

Tah Hsin Industrial Corp.2021 Annual Standing Meeting

Time: 09:00 a.m. on Wednesday, August 11, 2021

Place: No.51, Gongyequ 35th Rd., Xitun Dist., Taichung City (Head Office)

Attendance of shareholders: 106,454,720 shares represented by shareholders and their proxies (accounting for 79.67% of the total 133,604,100 shares issued by the company)

Attending Directors: Wu Zi Cong, Hu Po Yi, Hu Po Dun, Hu Pao Tsong, Liu Wan Cheng, Hu Pao Tse, 6 seats

Attend Independent Directors: Lin Ko Wu, Yang Te Wang, Yang Kuo Shu 3 seats

List: Lai Ken Min Vice Manager

Crowe Horwath Certified Public Accountants: Chang Fu Lang (CPA)

Chairman: Wu Zi Cong

Record: He Wenda

(The total number of shares present at the shareholders' representative has reached a statutory amount and the chairman announces the meeting)

Chairman's address: (omitted)

I. Report Items:

- (1) 2020 Business Report. (Attachment 1)**
- (2) Audit Committee's Review Report on the 2020 Financial Statements . (Attachment 2)**
- (3) Report on amendment to "Rules of Procedures for Board of Directors Meeting." (Please refer to the Meeting Handbook.)**
- (4) The Status of Endorsements and Guarantees . (Please refer to the Meeting Handbook.)**
- (5) Report on the Profit Distribution Status 2020 for Cash Dividends to Shareholders . (Please refer to the Meeting Handbook.)**
- (6) Report on the Distribution of Employee Compensation and Remuneration to Directors and Supervisors 2020. (Please refer to the Meeting Handbook.)**

II. Proposed Resolutions:

No. 1

Subject: Ratification of the 2020 Business Report and Financial Statements

Proposed by the Board of Directors

Explanation:

The Company's 2020 Financial Statements audited by CPAs have been submitted along with the 2020 Business Report to the Audit Committee for review without finding any nonconformity. Please acknowledge.

Attachments:

- I. The 2020 Business Report (Attachment 1).
- II. The 2020 Financial Statements (Attachment 3).

Resolution:

Voting Results

Shares represented at the time of voting: 106,454,720

Voting Result (include electronic voting)	% of the total represented share present
Votes in favor: 106,370,890 votes	99.92%
Votes against: 32,678 votes	0.03%
Abstention votes: 51,152 votes	0.04%

No. 2

Subject: Ratification of the Company's Profit Distribution Proposal 2020

Proposed by the Board of Directors

Explanation:

- (I) As of 2020, the total amount of distributable earnings is NT\$6,205,730,401.
- (II) The Profit Distribution Table, which has been reviewed by the Audit Committee and approved by the Board of Directors. Please acknowledge.
(Attachment 4)

Resolution:

Voting Results

Shares represented at the time of voting: 106,454,720

Voting Result (include electronic voting)	% of the total represented share present
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Votes in favor:	106,413,190 votes	99.96%
Votes against:	32,678 votes	0.03%
Abstention votes:	8,852 votes	0.00%

The proposal was approved after voting.

III. Matters for Discussion:

No. 1

Subject: Amendments to the "Rules of Procedure for Shareholders' Meeting.

Proposed by the Board of Directors

Explanation:

In accordance with the Taiwan Stock Exchange Letter 110, 1, 28 Tai-Zheng-Zhi-Li No. 1100001446, amendments to the Company's "Rules of Procedure for Shareholders' Meeting" are made. Comparison table of the Articles before and after amendment is as attached. (Attachment 5)

Resolution:

Voting Results

Shares represented at the time of voting: 106,454,720

Voting Result (include electronic voting)	% of the total represented share present
Votes in favor: 106,410,998 votes	99.95%
Votes against: 27,694 votes	0.02%
Abstention votes: 16,028 votes	0.01%

The proposal was approved after voting.

