TaiHan Precision Technology Co., Limited

Parent Company Only Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors’ Report December 31, 2021 and 2020 and Independent Auditors’ Report

(Stock code: 1336)

Company address：1F, No. 568, Sec. 1, Minsheng N. Road,
Guishan District, Taoyuan City, Taiwan
Tel.： (03)3112-025

Important Disclaime：
This English-version handbook is a summary translation of the Chinese version and is not an official document of the shareholders meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

TaiHan Precision Technology Co., Limited

Individual Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

INDEX

ITEM	Page/No./Index
I. Cover	1
II. Index	2 ~ 3
III. Accountants' Audit Report	4 ~ 8
IV. Individual Balance Sheets	9 ~ 10
V. Individual Statements of Comprehensive Income	11
VI. Individual Statement of Changes in Equity	12
VII. Individual Statements of Cash Flows	13 ~ 14
VIII. Notes to the Individual Financial Statements	15 ~ 62
(1) History of the Company	15
(2) Date and procedure of financial reporting	15
(3) Application of newly issued and revised standards and interpretations	15 ~ 17
(4) Summary of significant accounting policies	17 ~ 28
(5) Significant accounting judgments, assumptions and key sources of estimation uncertainty	28
(6) Description of significant accounting items	29 ~ 47
(7) Related party transactions	48 ~ 51
(8) Pledged assets	52
(9) Significant contingent liabilities and unrecognized contractual commitments	52
(10) Significant disaster losses	52

ITEM	Page/No./Index
(11) Significant future events	52
(12) Other	52 ~ 61
(13) Note disclosure	62
(14) Departmental Information	62
IX. Schedule of Important Accounting Items	
Schedule of Cash and Cash Equivalents	Schedule 1
Schedule of Accounts Receivable	Schedule 2
Schedule of Changes in Investments Using the Equity Method	Schedule 3
Schedule of Accounts Payable	Schedule 4
Schedule of Operating Revenues	Schedule 5
Schedule of Operating Costs	Schedule 6
Schedule of Administrative Expenses	Schedule 7
Summary of employee benefits, depreciation, depletion and amortization expenses by function	Schedule 8

INDEPENDENT AUDITORS'REPORT

(2022) No. Financial Auditing-2100408121004081

The Board of Directors and Shareholders
TaiHan Precision Technology Co., Limited

Opinion

We have audited the accompanying individual financial statements of TaiHan Precision Technology Co., Limited, (the "Company") which comprise the individual balance sheets as of December 31, 2021, and the individual statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the period from January 1 to December 31, 2021, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide 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 individual financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's individual financial statements for the year ended December 31,2021 is stated as follows:

Existence of sales revenue

<u>Key Audit Matters</u>

Please refer to Notes 4(28) to the individual financial statements for the accounting policy on revenue recognition and Notes 6(16) to the individual financial statements for the accounting account description of operating revenues.

TaiHan Precision Technology Co., Limited is specialized in the design, manufacture and transactions of various precision molds, tooling and plastic molding products, and its significant sales customers account for a significant portion of its annual revenue. Therefore, we consider the existence of significant sales revenue from customers with sales revenue amounting to 10% of total operating revenue to be one of the most important matters to be audited.

<u>In accordance with the Audit Procedure</u>

The procedures performed by us in respect of the above critical review are summarized as below：

1. To understand the process and basis of revenue recognition for significant sales customers in order to assess the effectiveness of management's internal control over sales recognition and to perform internal control effectiveness testing.
2. To obtain basic evaluation data of significant sales customers and search for relevant information for verification.
3. Test that the credit terms of significant sales customers have been properly approved.
4. Obtain and sample check the sales details of significant sales customers and verify the relevant certificates and future collection position.
5. Obtain the post-sale return details of significant sales customers and review the sales return position.

Other Matter–The individual financial statements for the comparative period were audited by other accountants.

We have audited the individual financial statements of TaiHan Precision Technology Co., Limited by other accountants for the years ended December 31, 2021 on which we have issued an unmodified opinion on March 16, 2021.

