

Tah Hsin Industrial Corp.2023 Annual Standing Meeting

Time: 09:00 a.m. on Friday, June 16, 2023

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

Attendance of shareholders: 77,116,262 shares represented by shareholders and their proxies (accounting for 80.72% of the total 95,526,932 shares issued by the company)

Attending Directors: Wu Zi Cong, Hu Po Yi, Hu Pie Tuan, Hu bor Chon, 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: YU,ZE RONG

(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) 2022 Business Report. (Attachment 1)**
- (2) 2022 Audit Committee Review Report and Report on Communication between the Audit Committee and the Chief Audit Officer (Attachment 2)**
- (3) Report on amendment of the "Procedures of Election of Directors" (Please refer to the Meeting Handbook.)**
- (4) Report on the situation of handling guarantee by endorsement. (Please refer to the Meeting Handbook.)**
- (5)Report on the situation of appropriation of retained earnings via cash dividends in 2022. (Please refer to the Meeting Handbook.)**
- (6)Report on the situation of distribution of remuneration to directors and employees in 2022. (Please refer to the Meeting Handbook.)**

II. Proposed Resolutions:

No. 1

Proposal: Ratification of the 2022 Business Report and Financial Statements

Proposed by the Board of Directors

Explanation: The Company's 2022 Financial Statements audited by CPAs have been submitted along with the 2022 Business Report to the Audit Committee for review without finding any non-conformity. Please acknowledge.

Attachments:I. Business Report (Attachment 1)

II . Financial Statements (Attachment 3)

Resolution:

Voting Results

Shares represented at the time of voting: 77,116,262

Voting Result (include electronic voting)	% of the total represented share present
Votes in favor: 77,009,759 votes	99.86%
Votes against: 23,373 votes	0.03%
Abstention votes: 83,130 votes	0.10%

No. 2

Proposal: Ratification of the Company's Profit Distribution Proposal 2022

Proposed by the Board of Directors

Explanation:

I. As of 2022, the total amount of distributable earnings is NT\$5,864,161,399.

II. Please refer to page 26 of the Handbook for the Profit Distribution Table , which has been reviewed by the Audit Committee and approved by the Board of Directors.

Please acknowledge. (Attachment 4)

Resolution:

Voting Results

Shares represented at the time of voting: 77,116,262

Voting Result (include electronic voting)	% of the total represented share present
Votes in favor: 76,956,769 votes	99.79%
Votes against: 23,204 votes	0.03%
Abstention votes: 136,289 votes	0.17%

The proposal was approved after voting.

III. Election Matters

Proposal: Reelection of directors, submitted for election.

Proposed by the Board of Directors

Explanation:

1. The term of office of the Company's current 19th-session directors (including 3 independent directors) will expire on June 4, 2023; reelection is proposed in accordance with the regulations. There are nine directors (including 3 independent directors) for the 20th session with a term of 3 years. The new directors will be inaugurated effective the date of reelection from June 16, 2023 to June 15, 2026. For the procedures for election of directors, please refer to the Handbook.
2. Pursuant to Article 14-2 of the Securities and Exchange Act, Article 192-1 of the Company Act, and the articles of incorporation, the election of the Company's directors adopts the candidate nomination system.
3. There are nine candidates who pass the assessment of the company's Board of Directors. The slate and relevant information are as follows:

Slate of Director Candidates (Including Three Independent Directors):

No.	Category of Candidates	Name of Candidates	Main Education (Experience)	Name of Representative Legal Person	
1	Director	Wu, Zi-Cong	<u>Education:</u> Shih Shin University <u>Experience:</u> Tahsin Industrial Corporation: Director	Tah Quan Investment Co., Ltd.	
2	Director	Hu, Po-Yi	<u>Education:</u> Angren Academy <u>Experience:</u> Tahsin Industrial Corporation: Director		
3	Director	Hu, Pie-Tuan	<u>Education:</u> Asia University, Japan <u>Experience:</u> Tahsin Industrial Corporation: Director	Tahsin Chang Investment Co., Ltd.	

			Tashih Technology: Managing Director		
4	Director	Hu, Bor-Chon	<u>Education:</u> Hsin Min High School <u>Experience:</u> Tahsin Industrial Corporation: Director		
5	Director	Liu, Wan-Cheng	<u>Education:</u> Master of Graduate School of Foreign Languages and Literatures <u>Experience:</u> Tahsin Industrial Corporation: Director	Ping Fang Investment Co., Ltd.	
6	Director	Lai, Ken-Min	<u>Education:</u> Vanung University Tahsin Industrial Corporation: Director	Tah Cheng Investment Co., Ltd.	
7	Independent Director	Lin, Ko-Wu	<u>Education:</u> Chung Hsing University: Department of Accounting <u>Experience:</u> Yulon Motor Co., Ltd.: Senior Administrator of the Financial Department First & Horwath Company CPAs: Associate Manager, Manager, Accountant First & Horwath Company CPAs:		

			Partner		
8	Independent Director	Yang, Te-Wang	<u>Education:</u> Tunghai University: Program of Business Administration <u>Experience:</u> Tahsin Industrial Corporation: Division Chief of Financial Department		
9	Independent Director	Yang, Kuo-Shu	<u>Education:</u> National Hsinchu Commercial Vocational High School <u>Experience:</u> Tahsin Industrial Corporation: Deputy Division Chief of Taipei Management Section		

Election Results:

List of the Board of Directors

Title	Name	Shareholding while elected
Director	Representative of Tah Quan Investment Co., Ltd.: WU, ZI-CONG	88, 078, 364
Director	HU, PO-YI	75, 347, 310
Director	Representative of Tahsin Chang Investment Co., Ltd.: HU, PIE-TUAN	75, 072, 571
Director	HU, BOR-CHON	74, 472, 074
Director	Representative of Ping Fang Investment Co., Ltd.: LIU, WAN-CHENG	74, 170, 605
Director	Representative of Tah Cheng Investment Co., Ltd.: Lai, Ken-Min	74, 142, 755
Independent Director	LIN, KO-WU	74, 160, 823
Independent Director	YANG, TE-WANG	74, 150, 260
Independent Director	YANG, KUO-SHU	74, 140, 853

IV.Other Matters:

Proposal: Lifting Non-compete Limitations on New Directors, submitted for discussion.

