, the directors shall elect one from among themselves to act for him or her. In case a director is unable to attend a meeting of the Board of Directors, he or she may appoint another director to in his/her behalf. A director may accept the appointment to act as the proxy of one other director only.

Article 20 The Company shall establish an Audit Committee and may set up other functional committees. The Audit Committee shall be entirely comprised of Independent Directors, with no lesser than three persons, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

Article 21 The power and authority of the board of directors are as follows:

- (I.) Review of important rules of the Company.
- (II.) Review of business policies of the Company.
- (III.) Review of proposed budgets and accounts of the Company
- (IV.) Formulation of company's profit distribution.
- (V.) Formulation of company's capital increase or capital reduction.
- (VI.) Appointment and removal of company's key personnel.
- (VII.) Formulation of company's acquisition and disposal of important properties and real estate.
- (VIII.) Review and approval of company's business reports.
- (IX.) Other rights and authorities as conferred by the laws, regulations, rules and Shareholders' Meeting.

Article 22 The functional authority of the Audit Committee are as follows
Responsible for the implementation of the functional authority of Supervisors stipulated in the Company Act, the Securities and Exchange Act and other relevant statutes and the compliance with relevant laws and regulations and the Company's rules.

Chapter 5 Manager

Article 23 Appointment and discharge and the remuneration of manager shall be decided by a resolution to be adopted by a majority vote of the directors at a meeting of the board of directors attended by at least half of the Board of Directors.

Article 24 Appointment and discharge of other employees of the company shall be decided by the General Manager.

Article 25 The General Manager shall, by a resolution adopted by the Chairman and the Board of Directors, have power to execute all affairs pertaining to the business of the company.

Chapter 6 Accounting

Article 26 The Company's fiscal year is from January 1 to December 31. For final accounts at the end of the year, the Board of Directors shall prepare the

following forms and records, submit them to the shareholders' meeting for approval in accordance with the law.

(I.) Business report

(II.) Financial report

(III.) Proposal on profit distribution or provision for loss.

Article 27 If the Company makes a profit during the distribution period, the Company shall set aside not less than 5% of the total amount for employee compensation and not more than 5% of the total amount for director and supervisor compensation. Provided that the company's accumulated losses shall have been covered. 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. Employee compensation may be paid in stock or cash to employees of control or subordinate companies who meet certain criteria, which are authorized to be set by the Board of Directors.

Article 27-1 The Company's earnings distribution or loss recovery shall be made after the end of each semi-annual accounting period. If there is any surplus in the semi-annual accounting period, the Company shall first make a tax contribution, make up for the accumulated deficit, and then set aside 10% of the legal reserve as legal reserve, except when the accumulated legal reserve has reached the Company's total capital. If there is any surplus, the remaining balance shall be added to the accumulated undistributed earnings of the previous half of the fiscal year, and the Board of Directors shall prepare a proposal for distribution, and if the proposal is made by issuing new shares, the proposal shall be submitted to the shareholders' meeting for resolution. In accordance with Article 240(5) of the Companies Act, the Board of Directors is authorized to distribute dividends and bonuses or all or part of the legal reserve and capital surplus required by Article 241(1) of the Company Act in cash by a resolution of at least two-thirds of the directors present and a majority of the directors present, and to report such distribution to the shareholders' meeting. The Company has diverse products so it is difficult to define our stages of growth. With steady profitability and a sound financial structure, on yearly basis, the Company is able to distribute dividends and bonuses in cash at a ratio of 20% to 100% as a basis. However, when there is an important investment plan, the Company may reallocate all dividends and bonuses for a capital increase.

Chapter 7 supplementary articles

Article 28 The Company's organizational rules and enforcement rules shall be established separately by the Board of Directors.

Article 29 Matters not prescribed under this Article of Incorporation shall be governed by and construed in accordance with the Companies Act and other relevant laws

and regulations.

Article 30 This Articles of Incorporation were established on August 31, 1966.