Responsibilities of Management and Those Charged with Governance for the Individual Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, 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. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

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 also:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements, including the disclosures, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the individual financial statements. We are responsible for the direction, supervision and performance of the group 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 those matters that were of most significance in the audit of the individual financial statements for the year ended December 31,2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PWC Taiwan

Eric Wu / WU,YU-LUNG

CPA:

Ryan Huang / HUANG,SHIH-CHUN

Former Securities Futures Commission, Ministry of Finance
Certified Registration No.: (86)
Taiwan-Finance-Securities-VI-83252
Financial Supervisory Commission
Certified Registration No.:
Financial-Supervisory-Securities-Auditing- 1050029449

March 14, 2022

Taihan Precision Technology Co., Limited
INDIVIDUAL STATEMENTS OF BALANCE SHEET
December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	ASSETS	Note	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	CURRENT ASSETS					
1100	Cash and cash equivalents	6(1)	$ 318,176	18	$ 421,946	23
1110	Financial asset at fair value through P/L－Current	6(2)	-	-	30,099	2
1150	Notes receivable, net	6(4)	109	-	-	-
1170	Accounts receivable, net	6(4)	96,853	6	93,044	5
1180	Accounts Receivables from related parties, net	6(4)&7(2)	6,914	-	9,336	1
1200	Other receivables		207	-	-	-
1210	Other receivables from related parties	7(2)	4,259	-	8,522	-
1220	Current tax assets		-	-	6	-
1410	Prepayments		8,411	1	7,733	-
1470	Other current assets		-	-	12	-
11XX	**Total current assets**		434,929	25	570,698	31
	NONCURRENT ASSETS					
1517	Financial asset at fair value through P/L－Noncurrent	6(3)	4,072	-	4,992	1
1550	Investments accounted for using equity method	6(5)	1,243,392	71	1,189,388	65
1600	Property, plant and equipment	6(6)	2,924	-	888	-
1755	Right-of-use assets	6(7)	3,373	-	4,274	-
1780	Intangible assets		1,492	-	1,260	-
1840	Deferred income tax assets	6(23)	70,032	4	55,784	3
1920	Refundable deposits		6	-	2,602	-
15XX	**Total noncurrent assets**		1,325,291	75	1,259,188	69
1XXX	**TOTAL Assets**		$ 1,760,220	100	$ 1,829,886	100

(Continued)

Taihan Precision Technology Co., Limited
INDIVIDUAL STATEMENTS OF BALANCE SHEET
December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	LIABILITIES AND EQUITY	Note	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	CURRENT LIABILITIES					
2130	Contractual liability－Current	6(16)	$ 67	-	$ 72	-
2150	Notes payable		-	-	1	-
2170	Accounts payable		4,517	-	1,775	-
2180	Accounts Payables to related parties	7(2)	110,045	6	115,934	6
2200	Other payables	6(9)	24,173	2	29,293	2
2220	Other payables to related parties	7(2)	87	-	-	-
2280	Lease liabilities－Current	7(2)	789	-	2,980	-
2300	Other current liabilities	7(2)	604	-	611	-
21XX	**Total current liabilities**		140,282	8	150,666	8
	NONCURRENT LIABILITIES					
2570	Deferred income tax liabilities	6(23)	65,476	4	43,390	3
2580	Lease liabilities－Noncurrent	7(2)	2,694	-	1,310	-
2640	Net defined benefit liability－Noncurrent	6(10)	2,704	-	3,610	-
25XX	**Total noncurrent liabilities**		70,874	4	48,310	3
2XXX	**Total liabilities**		211,156	12	198,976	11
	EQUITY					
	Capital stock	6(12)				
3110	Common stock		770,984	44	770,984	42
	Capital surplus	6(13)				
3200	Capital surplus		668,899	38	668,899	36
	Retained earnings	6(14)				
3310	Appropriated as legal capital reserve		37,522	2	18,593	1
3320	Appropriated as special capital reserve		92,332	5	74,925	4
3350	Unappropriated earnings		114,857	7	189,840	11
	Other Entities	6(15)				
3400	Other Entities		(135,530)	(8)	(92,331)	(5)
3XXX	**Total equity**		1,549,064	88	1,630,910	89
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	9				
	Serious subsequent events	11				
3X2X	**TOTAL LIABILITIES AND EQUITY**		$ 1,760,220	100	$ 1,829,886	100

The accompanying notes are an integral part of the individual financial statements.