No. 2

Subject: Cash Capital Reduction Proposal

Proposed by the Board of Directors

Explanation:

- I. In order to optimize the capital structure, improve the shareholder's return on equity and enhance earnings per share, the Company proposed to execute a cash capital reduction to return share capital to shareholders.**
- II. The amount of cash capital reduction is proposed to be NT\$395,010,000. Based on the current actual share capital of 138,600,000 shares, the expected cash reduction ratio is 28.5%, and NT\$2,850 will be returned for every 1,000 shares. After the capital reduction, the expected paid-in share capital is NT\$990,990,000, with a total of 99,099,000 shares issued.**

III. According to record of shareholders' registrar on the practicable date of capital reduction and conversion, with each shareholder's shares calculated individually, it is proposed that 715 shares to be reissued per thousand shares held (i.e., 285 shares to be reduced for every thousand shares outstanding). The total number of shares to be cancelled is 39,501,000. After the capital reduction, odd lots of less than 1 share will be paid in cash at par value in cash rounded down to the nearest dollar. Share buyback for all odd lots of less than 1 share at par value shall be undertaken by authorized party appointed by the Chairman.

IV. After the cash reduction proposal is approved at the annual general shareholders' meeting and the competent authority, the shareholders' meeting shall authorize the Board of Directors to decide on the practicable date of capital reduction, share cancellation, and other related matters.

V. In the event that amendment or change is required by the competent authority or by laws and regulations or in objective response to the environment, it is proposed for the shareholders' meeting to approve and authorize the Board of Directors to act accordingly.

Resolution:

Voting Results

Shares represented at the time of voting: 106,454,720

Voting Result (include electronic voting)	% of the total represented share present
Votes in favor: 106,328,968 votes	99.88%
Votes against: 117,201 votes	0.11%
Abstention votes: 8,551 votes	0.00%

The proposal was approved after voting.

IV. Other Business and Special Motion: no

V. Meeting Adjourned: August 11, 2021 at 09:24 am

Chairman: Wu Zi Cong

Record: He Wenda

(Attachment 1) Tahsin Industrial Corporation

2020 Business Report

2020 Business Report

Dear shareholders, ladies and gentlemen,

We hereby report the Company's business performance in 2020:

In 2020, the Company's operating revenue was NT\$1.79639 billion, a decline of 10.88% compared with that in 2019. The operating profit was NT\$ 7.94 million, a decrease of NT\$26.02 million compared with that in 2019. The net income before tax was NT\$ 5.92963 billion, an increase of NT\$ 5.2875 billion compared with that in 2019. The net income after tax was NT\$4.73301 billion, an increase of NT\$5.42926 billion compared with that in 2019.

The Group sales analysis by product and by region in the most recent two fiscal years is as follows:

Sales by product				in NTD thousand		
Product Category	2020		For the year ended December 31, 2019		Increased (Decreased) from previous year	
	Amount	%	Amount	%	Amount	%
Rainwear Department	936,464	52.13	1,097,750	54.46	(161,286)	(14.69)
Garment	423,898	23.60	407,742	20.23	16,156	3.96
New Products	201,081	11.19	268,758	13.33	(67,677)	(25.18)
PP	234,955	13.08	241,548	11.98	(6,593)	(2.73)
Total	1,796,398	100.00	2,015,798	100.00	(219,400)	(10.88)

Sales by region				in NTD thousand		
Region	2020		For the year ended December 31, 2019		Increased (Decreased) from previous year	
	Amount	%	Amount	%	Amount	%
Taiwan	379,213	21.11	414,291	20.55	(35,078)	(8.47)
Americas	273,917	15.25	510,521	25.33	(236,604)	(46.35)
Europe	641,551	35.71	614,817	30.50	26,734	4.35
Japan	330,611	18.41	266,977	13.24	63,634	23.84
Others	171,106	9.52	209,192	10.38	(38,086)	(18.21)
Total	1,796,398	100.00	2,015,798	100.00	(219,400)	(10.88)

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

(1) Parent Company Only Sales and Profitability Performance in the Last Two Years

Unit: Thousand NTD

Items	2020		For the year ended December 31, 2019	
	Amount	%	Amount	%
Net operating revenue	1,796,398	100.00	2,015,798	100.00
Gross operating profit	212,893	11.85	258,076	12.80
Operating profit	7,936	0.44	33,961	1.68
Net profit before taxes	5,929,631	330.08	720,882	35.76
Net Income after Tax	5,429,260	302.23	696,250	34.54

(2) Profitability

Items			2020	For the year ended December 31, 2019
Profitability	Return on total assets (%)		48.76 %	7.33 %
	Return on shareholders' equity (%)		52.84 %	8.66 %
	to paid-in capital ratio (%)	Operating profit	0.57 %	1.72 %
		Pre-Tax Net Profit	427.82 %	36.41 %
	Net profit rate (%)		302.23 %	34.54 %
	Earnings per share (NT\$)		NT\$ 31.97	NT\$ 3.65

(3) Return on Investment

Items	2020	For the year ended December 31, 2019
Price-to-Earnings Ratio	1.73	9.07
Price/Dividend Ratio	6.91	9.07
Cash Dividend Yield	14.48%	11.02% *

II. Outline of 2021 Business Plan

(I) Impact from Competition, Legislation and Overall Business Environment

The emergence of a new coronavirus from "factory of the world," China, in 2020 has sent financial markets into a tailspin, devastating economies, and stagnating production and consumption. With a handful of countries as exceptions, the global market has entered a recession as all economies has plunged to zero growth, while Europe and the US faced negative growth.