Proposed by the Board of Directors

Explanation:

- I. In accordance with Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain at the shareholders' meeting the essential contents of such an act, and secure its approval.**
- II. Since one or more of director(s) of the Company may involve such an act wherein they invest in or manage other companies, which have the same or similar scope of business as the Company's, and serve as their directors, under the premise of no prejudice to the Company's interests, a request is hereby made in accordance with the law at the shareholders' meeting for giving a consent to lifting the non-compete limitations on the said directors and their representatives effective the date of their inauguration. (Attachment 11)**

Resolution:

Voting Results

Shares represented at the time of voting: 77,116,262

Voting Result (include electronic voting)	% of the total represented share present
Votes in favor: 75,337,912 votes	97.69%
Votes against: 1,723,084 votes	2.23%
Abstention votes: 55,266 votes	0.07%

The proposal was approved after voting.

V. Other Business and Special Motion: no

VI. Meeting Adjourned: June 16, 2023 at 09: 27 am

There are no questions from shareholders at this shareholders meeting

Chairman: Wu Zi Cong

Record: YU,ZE RONG

Tahsin Industrial Corporation

2022 Business Report

2022 Business Report

Dear Shareholders, ladies and gentlemen

Now the Company's Operating Performance in 2022 is reported as follows: The Company's operating revenue in 2022 was NT\$2.33621 billion, an increase of 15.93% compared with that in 2021. The operating profit was NT\$136.88 million, an increase by NT\$111.13 million compared with that in 2021. The net income before tax was NT\$761.69 million, an increase by NT\$486.95 million compared with that in 2021, net income after tax increased by NT\$728.1 million from 2021 to NT\$781.7 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	2022		2021		Unit: NT\$ thousand Improvement (Decline) compared with previous year	
	Amount	%	Amount	%	Amount	%
Rainwear department	1,16,934	49.74	924,985	45.90	236,949	25.62
Garment department	616,709	26.40	574,028	28.49	42,681	7.44
New product department	314,553	13.46	258,738	12.84	55,815	21.57
PP department	243,016	10.40	257,385	12.77	(14,369)	(5.58)
Total	2,336,212	100.00	2,015,136	100.00	321,076	15.93

Sales by geographical market						
Geographical market segment	2022		2021		Unit: NT\$ thousand Improvement (Decline) compared with previous year	
	Amount	%	Amount	%	Amount	%
Taiwan	409,420	17.52	404,678	20.08	4,742	1.17
America	368,335	15.77	308,543	15.31	59,792	19.38
Europe	1,014,098	43.41	802,986	39.85	211,112	26.29
Japan	250,535	10.72	283,409	14.06	(32,874)	(11.6)
Other	293,824	12.58	215,520	10.70	78,304	36.33
Total	2,336,212	100.00	2,015,136	100.00	321,076	15.93

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	2022		2021	
	Amount	%	Amount	%
Net operating revenue	2,336,212	100.00	2,015,136	100.00
Gross operating profit	354,531	15.18	247,588	12.28
Operating profit	136,888	5.86	25,750	1.28
Net profit before tax	761,695	32.60	274,743	13.63
Net income after tax	708,174	30.31	5,361	0.27

(2) Profitability

Items			2022	2021
Profitability	Return on total assets (%)		6.00%	0.04%
	Return on shareholders' equity (%)		6.39%	0.05%
	to Paid-in capital	Operating profit	13.81%	2.60%
		Net profit before tax	76.86%	27.72%
	Net profit rate (%)		30.31%	0.27%
	Earnings per share (NT\$)		NT\$7.41	NT\$0.04

(3) Return on Investment

Items	2022	2021
Price-to-Earnings Ratio	10.09	1,758.25
Price / Dividend Ratio	12.47	15.63
Cash Dividend Yield	8.02%	6.40%

II. Outline of 2023 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 2023 is NT\$2.125 billion for the Company, and NT\$2.45 billion for the Group. We will continue to stabilize order receiving, ensure balance of production capacity, maintain competitive advantages in order to improve business performance and profitability.

The anticipated sales for major products of the Group in 2023 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	108	995	1,103	108	1,183	1,291
Garment	105	418	523	105	497	602
Stationery	-	77	77	-	92	92
Binding machine	-	40	40	-	47	47
Laminator	-	148	148	-	176	176
PP corrugated board	193	41	234	193	49	242
Total	406	1,719	2,125	406	2,044	2,450

3. Important production and sales strategies:

- ① Domestic sales market: Adjust marketing strategies, make good use of new environmental friendly materials, design new styles, and provide major distributors and terminal consumers with sufficient sources of goods.
- ② Export market: Conduct close communication with customers and use digital software and hardware, accelerate the timeliness of proofing and quotation, coordinate with the quantities and delivery time, prepare materials in advance to expedite the shipment of materials to overseas factories, effectively arrange manpower and capacity, and control delivery time and quality.
- ③ Continue to collect environment-friendly raw materials for customers' selection, join the suppliers alliance of environmental friendly recycled materials, and introduce the verification of traceability process of recycled materials.
- ④ Mobilize manpower and capacity of overseas factories in face of customers' destocking for good arrangement and rectification, and continue to ensure personnel safety and health, and the clean environment.
- ⑤ Due to the release of lockdown from COVID-19 pandemic and restoration of shipping to normal delivery, the binding machines for export can be shipped subject to customers' demands; pay attention to inventory and price of materials, maintain product quality and price competitiveness.