The 1st amendment took place on Deccember 22, 1967

The 2nd amendment took place on October 27, 1968

The 3rd amendment took place on Deccember 24, 1969

The 4th amendment took place on April 20, 1970

The 5th amendment took place on April 20, 1971

The 6th amendment took place on April 10, 1972

The 7th amendment took place on May 15, 1973

The 8th amendment took place on June 14, 1974

The 9th amendment took place on November 29, 1975

The 10th amendment took place on July 15, 1978

The 11th amendment took place on June 1, 1979

The 12th amendment took place on May 12, 1980

The 13th amendment took place on July 22, 1981

The 14th amendment took place on September 4, 1981

The 15th amendment took place on October 20, 1981

The 16th amendment took place on March 20, 1982

The 17th amendment took place on April 7, 1984

The 18th amendment took place on May 16, 1984

The 19th amendment took place on June 22, 1984

The 20th amendment took place on June 13, 1987

The 21st amendment took place on October 8, 1987

The 22nd amendment took place on November 10, 1987

The 23rd amendment took place on June 13, 1988

The 24th amendment took place on October 11, 1988

The 25th amendment took place on November 26, 1988

The 26th amendment took place on May 20, 1989

The 27th amendment took place on November 10, 1989

The 28th amendment took place on May 23, 1990

The 29th amendment took place on August 9, 1990

The 30th amendment took place on June 1, 1991

The 31st amendment took place on June 23, 1992

The 32nd amendment took place on August 31, 1992

The 33rd amendment took place on June 15, 1993

The 34th amendment took place on June 15, 1994

The 35th amendment took place on June 15, 1995

The 36th amendment took place on June 15, 1996

The 37th amendment took place on June 24, 1997

The 38th amendment took place on June 25, 1998

The 39th amendment took place on June 22, 1999

The 40th amendment took place on June 29, 2000

The 41st amendment took place on June 29, 2001

The 42nd amendment took place on June 28, 2002

The 43rd amendment took place on May 20, 2005
The 44th amendment took place on June 2, 2006
The 45th amendment took place on June 6, 2008
The 46th amendment took place on June 25, 2010
The 47th amendment took place on June 24, 2011
The 48th amendment took place on June 15, 2012
The 49th amendment took place on June 20, 2014
The 50th amendment took place on June 17, 2016
The 51st amendment took place on June 14, 2019
The 52nd amendment took place on June 5, 2020

Tahsin Industrial Corporatoin

Chairman: Wu, Zi-Cong

Tahsin Industrial Corporation - Rules of procedure for

Shareholders' Meeting

Amended by the Shareholders' Meeting on August 11, 2021

- Article 1 Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened in accordance with the Rules.
- Article 2 The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for resolution, matters for discussion, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders' meeting or 15 days before the date of an extraordinary shareholders' meeting. The Company shall prepare electronic versions of a regular shareholders' meeting agenda handbook and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders' meeting or 15 days before the date of the extraordinary shareholders' meeting. 15 days before the date of the shareholders' meeting, the Company shall have prepared the shareholders' meeting agenda handbook and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional stock registrar and transfer agent designated thereby as well as being distributed on-site at the meeting place.
- Article 3 The shareholders' meeting shall have a sign-in book for the attending shareholders to sign in, or the attending shareholders may pay a sign-in card to sign in on their behalf. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.
- Article 4 Attendance and voting at shareholders' meetings shall be calculated on the basis of shares.
- Article 5 The meeting of shareholders shall be held at the place where the Company is located or at a place convenient for the shareholders to attend and suitable for the meeting of shareholders, and the meeting shall commence no earlier than 9:00 a.m. or later than 3:00 p.m.

- Article 6 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or unable to exercise his powers and duties for any reason, the Deputy Chairman of the Board shall preside at such meeting. If there is no Deputy Chairman or the Deputy Chairman is on leave or unable to exercise his powers and duties for any reason, the Chairman of the Board shall designate a managing director to preside as the chairperson. If no managing director of the Company is appointed, the Chairman of the Board shall designate a director to preside as the chairperson. If the Chairman of the Board fails to designate a chairperson for the meeting, the managing director or the directors shall nominate one from among themselves to preside at the meeting . It is advisable that shareholders' meetings convened by the Board of Directors to be chaired by the Chairman of the Board in person and attended by a majority of the Directors, and at least one member of each functional committee representing the committee. The attendance shall be recorded in the minutes of shareholders' meeting. If the meeting is convened by any other person having the right to convene other than the Board of Directors, the meeting shall be chaired by the convener of that meeting. If there is more than one person with the authority to convene, the chairperson for the meeting shall be appointed from among them.
- Article 7 Attorneys, CPAs or related persons appointed by the Company shall attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- Article 8 The entire process of the meeting shall be recorded in the form of audio or video and these recorded tapes shall be preserved for at least one year.
- Article 9 When the meeting time commences, Chairman shall announce opening of the meeting, and promulgate information about the number of non-voting seats, number of voting shares in attendance, and so on. The Chairman may adjourn the meeting for a maximum of two (2) times and the total time of the adjournment shall not exceed one (1) hour if the shareholders representing more than half of the total number of issued shares are not present. If the quorum is still not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a

tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. If, before the end of the meeting, the number of shares represented by the shareholders present reaches more than half of the total number of issued shares, the chairman may re-submit the fictitious resolution made to the meeting for a vote in accordance with Article 174 of the Companies Act.

Article 10 If a shareholders' meeting is convened by the Board of directors, the meeting agenda shall be set by the Board of Directors, the related proposals (including extraordinary motions and amendments to original proposals) shall be resolved by voting on a case by case sequential basis. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the right to convene that is not the Board of Directors. The chair shall not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. After the meeting is adjourned, the shareholders may not separately elect a chair and resume the meeting at the original or a different venue.

Article 11 Before a shareholder attends to speak, he/she must fill out a speech slip stating the main idea of the speech, the shareholder's account number (or attendance card number) and the name of the account, and the chairman will determine the order of his/her speech. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 12 Each shareholder may not speak more than twice on the same motion without the consent of the chairman, and each time may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.

Article 13 When a legal entity is entrusted to attend a shareholders' meeting,

such legal entity may appoint only one representative to attend. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 14 After a shareholder has spoken, the chairman may reply in person or designate the relevant person.

Article 15 With respect to discussion of proposals, when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 16 The chairman shall designate the person(s) to monitor and count the votes on the motion, but the monitor shall be a shareholder. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 17 During the meeting, the chairman may call a break at his discretion.

Article 18 Unless otherwise provided in the Companies Act and the Company's Articles of Incorporation, a motion shall be approved by a majority of the votes cast by the shareholders present, and the vote shall be deemed to be approved if there is no dissenting vote after consultation with the chairman. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

Article 19 If there are amendments or substitutions to the same motion, the chairman shall determine the order of voting together with the original motion. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 20 The chairperson may direct marshals (or security personnel) to assist in maintaining order in the meeting. When pickets (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Picket."

Article 21 These rules shall come into effect upon the approval of the shareholders' meeting and shall be amended as well.

Tahsin Industrial Corporatoin

Shareholding Status of All Directors

As of April 19, 2022

As of April 15, 2022

Title	Name		Elected Date	Shareholding while elected		Current shareholding	
				Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
Chairman of the Board	Wu, Zi-Cong	Representative of Tah Quan Investment Co., LTD.	109.6.05	18,460,000	9.32%	9,320,000	9.40%
Deputy Chairman of the Board	Hu, Po-Yi		"	6,000,000	3.03%	3,057,961	3.09%
Directors	Hu, Pie-Tuan	Representative of Tahsin Chang Investment Co., Ltd.	"	5,088,300	2.57%	2,546,694	2.57%
Directors	Liu, Wan-Cheng	Representative of Pinfan Investment Co., Ltd.	"	3,000,000	1.52%	1,901,500	1.92%
Directors	Hu, Bor-Chon		"	2,700	0.00%	1,500	0.00%
Independent Director	Lin, Ko-Ww		"	0	0.00%	0	0.00%
Independent Director	Yang, Te-Wang		"	19	0.00%	9	0.00%
Independent Director	Yang, Kuo-Shu		"	0	0.00%	0	0.00%
Total				32,551,019		16,827,664	

Total issued shares on June 05, 2020: 198,000,000 shares

Total issued shares on April 19, 2022: 99,099,000 shares

Notes:

The minimum required combined shareholding of all Directors by law: 7,927,920 shares. The combined shareholding of all Directors on April 19, 2022: 16,827,655 shares.

The Company has set up an Audit Committee, therefore it is not applicable for Supervisors to hold legally required number of shares.

Shares held by Independent Directors are not included in the number of shares held by Directors.

The Impact of Stock Dividend Issuance on Business Performance, Earnings Per Share, and Shareholder Return on Investment (ROI) Rate: Not Applicable