Under the efforts of all countries, the COVID-19 vaccine has been developed. However, with the concerns over the vaccine, the vaccination progress has been at a slow pace. Due to cities lockdowns and border controls among major economies, interest rate cuts and shell-out are used to rescue the market and the economy, and the trend of currency affects the trend of international fund flows.

Internationally, the US-China disputes have escalated in terms of trade, policies, and values. In addition, with manufacturing companies leaving China, anti-government demonstrations and protests in emerging markets, the coup in Myanmar, BREXIT, unrest in Hong Kong triggered by the Fugitive Offenders amendment bill, extreme changes in global climate, etc. global economic activities are affected by risks from multiple fronts.

Domestically, although friction between US and China has attracted industries and capital back to Taiwan for investments, confidence in consumers took a blow from the pandemic. Weakened domestic demands, currency appreciation of New Taiwan Dollars, the tumble in international oil prices, changes to environmental protection laws and labor regulations, etc. are all major variables of potential impact that will continue to be of concern in the future.

(II) Summary of 2018 Business Plan:

1. Operating Strategies:

[Improve staff living standards]

[Technical innovation, Attaches great importance to the quality]

[Stimulate employees' potential to create profits]

[Serve customers at reasonable prices]

2. Estimated targets for sales:

The sales target for the Company in 2020 is NT\$ 1.9 billion and NT\$ 2.28 billion for the Group. We will also acquire new customers, ensure steady orders, balance production capacity, and win more lucrative orders to improve our business performance and profits.

The anticipated sales for major products of the Group in 2021 is as follows:

Unit: NT\$ million

Product Category	Anticipated sales for the Company			Anticipated sales for the Group		
	Import	Export Sales	Anticipated sales	Import	Export Sales	Anticipated sales
Raincoat	121	815	936	145	978	1,123
Garment	102	362	464	122	434	556
Stationery	—	71	71	—	87	87
Binding machine	—	11	11	—	13	13
Laminator	—	168	168	—	202	202
PP Corrugated Board	199	51	250	238	61	299
Total of Anticipated Sales	422	1,478	1,900	505	1,775	2,280

3. Important Production and Marketing Policies:

- (1) To actively develop long-term customers, adequately allocate domestic sales orders, balance between low and high seasons, expand the scope of cooperation with existing key customers, respond to orders received in a timely manner, adjust production capacity of the plants in Myanmar, Vietnam, and mainland China to ensure an effective production rate.
- (2) To actively introduce orders for G Series and production technologies for improvements.
- (3) In response to the US-China trade tariff barriers, the Company will continue to expand existing plant in Vietnam, and establish Phu My Kim Ahn shares to increase production capacity, and improve production flexibility of the plant.
- (4) Cooperate with customers in developing large laminators, expand production lines, and establish standard operating procedures for production and quality control. In addition, the Group aggressively developed new products and new models to improve its performance.
- (5) To continuously develop new types of PP corrugated boards to conforms to the trend of environmental protection, develop new products and machine equipment, accelerate the replacement of old with new ones, and expand the customer base at home and abroad.
- (6) To reallocate some of the orders to other appropriate overseas factories for production in response to the political instability in Myanmar and the customers' order requirements.

(III) Future Development Strategies:

1. To expand markets and win orders:

Deepen cooperation with high quality customers; continuously acquire new customers; strengthening product development and fortifying domestic and export sales channels; maintaining presence at international trade shows to stay abreast with the latest market trends, improving communications and information sharing with overseas marketing channels; responding flexibly to low volume diversified markets.

2. To manage production and control quality:

Balance production and capacity of Vietnam and Burma factories to meet customers' delivery needs; strengthen the operations of the technical center, as well as outsourcing and quality inspection center in the Vietnam factory; strengthen production management and technical guidance of each product, improve quality management; and upgrade the production line with replacement of old equipment by new and increase automation to increase efficiency.