- ⑥ Correspond to the green environmental friendly policy to introduce proportion of use of PP recycled materials, develop reuse of crates for shipping, promote their use by each logistics provider, and jointly create green business opportunities.

〈 II 〉 **Future development strategy:**

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

Actively participate in important exhibitions at home and abroad, demonstrate excellent product process technology and quality, visit new and old customers, and develop potential customers, provide customers with desirable products with enthusiastic service, trustworthy quality, and timely shipment. In terms of products for domestic sales, explore new projects from government departments and win their orders, and enhance product sales performance.

- ② Exploit overseas production bases:

Evaluate the production conditions of textile garment in countries of the Association of Southeast Asian Nations, exploit overseas productions bases and meanwhile train excellent personnel to serve more customers for joint creation of growth.

- ③ Optimization of new equipment:

Continue to replace equipment in each factory area, import various automation machines, match use of digital software, increase output of machines with precise and effective utilization, conduct statistics and analysis of backend big data, ensure personnel and machine safety on a top-priority basis, and achieve energy-saving and output maximization.

- ④ Solar energy use:

The factory area is equipped with solar energy for self-used power generation; green environmental friendly products are produced by environmental friendly green power; take realistic actions to carry out energy-saving and carbon reduction policy and to do our best to fulfil corporate social responsibility.

Looking forward to 2023, confronted with new situation in post-COVID-19 pandemic age, and so many risks and variables such as the US-China trade war, the Russia-Ukraine war, etc., Tahsin moves towards the re-layout for sustainable operation, adheres to the practical and ethical philosophy, strengthen operation and management internally, actively develop market externally, input resources, enhance professionalism, optimize technology, ensure quality, strive for achieving the annual sales goal, and continue to create maximum return on investment for shareholders.

Chairman: Wu, Zi-Cong

Manager: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

(Attachment 2)

Tahsin Industrial Corporation

Audit Committee's Review Report

The 2022 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

2023 Annual General Shareholders' Meeting

Convener of the Audit Committee: Lin, Ko-Wu

March 24, 2023

(Attachment 3)

Independent Auditors' Report

To Tahsin Industrial Corporation:

Audit Opinion

Tahsin Industrial Corporation's Parent Company Only Balance Sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022. 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 (19) 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, 2022, 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 NTD2,406,929 thousand, accounting for approximately 21.45% 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, 2022. 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 24, 2023

Tahsin Industrial Corporation

Parent Company Only Balance Sheets

December 31, 2022 and 2021

Unit: Thousand NTD

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6 (1))	\$1,826,219	16	\$1,190,096	10
1110	Financial assets at fair value through profit or loss – current (Note 4 and 6(2))	1,978	-	-	-
1120	Financial assets at fair value through other comprehensive income - current (Notes 6 (3))	3,905,841	35	4,369,097	35
1150	Notes receivable, net (Note 6 (4))	44,225	1	59,145	1
1160	Notes receivable, net for related parties (Note 6 (4))	1,710	-	1,364	-
1170	Accounts receivable - net (Note 6 (5))	304,659	3	277,381	2
1180	Accounts receivable – related parties (Note 6 (5))	35,506	-	44,412	-
1200	Other receivables	15,411	-	13,482	-
1210	Other receivables - related parties	2,016	-	146,09	1
1220	Current income tax assets	1,382	-	1,515	-
130x	Inventories (Notes 4 and 6 (6))	562,931	5	602,327	5
1410	Prepayments	19,609	-	32,102	-
1476	Other financial assets - current (Note 6 (1))	580,710	5	1,690,000	14
11xx	Total current assets	7,302,197	65	8,426,980	68
	Non-current Assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6 (7))	349,883	3	464,800	4
1550	Investments accounted for using the equity method (Notes 4 and 6 (8))	1,593,789	14	1,655,754	13
1600	Property, plant, and equipment (Notes 4 and 6 (9))	1,553,072	14	1,416,746	11
1755	Right-of-use asset (Notes 4 and 6 (10))	2,225	-	3,610	-
1760	Investment properties (Notes 4 and 6 (11))	345,466	3	345,477	1
1840	Deferred tax assets (Note 6 (25))	70,375	1	80,966	1
1920	Refundable deposits	1,817	-	1,817	-
1970	Other long-term investment (net)	810	-	810	-
1975	Net defined benefit assets – non-current (Notes 4 and 6 (13))	1,043	-	-	-
1990	Other non-current assets – non-current	-	-	13	-
15xx	Total non-current assets	3,918,480	35	3,969,993	32
1xxx	Total Assets	\$11,220,677	100	\$12,396,973	100

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Tahsin Industrial Corporation

