

# **Tah Hsin Industrial Corp.2022 Annual Standing Meeting**

**Time: 09:00 a.m. on Friday, June 17, 2022**

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

**Attendance of shareholders: 76,950,539 shares represented by shareholders and their proxies (accounting for 80.55% of the total 95,526,932 shares issued by the company)**

**Attending Directors: Wu Zi Cong, Hu Po Yi, Hu Po Dun, Hu Pao Tsong, Liu Wan Cheng, 5 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)  
Chiu, kuei-Ling (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) 2021 Business Report. (Attachment 1 )**
- (2) 2021 Audit Committee Report . (Attachment 2)**
- (3) Update the company's report on "Code of Practice on Corporate Governance" (Please refer to the Meeting Handbook.)**
- (4) Update the company's report on "Code of Practice on Sustainable Growth" (Please refer to the Meeting Handbook.)**
- (5) Report on the situation of handling guarantee by endorsement. (Please refer to the Meeting Handbook.)**
- (6) Report on the situation of appropriation of retained earnings via cash dividends in 2021. (Please refer to the Meeting Handbook.)**
- (7) Report on the situation of distribution of remuneration to directors and employees in 2021. (Please refer to the Meeting Handbook.)**

## **II. Proposed Resolutions:**

### **No. 1**

**Subject: 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. The 2021 Business Report (Attachment 1 )

II . The 2021 Financial Statements (Attachment 3 )

**Resolution:**

**Voting Results**

**Shares represented at the time of voting: 76,950,539**

<b>Voting Result (include electronic voting)</b>	<b>% of the total represented share present</b>
<b>Votes in favor: 76,717,158 votes</b>	<b>99.69%</b>
<b>Votes against: 19,138 votes</b>	<b>0.02%</b>
<b>Abstention votes: 214,243 votes</b>	<b>0.27%</b>

### **No. 2**

**Subject: Ratification of the Company's Profit Distribution Propoal 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 annd approved by the Board of Directors.**

**Please acknowledge. (Attachment 4)**

**Resolution:**

**Voting Results**

**Shares represented at the time of voting: 76,950,539**

<b>Voting Result (include electronic voting)</b>	<b>% of the total represented share present</b>
<b>Votes in favor: 76,748,117 votes</b>	<b>99.73%</b>
<b>Votes against: 19,138 votes</b>	<b>0.02%</b>
<b>Abstention votes: 183,284 votes</b>	<b>0.23%</b>

**The proposal was approved after voting.**

### **III. Matters for Discussion:**

#### **No. 1**

**Subject: 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. (Attachment 5)**

**Resolution:**

**Voting Results**

**Shares represented at the time of voting: 76,950,539**

<b>Voting Result (include electronic voting)</b>	<b>% of the total represented share present</b>
<b>Votes in favor: 76,748,005 votes</b>	<b>99.73%</b>
<b>Votes against: 19,248 votes</b>	<b>0.02%</b>
<b>Abstention votes: 183,286 votes</b>	<b>0.23%</b>

**The proposal was approved after voting.**

#### **No. 2**

**Subject: 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. (Attachment 6)**

**Resolution:**

**Voting Results**

**Shares represented at the time of voting: 76,950,539**

<b>Voting Result (include electronic voting)</b>	<b>% of the total represented share present</b>
<b>Votes in favor: 76,748,005 votes</b>	<b>99.73%</b>
<b>Votes against: 19,248 votes</b>	<b>0.02%</b>
<b>Abstention votes: 183,286 votes</b>	<b>0.23%</b>

**The proposal was approved after voting.**

### **No. 3**

**Subject: Amendments to the "Rules of Procedure for Shareholders' Meeting",  
hereby 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. (Attachment 7)

**Resolution:**

**Voting Results**

**Shares represented at the time of voting: 76,950,539**

<b>Voting Result (include electronic voting)</b>	<b>% of the total represented share present</b>
<b>Votes in favor: 76,744,948 votes</b>	<b>99.73%</b>
<b>Votes against: 22,305 votes</b>	<b>0.02%</b>
<b>Abstention votes: 183,286 votes</b>	<b>0.23%</b>

**The proposal was approved after voting.**

**IV. Other Business and Special Motion: no**

**V. Meeting Adjourned: June 17, 2022 at 09:24 am**

**Chairman: Wu Zi Cong**

**Record: He Wenda**

( Attachment1 )

# 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

**(Attachment2)**

# **Tahsin Industrial Corporation**

## **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

## **(Attachment3)**

### **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

# 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, KenMin

# Tahsin Industrial Corporation

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

Unit: Thousand NTD

	Share capital of common stock	Capital Surplus	Retained earnings		Other Equity			Treasury stock	Total Equity
			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		
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,KenMin

**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

## **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

# 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

**(Attachment4)****Tahsin Industrial Corporation****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

**(Attachment5)**

**“Amendments to 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		<b>During the Company's shareholders' meeting, video conference meeting or other modes as announced by the Central Supervisory Organization should be used.</b>	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.

(Attachment6)

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

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

Article No.	Article Before Amendment	Article After Amendment	Reason for Amendment
Article 32	<p>Apart from acquiring assets for use in the business operation of the Company and its subsidiaries, investment in or purchase of real estates <b>and</b> negotiable securities which are not used for business operation are subject to limit of quota, as follows.</p> <p>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.</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 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</p>	<p>Apart from acquiring assets for use in the business operation of the Company and <b><u>its non-exclusive invested</u></b> subsidiaries, investment in or purchase of real estates <b><u>and their right-of-use assets</u></b> or negotiable securities which are not used for business operation are subject to limit of quota, as follows:</p> <p>I. The total amount of investment properties <b><u>and their right-of-use assets</u></b> 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 <b><u>each</u></b> 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 <b><u>each</u></b> subsidiary.</p> <p>III. The quota for investing in individual negotiable securities is not to exceed 25% of the net worth in the</p>	Pursuant to laws and regulations and operational requirements.

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

		<b>of Directors of the Company, the limit shall be withdrawn.</b>	
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><b><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 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></b></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.

(Attachment 7)

**“ Amendments to the "Rules of Procedure for Shareholders' Meeting”**

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 <b><u>and the video conference platform, plus the number of shares exercising the voting rights by written or electronic means.</u></b>	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 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.	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 <b><u>or via video conference.</u></b> The starting time should not be earlier than 9:00 a.m. or later than 15:00 p.m.  <b><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</u></b>	1. In order to meet the needs of the digital age and provide a 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. 2. Shareholders meeting conducted

		<p><b><u>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></b></p>	<p>through video conference is not constrained by the physical location.</p>
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</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 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>

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.

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 **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 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.**

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.	
<b>Article 14-1</b>		<b><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></b>	Formulate procedures for shareholder' meeting via video conference, including method to ask question, procedures and limitations.
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.	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. <b><u>If a shareholders' meeting is held by video conference, the</u></b>	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.

		<b><u>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></b>	
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