3. To expand production and scope of operations:

Introduction of new equipment for PP corrugated board and replacement of old equipment with new ones to increase production capacity attuned with sales expansion; refining space utilization of factory to increase production capability as orders for machinery equipment scales progressively; Use sluggish materials to develop products and strengthen online sales channels.

4. Logistics support and operations management:

Enhance local procurement of raw materials, supply materials in accordance with production schedule; build a quality integration platform for factories at home and abroad; implement rotation and strengthen competency of personnel to improve their technical and management abilities; cultivate outstanding foreign colleagues and implement the localization of overseas cadres; recruit and attract new- generation management talent with foreign- language skills; improve management procedures and implementation; create a healthy and safe working environment; and continue the work on environmental protection.

5. Asset activation and application scope:

Using the factories and land adequately, and investing in financial assets appropriately. Looking forward to 2021, the Company will continue to uphold the business philosophy of "pragmatic and integrity," strengthen internal management and aggressively develop the market externally. We hope our professional management team will lead all employees, adhere to the boundaries, improve innovation, improve quality management, and create operating performance, and continue to create better investment efficiency for new shareholders. At the same time, we will also fulfill our corporate social responsibilities and work together towards a new and prosperous future.

Chairman:

Wu, Zi-Cong

Manager:

Huang, Chun-Jia

Chief Accountant:

Lai, Ken-Min

(Attachment 2) Tahsin Industrial Corporation
Audit Committee's Review Report

The 2020 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 (TW) CPAs' Chang, Fu Lang and Chiu, Kuei-Ling have been submitted to the Audit Committee for review and approval without finding any nonconformity. The Audit Committee hence issued the Review Report in accordance with Article 219 of the Company Act for approval.

To

2021 Shareholders' Meeting

Convener of the Audit Committee: Lin, Ko-Wu

March 22, 2021

(Attachment 3)**Independent Auditors' Report**

To Tahsin Industrial Corporation:

Audit Opinion

Tahsin Industrial Corporation's Parent Company Only Balance Sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, 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, 2020 and 2019, as well as the parent company only financial performance and cash flows from January 1 to December 31, 2020 and 2019.

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, 2020. 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, 2020 are as follows:

Revenue recognition

Please refer to Note 4 (18) 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 (21) 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, 2020, 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 NTD5,260,037 thousand, accounting for approximately 41.38% 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 bank accounts, and review relevant transaction voucher to ascertain the reasonableness of the situation of income and expenses of large bank deposits.
3. Conduct an inventory verification process on cash and time deposits, including checking whether time 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, for all correspondence with financial institutions to check the amount of correspondence and check if there are limitations and has made appropriate disclosures.

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, as well as the reasonableness of their accounting estimates and relevant disclosures.
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.

Matters that 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 other considerations, (including relevant protective measures).

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, 2020. 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 22, 2021

Tahsin Industrial Corporation

Parent Company Only Balance Sheets

December 31, 2020 and 2019

Unit: Thousand NTD

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6 (1))	\$ 3,770,037	30	\$ 505,757	5
1120	Financial assets at fair value through other comprehensive income - current (Notes 6 (2))	3,034,533	24	2,373,280	25
1150	Notes receivable, net (Note 6 (3))	34,070	-	32,079	-
1160	Accounts receivable – related parties (Note 6 (3))	1,118	-	1,208	-
1170	Accounts receivable - net (Note 6 (4))	261,088	2	214,427	2
1180	Accounts receivable – related parties (Note 6 (4))	56,532	-	82,203	1
1200	Other receivables	5,519	-	2,750	-
1210	Other receivables - related parties	1,566	-	576	-
1220	Current income tax assets	2,586	-	1,071	-
130x	Inventories (Notes 4 and 6 (5))	451,084	4	459,922	5
1410	Prepayments	53,602	-	49,144	1
1460	Non-current assets held for sale (or disposition group), net (Notes 6 (6))	-	-	2,597,758	27
1476	Other financial assets - current	1,490,000	12	-	-
11xx	Total current assets	9,161,735	72	6,320,175	66
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6 (7))	344,400	3	347,000	3
1550	Investments accounted for using the equity method (Notes 4 and 6 (8))	1,729,690	13	1,427,575	15
1600	Property, plant and equipment (Notes 4 and 6 (9))	1,122,488	9	1,116,361	12
1755	Right-of-use asset (Notes 4 and 6 (10))	253	-	51	-
1760	Investment properties - net (Notes 4 and 6 (11))	271,896	2	271,930	3
1840	Deferred tax assets (Note 6 (27))	78,023	1	74,410	1
1920	Refundable deposits	567	-	607	-
1970	Other long-term investment - net	810	-	810	-
1990	Other non-current assets - others	330	-	1,441	-
15xx	Total non-current assets	3,548,457	28	3,240,185	34
1xxx	Total Assets	\$ 12,710,192	100	\$ 9,560,360	100