Parent Company Only Balance Sheets

December 31, 2022 and 2021

Unit: Thousand NTD

Code	Liabilities and equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current liabilities				
2130	Contract liabilities - current (Note 6 (19))	\$11,686	-	\$11,114	-
2150	Notes payable	122,289	1	146,175	1
2170	Accounts payable	46,556	1	62,896	-
2180	Accounts payable - related parties	2,503	-	3,658	-
2200	Other payables	146,168	1	122,054	1
2220	Other payables- related parties	24,696	-	23,384	-
2230	Current income tax liabilities	28,402	-	265,881	2
2250	Provisions - current (Notes 4 and 6 (12))	8,458	-	8,458	-
2280	Lease liabilities - current (Note 6 (10))	1,339	-	1,377	-
2300	Other current liabilities	512	-	523	-
21xx	Total current liabilities	392,609	3	645,520	5
	Non-current liabilities				
2570	Deferred tax liabilities (Note 6 (25))	197,569	2	180,746	2
2580	Lease liabilities - non-current (Notes 6 (10))	900	-	2,239	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 6 (13))	-	-	13,326	-
2645	Guarantee deposits received	6,900	-	5,938	-
2650	Investments accounted for using the equity method - credit (Note 6 (8))	13,254	-	4,635	-
25xx	Total non-current liabilities	218,623	2	206,884	2
2xxx	Total liabilities	622,232	5	852,460	7
	Equity				
3100	Share capital (Notes 4 and 6 (14))	990,990	9	990,990	8
3200	Capital surplus (Note 6 (15))	200,160	2	182,030	1
3300	Retained earnings (Note 6 (16))	7,760,947	69	7,538,998	61
3400	Other equity (Note 6 (17))	1,740,578	16	2,915,781	24
3500	Treasury shares (Note 6 (18))	(83,230)	(1)	(83,230)	(1)
3xxx	Total equity	10,609,445	95	11,544,569	93
	Total liabilities and equity	\$11,220,677	100	\$12,396,973	100

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

Chairman: Wu, Zi-Cong

Manager: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

Tahsin Industrial Corporation

Parent Company Only Statements of Comprehensive Income For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

Code	Items	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 6 (19))	\$2,336,212	100	\$2,015,136	100
5000	Operating costs (Note 6 (6) (20))	(1,981,681)	(85)	(1,767,548)	(88)
5900	Gross Profit (loss)	354,531	15	247,588	12
5910	Unrealized gain (loss) from sale, net (loss)	(2,057)	-	(1,429)	-
5920	Realized gain (loss) from sale (Loss)	1,429	-	3,939	-
5950	Net Gross Profit (loss)	353,903	15	250,098	12
	Operating expenses (Note 6 (20))				
6100	Marketing expenses	(108,457)	(5)	(114,359)	(6)
6200	Administrative expenses	(107,267)	(4)	(108,529)	(5)
6450	Expected credit impairment loss (gain)	(1,291)	-	(1,460)	-
6000	Total operating expenses	(217,015)	(9)	(224,348)	(11)
6900	Operating profit (loss)	136,888	6	25,750	1
	Non-operating income and expenses				
7100	Interest income (Note 6 (21))	31,853	1	18,829	1
7010	Other income (Note 6 (22))	378,762	16	154,698	7
7020	Other gains and losses (Notes 4 and 6 (23))	146,457	6	(8,980)	-
7050	Finance costs (Notes 4 and 6 (24))	(188)	-	(88)	-
7070	Share of profit or loss of subsidiaries, associates, and joint ventures accounted for using the equity method	67,923	3	84,543	4
7000	Total non-operating income and expenses	624,807	26	248,993	12
7900	Net profit (loss) before tax	761,695	32	274,743	13
7950	Expense (benefit) of income tax (Note 6 (25))	(53,521)	(2)	(269,382)	(13)
8000	Profit (loss) from continuing operations	708,174	30	5,361	-
8200	Net Income	708,174	30	5,361	-
	Other comprehensive income (Note 6 (26))				
	Items that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 6 (13))	9,270	-	(12,178)	(1)
8316	Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	(992,065)	(42)	694,132	35
8336	Unrealized valuation gain or loss on investments in equity instruments measured at FVTOCI - subsidiaries, associates, and joint ventures	(210,468)	(9)	(117,397)	(6)
8310	Total items that will not be reclassified subsequently to profit or loss:	(1,193,263)	(51)	564,557	28
	Items that may be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	35,732	1	(27,940)	(1)
8367	Unrealized valuation of profit or loss of investment in debt instruments, measured at fair value through other comprehensive income	(1,256)	-	-	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(7,146)	-	5,588	-
8360	Items that may be reclassified subsequently to profit or loss:	27,330	1	(22,352)	(1)
8300	Other comprehensive income – net	(\$1,165,933)	(50)	\$542,205	27
8500	Total Comprehensive Income for the Year	(\$457,759)	(20)	\$547,566	27
	Earnings Per Share				
9750	Basic earnings per share (Note 6 (27))	\$7.41		\$0.04	
9850	Diluted earnings per share (Note 6 (27))	\$7.41		\$0.04	

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

Chairman: Wu, Zi-Cong

Manager: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

Tahsin Industrial Corporation

Parent Company Only Statements of Changes in Equity For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

	Retained earnings					Other Equity			Total Equity
	Share capital of common stock	Capital Surplus	Legal reserve	Special reserve	Undistributed earnings (or loss to be compensated)	Exchange differences on translation of foreign operating organizations' financial statements	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Treasury stock	
Balance as of January 1, 2021	\$1,386,000	\$151,782	\$833,530	\$573,800	\$6,942,033	(\$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	-	-	-	-	-	-	20,975
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
Balance as of January 1, 2022	990,990	182,030	1,570,733	573,800	5,394,465	(106,328)	3,022,109	(83,230)	11,544,569
Appropriation and distribution of earnings:									
Ordinary cash dividends	-	-	-	-	(495,495)	-	-	-	(495,495)
Other changes in capital surplus	-	270	-	-	-	-	-	-	270
Net income (net loss) for 2022	-	-	-	-	708,174	-	-	-	708,174
Other comprehensive income for 2022	-	-	-	-	9,270	28,586	(1,203,789)	-	(1,165,933)
Total comprehensive income in 2022	-	-	-	-	717,444	28,586	(1,203,789)	-	(457,759)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	17,860	-	-	-	-	-	-	17,860
Balance as of December 31, 2021	\$990,990	\$200,160	\$1,570,733	\$573,800	\$5,616,414	(\$77,742)	(\$77,742)	(\$83,230)	\$10,609,445