Chairman：Tsai, Chen-Lung　　Manager：Tsai, Chen-Lung　　Accounting Manager：Chen, Chin-Chung

Taihan Precision Technology Co., Limited

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars
(Except earnings per share in New Taiwan dollars)

	Item	Note	2021 Amount	2021 %	2020 Amount	2020 %
4000	Operating revenues	6(16)&7(2)	$ 637,223	100	$ 501,033	100
5000	Operating costs	7(2)	(591,094)	(93)	(471,811)	(94)
5900	Operating margin		46,129	7	29,222	6
5910	Unrealized gains on sales		(2,676)	-	-	-
5950	Operating margin, net		43,453	7	29,222	6
	Operating expenses	6(21)(22)&7(2)				
6200	General and administrative expenses		(59,880)	(10)	(68,517)	(14)
6450	Expected credit impairment loss	12(2)	(29)	-	-	-
6000	Total operating expenses		(59,909)	(10)	(68,517)	(14)
6900	Operating loss		(16,456)	(3)	(39,295)	(8)
	NON-OPERATING INCOME AND EXPENSES					
7100	Interest income	6(17)	765	-	564	1
7010	Other income	6(18)	3,010	1	5,084	1
7020	Other gains and losses	6(19)	(1,926)	-	215,379	43
7050	Finance costs	6(20)	(42)	-	(193)	-
7070	Share of profits and losses of subsidiaries, affiliates and joint ventures recognized under the equity method	6(5)	110,430	17	75,699	15
7000	Total non-operating income and expense		112,237	18	296,533	60
7900	**INCOME BEFORE INCOME TAX**		95,781	15	257,238	52
7950	INCOME TAX EXPENSE	6(23)	(18,723)	(3)	(64,511)	(13)
8000	**Net income of continuing business units**		77,058	12	192,727	39
8200	**Net income**		$ 77,058	12	$ 192,727	39
	OTHER COMPREHENSIVE INCOME (LOSS)					
	Items that will not be reclassified subsequently to profit or loss:					
8311	Remeasurement of defined benefit obligation	6(10)	($ 71)	-	($ 4,113)	(1)
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	6(3)	(199)	-	982	-
8349	Income tax benefit related to items that will not be reclassified subsequently	6(23)	14	-	673	-
8310	Total amount of items that are not reclassified to profit or loss		(256)	-	(2,458)	(1)
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign Operations	6(15)	(53,750)	(9)	(25,930)	(5)
8399	Income tax benefit related to items that will be reclassified subsequently	6(15)	10,750	2	5,186	1
8360	Total amount of items that are reclassified to profit or loss		(43,000)	(7)	(20,744)	(4)
8300	**Other comprehensive income, net**		($ 43,256)	(7)	($ 23,202)	(5)
8500	**Total comprehensive income**		$ 33,802	5	$ 169,525	34
	Basic earnings per share					
9750	Net income	6(24)	$ 1.00		$ 2.48	
	Diluted earnings per share					
9850	Net income	6(24)	$ 1.00		$ 2.46	

The accompanying notes to the individual financial statements are an integral part of these individual financial statements and should be read in conjunction with them.