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Tahsin Industrial Corporation

Parent Company Only Balance Sheets

December 31, 2020 and 2019

Unit: Thousand NTD

Code	Liabilities and equity	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term loans (Note 6 (12))	\$ -	-	\$ 77,000	1
2110	Short-term notes payable (Note 6 (13))	-	-	39,988	-
2150	Notes payable	92,939	1	117,232	1
2170	Accounts payable	51,983	-	29,820	-
2180	Accounts payable - related parties	1,664	-	-	-
2200	Other payables	155,788	1	114,832	1
2220	Other payables - related parties	19,437	-	28,953	-
2250	Provisions - current (Note 4 and 6 (4))	9,467	-	9,467	-
2260	Liabilities related to non-current assets held for sale (Note 6 (6))	-	-	527,820	6
2280	Lease liabilities - current (Note 6 (10))	202	-	51	-
2300	Other current liabilities	5,957	-	4,860	-
21xx	Total current liabilities	337,437	2	950,023	9
	Noncurrent liabilities				
2570	Deferred tax liabilities (Note 6 (27))	180,746	2	181,524	2
2580	Lease liabilities - non-current (Notes 6 (10))	51	-	-	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 6 (5))	7,920	-	50,245	1
2645	Guarantee deposits received	4,912	-	7,268	-
25xx	Total non-current liabilities	193,629	2	239,037	3
2xxx	Total liabilities	531,066	4	1,189,060	12
	Equity				
3100	Share capital (Note 4 and 6 (16))	1,386,000	11	1,980,000	21
3200	Capital surplus (Note 6 (17))	151,782	1	105,429	1
3300	Retained earnings (Note 6 (18))	8,350,263	66	4,196,822	44
3400	Other equity (Note 6 (19))	2,388,550	19	2,207,928	23
3500	Treasury shares (Note 6 (20))	(97,469)	(1)	(118,879)	(1)
3xxx	Total equity	12,179,126	96	8,371,300	88
	Total liabilities and equity	\$ 12,710,192	100	\$ 9,560,360	100

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

Chairman:
Wu, Zi-Cong

Manager:
Huang, Chun-Jia

Chief Accountant:
Lai, Ken-Min

Tahsin Industrial Corporation

Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2020 and 2020

Unit: Thousand NTD

Code	Item	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 6 (21))	\$ 1,796,398	100	\$ 2,015,798	100
5000	Operating costs (Note 6 (5) (22))	(1,583,505)	(88)	(1,757,722)	(87)
5900	Gross profit (loss)	212,893	12	258,076	13
5910	Unrealized gain (loss) from sale, net (loss)	(3,939)	-	(2,315)	-
5920	Realized gain (loss) from sale (Loss)	2,315	-	3,551	-
5950	Net Gross Profit (loss)	211,269	12	259,312	13
	Operating expenses (Notes 6 (22))				
6100	Marketing expenses	(108,404)	(6)	(118,471)	(6)
6200	Administrative expenses	(93,680)	(6)	(108,382)	(5)
6450	Expected credit impairment loss (gain)	(1,249)	-	1,502	-
6000	Total operating expenses	(203,333)	(12)	(225,351)	(11)
6900	Operating profit (loss)	7,936	-	33,961	2
	Non-operating income and expenses				
7100	Interest income (Note 6 (23))	19,877	1	13,499	1
7010	Other income (Note 6 (24))	140,272	8	264,548	13
7020	Other gains and losses (Notes 4 and 6 (25))	5,656,038	315	401,761	20
7050	Finance costs (Notes 4 and 6 (26))	(547)	-	(3,027)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method	106,055	6	10,140	-
7000	Total non-operating income and expenses	5,921,695	330	686,921	34
7900	Net profit (loss) before tax	5,929,631	330	720,882	36
7950	Benefit of income tax (expense) (Note 6 (27))	(500,371)	(28)	(24,632)	(1)
8000	Income from Continuing Operations	5,429,260	302	696,250	35
8200	Net Income	5,429,260	302	696,250	35
	Other comprehensive income (Note 6 (28))				
	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 6 (15))	(3,113)	-	(24,627)	(1)
8316	Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	70,196	4	(144,020)	(7)
8336	Unrealized valuation gain or loss on investments in equity instruments measured at FVTOCI - subsidiaries, associates, and joint ventures	128,514	7	374,271	18
8310	Total items that will not be reclassified subsequently to profit or loss:	195,597	11	205,624	10
	Items that may be reclassified to profit or loss				
8361	Exchange differences on translation of foreign operating organizations' financial statements	(17,118)	(1)	(17,151)	(1)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	3,424	-	3,430	-
8360	Total items that may be reclassified subsequently to profit or loss:	(13,694)	(1)	(13,721)	(1)
8300	Other comprehensive income - net	\$ 181,903	10	\$ 191,903	9
8500	Total Comprehensive Income for the Year	\$ 5,611,163	312	\$ 888,153	44
	Earnings Per Share				
9750	Basic earnings per share (Note 6 (29))	\$ 31.97		\$ 3.65	
9850	Diluted earnings per share (Note 6 (29))	\$ 31.89		\$ 3.65	