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

Chairman: Wu, Zi-Cong

Manager: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

Tahsin Industrial Corporation**Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021**

Unit: Thousand NTD

Item	December 31, 2022	December 31, 2021
Cash flows from operating activities - indirect method		
Net profit (loss) before tax	\$761,695	\$274,743
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	38,652	30,011
Expected credit losses (benefits)	1,291	1,460
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	825	-
Interest expenses	188	88
Interest revenue	(31,853)	(18,829)
Dividend revenue	(348,774)	(129,774)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	(67,923)	(84,543)
Loss (gain) on disposal and disposition of property, plant and equipment	(572)	(206)
Expenses transferred from property, plant and equipment	2,130	-
Unrealized gain (loss) from sale, net (loss)	2,057	1,429
Realized loss (gain) on sales	(1,429)	(3,939)
Unrealized exchange loss (gain)	2,147	1,633
Other items	270	273
Total adjustments to reconcile profit (loss)	(402,991)	(202,397)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	15,381	(25,850)
Decrease (increase) in notes receivable - related parties	(346)	(246)
Decrease (increase) in accounts receivable	(32,059)	(17,579)
Decrease (increase) in accounts receivable - related parties	8,978	11,088
Decrease (increase) in other receivables	1,863	(6,008)
Decrease (increase) in other receivables - related parties	3	(507)
Decrease (increase) in inventories	39,896	(151,243)
Decrease (increase) in prepayments	12,493	21,500
Decrease (increase) in net defined benefit assets	(1,043)	
Total changes in operating assets	44,666	(168,845)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	572	5,651
Increase (decrease) in notes payable	(23,886)	53,236
Increase (decrease) in accounts payable	(16,340)	10,913
Increase (decrease) in accounts payable - related parties	(1,155)	1,994
Increase (decrease) in other payables	(3,986)	(43,324)
Increases (decreases) in other payables - related parties	1,312	3,947
Increase (decrease) in provisions	-	(1,009)
Increase (decrease) in other current liabilities	(11)	(29)

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Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

Item	December 31, 2022	December 31, 2021
Increase (decrease) in net defined benefit liabilities	(\$4,056)	(\$6,772)
Total changes in operating liabilities	(47,550)	24,665
Total changes in operating assets and liabilities	(2,884)	(144,180)
Total adjustments	(405,875)	(346,577)
Cash inflow (outflow) generated from operations	355,820	(71,834)
Interest received	28,406	18,013
Dividends received	492,444	128,049
Interest paid	(188)	(88)
Income tax refunded (paid)	(270,599)	215
Net cash provided by (used in) operating activities	605,883	74,955
Cash flows from investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(414,313)	(901,010)
Disposal of financial assets at fair value through other comprehensive income	-	140,179
Acquisition of financial assets at fair value through income	(2,803)	-
Acquisition of investments accounted for using the equity method	(18,997)	(79,500)
Acquisition of property, plant and equipment	(147,867)	(387,678)
Disposal of property, plant, and equipment	827	271
Increase in refundable deposits	-	(1,250)
Increase in other financial assets	-	(200,000)
Decrease in other financial assets	1,100,290	-
Decrease in other non-current assets	13	317
Net cash provided by (used in) investing activities	526,150	(1,428,671)
Cash flows from financing activities		
Increase in guarantee deposits received	2,170	1,106
Decrease in guarantee deposits received	(1,208)	(80)
Repayments of principal portion of the lease	(1,377)	(641)
Cash dividends paid	(495,495)	(831,600)
Capital reduction	-	(395,010)
Net cash provided by (used in) financing activities	(495,910)	(1,226,225)
Increase (decrease) in cash and cash equivalents	636,123	(2,579,941)
Cash and cash equivalents at beginning of the period	1,190,096	3,770,037
Cash and cash equivalents at end of the period	\$1,826,219	\$1,190,096

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

Chairman: Wu, Zi-Cong

Manager: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

Independent Auditors' Report

To Tahsin Industrial Corporation:

Audit Opinion

Tahsin Industrial Corporation and its subsidiaries' Consolidated Balance Sheets as of December 31, 2022 and 2021, 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, 2022 and 2021, as well as the consolidated financial performance and cash flows from January 1 to December 31, 2022 and 2021.

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, 2022. 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, 2022 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, 2022, 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 NTD2,686,913 thousand, accounting for approximately 23.29% 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 2022 and 2021, 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 2022 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 24, 2023

Tahsin Industrial Corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

Unit: Thousand NTD

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6 (1))	\$2,019,589	18	\$1,509,695	12
1110	Financial assets at fair value through profit or loss – current (Note 4 and 6(2))	1,978	-	-	-
1120	Financial assets at fair value through other comprehensive income - current (Notes 6 (3))	4,050,561	35	4,364,082	36
1150	(Net) Notes receivables (Note 6 (4))	76,177	1	88,641	1
1170	(Net) Accounts receivable (Note 6 (5))	339,514	3	317,236	3
1180	(Net) Accounts receivable – related parties (Note 6 (5))	18,535	-	16,499	-
1200	Other receivables	20,914	-	18,701	-
1210	Other receivables - related parties	833	-	1,834	-
1220	Current income tax assets	8,472	-	4,957	-
130x	Inventories (Notes 4 and 6 (6))	749,392	6	756,419	6
1410	Prepayments	25,219	-	40,376	-
1476	Other financial assets - current (Note 6 (1))	640,870	6	1,712,362	13
1479	Other current assets - Others	988	-	1,153	-
11xx	Total current assets	7,953,048	69	9,031,955	71
	Non-current Assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 6 (7))	586,578	5	768,053	0
1550	Investments accounted for using the equity method (Notes 4 and 6 (8))	471,598	4	574,360	5
1600	Property, plant and equipment (Notes 4 and 6 (9))	1,970,028	17	1,757,705	14
1755	Right-of-use asset (Notes 4 and 6 (10))	74,039	1	74,133	-
1760	Investment properties - net (Notes 4 and 6 (11))	345,465	3	401,177	3
1840	Deferred tax assets (Note 6 (28))	95,918	1	104,239	1
1920	Refundable deposits	3,807	-	3,883	-
1970	Other long-term investment (net)	810	-	810	-
1975	Net defined benefit assets – non-current (Notes 4 and 6 (15))	1,043	-	-	-
1980	Other financial assets - non-current (Note 6 (1))	26,448	-	36,924	-
1995	Other non-current assets, others	5,759	-	1,485	-
15xx	Total non-current assets	3,581,493	31	3,722,769	29
1xxx	Total Assets	\$11,534,541	100	\$12,754,724	100

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Tahsin Industrial Corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

Unit: Thousand NTD

Code	Liabilities and equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current liabilities				
2100	Short-term loans (Note 6 (12))	\$160,541	1	\$255,760	2
2110	Short-term notes and bills payable (Note 6 (13))	25,000	-	-	-
2120	Financial assets at fair value through profit or loss - current (Note 6 (2))	3,200	-	12	-
2130	Contract liabilities - current (Note 6 (22))	12,117	-	11,457	-
2150	Notes payable	122,289	1	146,175	1
2170	Accounts payable	60,245	1	79,939	1
2180	Accounts payable – related parties	140	-	-	-
2200	Other payables	229,807	2	196,696	2
2220	Other payables- related parties	3,413	-	1,211	-
2230	Current income tax liabilities	50,252	1	266,975	2
2250	Provisions - current (Notes 4 and 6 (14))	8,458	-	8,458	-
2280	Lease liabilities - current (Note 6 (10))	2,904	-	2,655	-
2399	Other current liabilities	2,002	-	2,112	-
21xx	Total current liabilities	680,377	6	971,450	8
	Non-current liabilities				
2570	Deferred tax liabilities (Note 6 (28))	197,569	2	180,746	1
2580	Lease liabilities - non-current (Notes 6 (10))	8,250	-	9,877	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 6 (15))	-	-	13,326	-
2645	Guarantee deposits received	6,601	-	9,043	-
25xx	Total non-current liabilities	215,420	2	212,992	1
2xxx	Total liabilities	895,797	8	1,184,442	9
	Equity				
	Equity Attributable to the Shareholders of the Parent Company				
3100	Share capital (Note 4 and 6 (16))	990,990	9	990,990	8
3200	Capital surplus (Note 6 (17))	200,160	2	182,030	2
3300	Retained earnings (Note 6 (18))	7,760,947	67	7,538,998	59
3400	Other equity (Note 6 (19))	1,740,578	15	2,915,781	23
3500	Treasury shares (Note 6 (20))	(83,230)	(1)	(83,230)	(1)
31xx	Total equity attributable to owners of the parent company	10,609,445	92	11,544,569	91
36xx	Non-controlling interest (Note 6 (21))	29,299	-	25,713	-
3xxx	Total equity	10,638,744	92	11,570,282	91
	Total liabilities and equity	\$11,534,541	100	\$12,754,724	100