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

Chairman:
Wu, Zi-Cong

Manager:
Huang, Chun-Jia

Chief Accountant:
Lai, Ken-Min

Tahsin Industrial Corporation

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

Unit: Thousand NTD

Items	Retained earnings					Other Equity		Treasury stock	Total Equity
	Share capital of common stock	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings	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		
Balance as of January 1, 2019	\$1,980,000	\$ 96,162	\$ 736,766	\$2,581,834	\$ 444,199	\$ (56,561)	\$2,047,959	\$ (118,879)	\$ 7,711,480
Appropriation and distribution of earnings:									
Provision for legal reserve	-	-	22,947	-	(22,947)	-	-	-	-
Ordinary cash dividends	-	-	-	-	(237,600)	-	-	-	(237,600)
Reversal of special reserve	-	-	-	(66,543)	66,543	-	-	-	-
Other changes in capital surplus	-	702	-	-	-	-	-	-	702
Net income for 2019 (net loss)	-	-	-	-	696,250	-	-	-	696,250
Other comprehensive income for 2019	-	-	-	-	(24,627)	(13,721)	230,251	-	191,903
Total comprehensive income in 2019	-	-	-	-	671,623	(13,721)	230,251	-	888,153
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	8,565	-	-	-	-	-	-	8,565
Balance as of December 31, 2019	\$1,980,000	\$ 105,429	\$ 759,713	\$2,515,291	\$ 921,818	\$ (70,282)	\$2,278,210	\$ (118,879)	\$8,371,300
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 for 2020	-	-	-	-	5,429,260	-	-	-	5,429,260
Other comprehensive income for 2020	-	-	-	-	(3,113)	(13,694)	198,710	-	181,903
Total comprehensive income for 2020	-	-	-	-	5,426,147	(13,694)	198,710	-	5,611,163
Capital reduction	(594,000)	-	-	-	-	-	-	-	(594,000)
Retirement of treasury shares	-	-	-	-	-	-	-	21,410	21,410
Adjustments of capital surplus for 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)	-	-
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