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

Chairman: Wu, Zi-Cong

Manager: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

Code	Items	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4 and 6 (22))	\$2,669,360	100	\$2,378,900	100
5000	Operating Costs (Note 6 (6) (23))	(2,164,045)	(81)	(2,012,513)	(85)
5900	Gross Profit (loss)	505,315	19	366,387	15
	Operating expenses (Note 6 (23))				
6100	Marketing expenses	(108,441)	(4)	(113,369)	(5)
6200	Administrative expenses	(225,260)	(8)	(244,044)	(10)
6450	Expected credit losses (benefits)	(1,181)	-	(1,724)	-
6000	Total operating expenses	(334,882)	(12)	(359,137)	(15)
6900	Operating profit (loss)	170,433	7	7,250	-
	Non-operating income and expenses				
7100	Interest income (Note 6 (24))	33,568	1	20,592	1
7010	Other income (Note 6 (25))	431,635	16	223,676	9
7020	Other gains and losses (Note 6 (26))	130,305	5	(15,708)	-
7050	Finance costs (Notes 4 and 6 (27))	(2,342)	-	(1,907)	-
7055	Expected credit losses (benefits)	-	-	5,024	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	23,146	1	41,877	2
7000	Total non-operating income and expenses	616,312	23	273,464	12
7900	Net profit (loss) before tax	786,745	30	280,714	12
7950	Benefit of income tax (expense) (Note 6 (28))	(75,521)	(3)	(274,282)	(12)
8000	Profit (loss) from continuing operations	711,224	27	6,432	-
8200	Profit (loss)	711,224	27	6,432	-
	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))	9,270	-	(12,178)	-
8316	Unrealized valuation profit or loss on investments in equity instruments at fair value through other comprehensive income	(1,108,888)	(42)	637,831	27
8326	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income of affiliated enterprises and joint ventures	(93,645)	(3)	(61,096)	(3)
8310	Components of other comprehensive income that will not be reclassified to profit or loss:	(1,193,263)	(45)	564,557	24
	Items that may be reclassified to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	36,819	1	(28,266)	(1)
8367	Unrealized valuation of profit or loss of investment in debt instruments, measured at fair value through other comprehensive income	(1,256)	-	-	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(7,146)	-	5,588	-
8360	Items that may be reclassified subsequently to profit or loss:	28,417	1	(22,678)	(1)
8300	Other comprehensive income - net after tax	(\$1,164,846)	(44)	\$541,879	23
8500	Total Comprehensive Income for the Year	(\$453,622)	(17)	\$548,311	23
8600	Profit (loss), attributable to:				
8610	Shareholders of the parent company (net income/loss)	\$708,174	27	\$5,361	-
8620	Non-controlling interests (profit or loss)	3,050	-	1,071	-
		\$711,224	27	\$6,432	-
8700	Total comprehensive income attributable to:				
8710	Owners of the parent company (consolidated profit and loss)	(\$457,759)	(17)	\$547,566	23
8720	Non-controlling interests (consolidated profit and loss)	4,137	-	745	-
		(\$453,622)	(17)	\$548,311	23
	Earnings Per Share				
9750	Basic earnings per share (Note 6 (30))	\$7.41		\$0.04	
9850	Diluted earnings per share	\$7.41		\$0.04	

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

Chairman: Wu, Zi-Cong

Manager: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

Tahsin Industrial Corporation and its subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021
Unit: Thousand NTD

	Equity Attributable to the Shareholders of the Parent Company										Non-controlling interests	Total Equity
	Retained earnings					Other Equity						
	Share capital of common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings (or loss to be compensated)	Exchange differences on translating the financial statements of foreign operations	Unrealized valuation (losses) gains from financial assets measured at fair value through other comprehensive income	Treasury stock	Total equity to owners of the parent company			
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	-	-	-	5,361,260	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	-	547,56663	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	
Balance as of January 1, 2022	990,990	182,030	1,570,733	573,800	5,394,465	(106,328)	3,022,109	(83,230)	11,544,569	25,713	11,570,282	
Appropriation and distribution of earnings												
Ordinary cash dividends	-	-	-	-	(495,495)	-	-	-	(495,495)	-	(495,495)	
Other changes in capital surplus	-	270	-	-	-	-	-	-	270	-	270	
Profit (loss) after tax of 2022	-	-	-	-	708,174	-	-	-	708,174	3,050	711,224	
Other comprehensive income after tax in 2022	-	-	-	-	9,270	28,586	(1,203,789)	-	(1,165,933)	1,087	(1,164,846)	
Total Comprehensive Income for the Year	-	-	-	-	717,444	28,586	(1,203,789)	-	(457,759)	4,137	(453,622)	
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	17,860	-	-	-	-	-	-	17,860	-	17,860	
Increase or decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(551)	(551)	
Balance as of December 31, 2022	\$990,990	\$200,160	\$1,570,733	\$573,800	\$5,616,414	(\$106,328)	\$1,818,320	(\$83,230)	\$10,609,445	\$29,299	\$10,638,744	

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

Chairman: Wu, Zi-Cong

Manager: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

Items	December 31, 2022	December 31, 2021
Cash flows from (used in) operating activities, indirect method		
Net profit (loss) before tax	\$786,745	\$280,714
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expenses	66,710	58,010
Expected credit losses (benefits)	1,181	(3,300)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	3,974	(24)
Interest expenses	2,342	1,907
Interest revenue	(33,568)	(20,592)
Dividend revenue	(382,489)	(181,571)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(23,146)	(41,877)
Loss (gain) on disposal and disposition of property, plant and equipment	(705)	(457)
Expenses transferred from property, plant and equipment	3,194	-
Unrealized exchange loss (gain)	2,281	683
Other adjustments to reconcile profit (loss)	270	(54)
Total adjustments to reconcile profit (loss)	(359,956)	(187,275)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	12,925	1,181
Decrease (increase) in accounts receivable	(26,952)	(8,582)
Decrease (increase) in accounts receivable - related parties	(2100)	(1,317)
Decrease (increase) in other receivables	2,130	(4,026)
Decrease (increase) in other receivables - related parties	1,001	(865)
Decrease (increase) in inventories	7,027	(149,442)
Decrease (increase) in prepayments	15,157	17,995
Decrease (increase) in other current assets	165	496
Decrease (increase) in other financial assets	(37,804)	19,960
Decrease (increase) in net defined benefit assets	(1,043)	-
Total changes in operating assets	(29,494)	(124,600)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	660	3,568
Increase (decrease) in notes payable	(23,886)	53,236
Increase (decrease) in accounts payable	(19,694)	11,286
Increase (decrease) in accounts payable to related parties	140	
Increase (decrease) in other payables	1,564	(53,460)
Increases (decreases) in other payables to related parties	2,202	(3,581)
Increase (decrease) in provisions	-	(1,009)
Increase (decrease) in other current liabilities	(110)	(257)
Increase (decrease) in net defined benefit liabilities	(4,056)	(6,772)
Total changes in operating liabilities	(43,180)	3,011
Total changes in operating assets and liabilities	(72,674)	(121,589)
Total adjustments	(432,630)	(308,864)
Cash inflow (outflow) generated from operations	354,115	(28,150)

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Tahsin Industrial Corporation and its subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

Unit: Thousand NTD

Items	December 31, 2022	December 31, 2021
Interest received	\$29,530	\$21,549
Dividends received	419,367	231,665
Interest paid	(2,321)	(1,880)
Income tax refunded (paid)	(274,407)	(8,811)
Net cash provided by (used in) operating activities	526,284	214,373
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(414,313)	(1,215,535)
Disposal of financial assets at fair value through other comprehensive income	-	306,407
Acquisition of financial assets at fair value through income	(2,803)	-
Acquisition of investments accounted for using the equity method	(4,180)	-
Acquisition of property, plant and equipment	(171,669)	(401,151)
Disposal of property, plant, and equipment	971	603
Increase in refundable deposits	-	(1,250)
Decrease in refundable deposits	76	156
Acquisition of investment properties	(780)	(55,730)
Increase in other financial assets	-	(200,000)
Decrease in other financial assets	1,119,766	13,411
Increase in other non-current assets	(4,274)	-
Decrease in other non-current assets	-	7,287
Net cash flows from (used in) investing activities	(522,794)	(1,545,802)
Cash flows from financing activities		
Increase in short-term loans	-	100,000
Decrease in short-term loans	(89,839)	(32,472)
Increase in short-term notes and bills payable	25,000	-
Repayments of long-term loans	-	(2,092)
Increase in guarantee deposits received	2,170	1,106
Decrease in guarantee deposits received	(1,659)	(80)
Repayments of principal portion of the lease	(2,674)	(3,254)
Cash dividends paid	(477,635)	(801,625)
Capital reduction	-	(380,771)
Changes in non-controlling interests	(551)	-
Net cash provided by (used in) financing activities	(545,188)	(1,119,188)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	6,004	(27,115)
Net increase (decrease) in cash and cash equivalents	509,894	(2,477,732)
Cash and cash equivalents at beginning of the period	1,509,695	3,987,427
Cash and cash equivalents at end of period	\$2,019,589	\$1,509,695

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

Chairman: Wu, Zi-Cong

Manager: Wu, Zi-Cong

Chief Accountant: Chen, Ming-Je

(Attachment 4)**Tahsin Industrial Corporation****Profit Distribution Table****2022**

Unit: New Taiwan Dollars (NT\$)

Items	Amount
Distributable net profit	
Beginning balance of retained earnings	5,146,717,051
Net Profit of January 1 to December 31, 2022	708,174,407
Re-measurements of defined benefit plans changes for current year	9,269,941
Disposals of investments in equity instruments designated at fair value through other comprehensive income	0
Disposals by subsidiaries of investments in equity instruments designated at fair value through other comprehensive income	0
Provision for legal capital reserve (2022)	0
Total	5,864,161,399
Cash dividends (NT\$ 2.5 per share) - first half of the year 2022	247,747,500
Cash dividends (NT\$ 3.5 per share) - second half of the year 2022	346,846,500
Unappropriated retained earnings at period end	5,269,567,399
Total	5,864,161,399

Notes:

1. The company's earnings distribution shall be given priority to the undistributed earnings in 2022.
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: Chen, Ming-Je

Corporation

Details of Positions for Lifting Non-compete Limitations on Directors

Director	Name of Company for Concurrent Service	Served
Tah Chin Investment Co., Ltd. Wu, Zi-Cong	Tah Chi Enterprise Corporation	Chairman
	Hong Kong Link Fund Co., Ltd.	Chairman
	Tahsin Shoji Co., Ltd.	Chairman
	TAHSIN INDUSTRIAL CORP. U.S.A.	Director
Hu, Po-Yi	TAHSIN INDUSTRIAL CORP. U.S.A.	Chairman
	HAVE OUR PLASTIC INC. CANADA	Chairman
	TAMERICA PRODUCTS, INC. (T.P.I.)	Chairman
	Yuk Wing Development, Ltd., Hong Kong	Chairman
	Tah Fa Investment Co., Ltd.	Chairman
	Tahsin Shoji Co., Ltd.	Director
	Putian Dafu Plastic Industry Co., Ltd.	Director
	HOP INDUSTRIAL CORP. U.S.A.	Director
Hu, Bor-Chon	TAHSIN INDUSTRIAL CORP. U.S.A.	Director
	Tah Viet Co., Ltd.	Director
	Myanmar Tahsin Industrial Co., Ltd.	Director
	Tah Fu Corporation	Director
	Tahsin Shoji Co., Ltd.	Supervisor
Tahsin Chang Investment Co., Ltd. Hu, Pei-Tuan	Good Harvest Machinery Industrial Co., Ltd.	Chairman
	Good Harvest Engineering Corp.	Chairman
	Pacific Elite Industries Corp.	Chairman
	HAVE OUR PLASTIC INC. CANADA	Director
	TAMERICA PRODUCTS, INC. (T.P.I.)	Director
	HOP INDUSTRIAL CORP. U.S.A.	Director
Tah Fang Investment Co., Ltd. Liu, Wan-Cheng	Tahsin Shoji Co., Ltd.	Director
	Ta Viet Co., Ltd.	Director
	Myanmar Tahsin Industrial Co., Ltd.	Director
	Yuk Wing Development, Ltd., Hong Kong	Director
	Hong Kong Link Fund Co., Ltd.	Director
	HAVE OUR PLASTIC INC. CANADA	Director
	TAMERICA PRODUCTS, INC. (T.P.I.)	Director
Tah Cheng Investment Co., Ltd. Lai, Ken-Min	None	None