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

Chairman:
Wu, Zi-Cong

Manager:
Huang, Chun-Jia

Chief Accountant:
Lai, Ken-Min

Tahsin Industrial Corporation

Parent Company Only Statements of Cash Flows

For the Years Ended December 31, 2020 and 2020

Unit: Thousand NTD

Item	December 31, 2020	December 31, 2019
Cash flows from operating activities-indirect method		
Net profit (loss) before tax	\$ 5,929,631	\$ 720,882
Adjustments		
Total adjustments to reconcile profit (loss)		
Depreciation expenses	25,755	25,754
Expected credit losses (benefits)	1,249	(1,502)
Interest expenses	547	3,028
Interest revenue	(19,877)	(13,499)
Dividend income	(109,477)	(228,000)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	(106,055)	(10,140)
Loss (gain) on disposal and disposition of property, plant and equipment	(2,166)	(444,250)
Loss (gain) on disposal of investment property	-	(14,315)
Loss (gain) on disposal of non-current assets classified as held for sale	(5,754,207)	-
Gain on reversal of impairment loss on non-financial assets	-	(19,633)
Unrealized gain (loss) from sale, net (loss)	3,939	2,315
Realized loss (gain) on sales	(2,315)	(3,551)
Unrealized exchange loss (gain)	2,996	5,544
Other items	319	702
Total adjustments to reconcile profit (loss)	(5,959,292)	(697,547)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	(2,052)	24,274
Decrease (increase) in notes receivable - related parties	90	1,085
Decrease (increase) in accounts receivable	(49,501)	70,105
Decrease (increase) in accounts receivable - related parties	24,327	26,285
Decrease (increase) in other receivables	(644)	2,210
Decrease (increase) in other receivables - related parties	(1,044)	(151)
Decrease (increase) in inventories	8,838	27,616
Decrease (increase) in prepayments	(4,458)	(8,223)
Total changes in operating assets	(24,444)	143,201
Changes in operating liabilities		
Increase (decrease) in notes payable	(24,293)	(25,128)
Increase (decrease) in accounts payable	22,163	(14,822)
Increase (decrease) in accounts payable - related parties	1,664	-
Increase (decrease) in other payables	44,989	(11,363)
Increases (decreases) in other payables - related parties	(9,516)	14,629
Increase (decrease) in other current liabilities	1,097	(2,723)

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Tahsin Industrial Corporation

Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019

Unit: Thousand NTD

Item	December 31, 2020	December 31, 2019
Increase (decrease) in net defined benefit liabilities	\$ (45,438)	\$ (81,789)
Total changes in operating liabilities	(9,334)	(121,196)
Total changes in operating assets and liabilities	(33,778)	22,005
Total adjustments	(5,993,070)	(675,542)
Cash generated from operations	(63,439)	45,340
Interest received	19,931	13,701
Dividends received	125,352	249,600
Interest paid	(561)	(3,087)
Income tax refunded (paid)	(1,515)	(520)
Net cash provided by (used in) operating activities	79,768	305,034
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(635,291)	-
Disposal of financial assets at fair value through other comprehensive income	46,834	-
Investments accounted for using the equity method	(36,844)	(57,883)
Disposal of non-current assets held for sale	8,351,965	-
Acquisition of property, plant and equipment	(35,779)	(26,303)
Disposal of property, plant, and equipment	2,292	529,428
Increase in refundable deposits	-	(39)
Decrease in refundable deposits	40	-
Disposal of investment properties	-	16,887
Increase in other financial assets	(1,490,000)	-
Decrease in other non-current assets	1,111	674
Income tax refunded (paid)	(1,029,158)	-
Net cash provided by (used in) investing activities	5,175,170	462,764
Cash flows from financing activities		
Decrease in short-term loans	(77,000)	(259,000)
Decrease in short-term bills payable	(40,000)	(230,000)
Increase in guarantee deposits received	84	3,564
Decrease in guarantee deposits received	(2,440)	(4,908)
Repayments of principal portion of the lease	(202)	(203)
Cash dividends paid	(1,277,100)	(237,600)
Capital reduction	(594,000)	-
Net cash provided by (used in) financing activities	(1,990,658)	(728,147)
Increase (decrease) in cash and cash equivalents	3,264,280	39,651
Cash and cash equivalents, beginning of the period	505,757	466,106
Cash and cash equivalents, end of the period	\$ 3,770,037	\$ 505,757

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

Chairman:
Wu, Zi-Cong

Manager:
Huang, Chun-Jia

Chief Accountant:
Lai, Ken-Min

Independent Auditors' Report

To Tahsin Industrial Corporation:

Audit Opinion

Tahsin Industrial Corporation and its subsidiaries' Consolidated Balance Sheets as of December 31, 2020 and 2019, 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, 2020 and 2019, as well as the consolidated financial performance and cash flows from January 1 to December 31, 2020 and 2019.

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, 2020. 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, 2020 are as follows:

Revenue recognition

Please refer to Note 4 (19) 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 (24) 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, 2020, 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 NTD 5,570,084 thousand, accounting for approximately 42.63% 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 2020 and 2019, 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 2020 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.

Crowe Horwath (TW) CPAs

CPA: Chang, Fu-Lang

CPA: Chiu, Kuei Ling

No. of the official approval: FSC No. 10200032833

March 22, 2021

Tahsin Industrial Corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

Unit: Thousand NTD

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

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Tahsin Industrial Corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

Unit: Thousand NTD

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

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

Chairman:
Wu, Zi-Cong

Manager:
Huang, Chun-Jia

Chief Accountant:
Lai, Ken-Min

Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2020 and 2019

Unit: Thousand NTD

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

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

Chairman:
Wu, Zi-Cong

Manager:
Huang, Chun-Jia

Chief Accountant:
Lai, Ken-Min

Tahsin Industrial Corporation and its subsidiaries

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

Unit: Thousand NTD

	Equity Attributable to the Shareholders of the Parent Company										
	Retained earnings					Other Equity			Total equity to owners of the parent company	Non-controlling interests	Total Equity
	Share capital of common stock	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings (or loss to be compensated)	Exchange differences on translating the financial statements of foreign operations	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Treasury stock			
Balance as of January 1, 2019	\$ 1,980,000	\$ 96,162	\$ 736,766	\$ 2,581,834	\$ 444,199	\$ (56,561)	\$ 2,047,959	\$ (118,879)	\$ 7,711,480	\$ 11,532	\$ 7,723,012
Appropriation and distribution of earnings											
Provision for legal reserve	-	-	22,947	-	(22,947)	-	-	-	-	-	-
Ordinary cash dividends	-	-	-	-	(237,600)	-	-	-	(237,600)	-	(237,600)
Reversal of special reserve	-	-	-	(66,543)	66,543	-	-	-	-	-	-
Other changes in capital surplus	-	702	-	-	-	-	-	-	702	-	702
Profit (loss) after tax of 2019	-	-	-	-	696,250	-	-	-	696,250	1,890	698,140
Other comprehensive income after tax in 2019	-	-	-	-	(24,627)	(13,721)	230,251	-	191,903	(500)	191,403
Total Comprehensive Income for the Year	-	-	-	-	671,623	(13,721)	230,251	-	888,153	1,390	889,543
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	8,565	-	-	-	-	-	-	8,565	-	8,565
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	9,005	9,005
Balance as of December 31, 2019	\$ 1,980,000	\$ 105,429	\$ 759,713	\$ 2,515,291	\$ 921,818	\$ (70,282)	\$ 2,278,210	\$ (118,879)	\$ 8,371,300	\$ 21,927	\$ 8,393,227
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
Net Income 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)
Retirement of treasury shares	-	-	-	-	-	-	-	21,410	21,410	-	21,410
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)	-	-	-	-
Balance as of December 31, 2020	\$ 1,386,000	\$ 151,782	\$ 833,530	\$ 573,800	\$ 6,942,933	\$ (83,976)	\$ 2,472,526	\$ (97,469)	\$ 12,179,126	\$ 24,968	\$ 12,204,094

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

Chairman:
Wu, Zi-Cong

Manager:
Huang, Chun-Jia

Chief Accountant:
Lai, Ken-Min

Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Cash Flows For the Years Ended December 31, 2020 and 2019 Unit: Thousand NTD

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

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Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2020 and 2019

Unit: Thousand NTD

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

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

Chairman:

Wu, Zi-Cong

Manager:

Huang, Chun-Jia

Chief Accountant:

Lai, Ken-Min

(Attachment 4) **Tahsin Industrial Corporation**
Profit Distribution Table
2020

Unit: New Taiwan Dollars (NT\$)

Item	Amount
Distributable net profit	
Beginning balance of retained earnings	125,301,926
Net Profit of January 1 to December 31, 2020	5,429,259,949
Special capital reserve	1,941,490,933
Legal reserve (Reversal of special capital reserves)	(194,149,093)
Re-measurements of defined benefit plans changes for current year	(3,113,191)
Disposals of investments in equity instruments designated at fair value through other comprehensive income	4,393,948
Legal reserve (2020)	(543,054,071)
Cash dividends (NT\$ 4 per share) - first half of the year 2020	(554,400,000)
Total	6,205,730,401
Distributable items:	
Cash dividends (NT\$ 4 per share) - second half of the year 2020	554,400,000
Unappropriated retained earnings	5,651,330,401
Total	6,205,730,401

Notes 1: The Company's earnings distribution shall be given priority to the undistributed earnings in 2020.

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:

Manager:

Chief Accountant:

Wu, Zi-Cong

Huang, Chun-Jia

Lai, Ken-Min

(Attachment 5)

"Rules of Procedure for Shareholders' Meeting"

Comparison table of the Articles before and after amendment
is as attached:

Article No.	Article Before Amendment	Article After Amendment	Reason for Amendment
Article 9	<p>The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. 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.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	<p>The chair shall call the meeting to order at the appointed meeting time. and disclose the information about the number of the shareholders with no voting rights and the number of shares in attendance.</p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. 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.</p> <p>When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.</p>	To improve the governance and the rights and interests of shareholders