Chairman：Tsai, Chen-Lung　　Manager：Tsai, Chen-Lung　　Accounting Manager：Chen, Chin-Chung

Taihan Precision Technology Co., Limited
INDIVIDUAL STATEMENTS OF CHANGES IN EQUITY
December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	Note	Capital Stock - Common Stock	Capital Surplus	Retained Earnings			Other Benefits			Treasury Stock	Total Equity
				Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Stock-Based Employee Compensation		
2020											
BALANCE, JANUARY 1, 2020		$ 851,484	$ 747,838	$ 11,369	$ 65,155	$ 73,058	($ 72,679)	$ 110	($ 2,355)	($ 500)	$ 1,673,480
Net income in 2020		-	-	-	-	192,727	-	-	-	-	192,727
Other comprehensive income (loss) in 2020, net of income tax		-	-	-	-	(3,440)	(20,744)	982	-	-	(23,202)
Total comprehensive income (loss) in 2020		-	-	-	-	189,287	(20,744)	982	-	-	169,525
Appropriations of prior year's earnings in 2019	6(14)										
Legal Capital Reserve		-	-	7,224	-	(7,224)	-	-	-	-	-
Special Capital Reserve		-	-	-	9,770	(9,770)	-	-	-	-	-
Cash dividends to shareholders		-	-	-	-	(55,511)	-	-	-	-	(55,511)
Recognize compensation costs for new shares that restrict employee rights	6(15)	-	-	-	-	-	-	-	2,355	-	2,355
Cash allocation from capital surplus		-	(37,007)	-	-	-	-	-	-	-	(37,007)
Purchase of treasury stock		-	-	-	-	-	-	-	-	(121,932)	(121,932)
Treasury Stock Retired		(80,500)	(41,932)	-	-	-	-	-	-	122,432	-
BALANCE, DECEMBER 31, 2020		$ 770,984	$ 668,899	$ 18,593	$ 74,925	$ 189,840	($ 93,423)	$ 1,092	$ -	$ -	$ 1,630,910
2021											
BALANCE, JANUARY 1, 2021		$ 770,984	$ 668,899	$ 18,593	$ 74,925	$ 189,840	($ 93,423)	$ 1,092	$ -	$ -	$ 1,630,910
Net income in 2021		-	-	-	-	77,058	-	-	-	-	77,058
Other comprehensive income (loss) in 2021, net of income tax		-	-	-	-	(57)	(43,000)	(199)	-	-	(43,256)
Total comprehensive income (loss) in 2021		-	-	-	-	77,001	(43,000)	(199)	-	-	33,802
Appropriations of prior year's earnings in 2020	6(14)										
Legal Capital Reserve		-	-	18,929	-	(18,929)	-	-	-	-	-
Special Capital Reserve		-	-	-	17,407	(17,407)	-	-	-	-	-
Cash dividends to shareholders		-	-	-	-	(115,648)	-	-	-	-	(115,648)
BALANCE, DECEMBER 31, 2021		$ 770,984	$ 668,899	$ 37,522	$ 92,332	$ 114,857	($ 136,423)	$ 893	$ -	$ -	$ 1,549,064

The accompanying notes to the individual financial statements are an integral part of these individual financial statements and should be read in conjunction with them.

Chairman：Tsai, Chen-Lung　　Manager：Tsai, Chen-Lung　　Accounting Manager：Chen, Chin-Chung

Taihan Precision Technology Co., Limited
INDIVIDUAL STATEMENTS OF CASH FLOWS
December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	Note	January 1 ~ December 31, 2021	January 1 ~ December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		$ 95,781	$ 257,238
Adjustments for:			
Provided by (used in) operating activities:			
Depreciation expense	6(21)	3,126	3,639
Intangible assets amortization expense	6(21)	1,059	958
Expected credit impairment loss (benefit)	12(2)	29	-
Loss (gain) on financial instruments at fair value through profit or loss, net	6(19)	(846)	(99)
Finance costs	6(20)	42	193
Interest income	6(17)	(765)	(564)
Recognize compensation costs for new shares that restrict employee rights	6(15)	-	2,355
Share of profits and losses of subsidiaries, affiliates and joint ventures recognized under the equity method	6(5)	(110,430)	(75,699)
Loss (gain) on disposal or retirement of property, plant and equipment	6(19)	-	(788)
Loss (gain) on disposal or retirement of Investment properties	6(19)	-	(219,846)
Dividend revenue	6(18)	(597)	(24)
Unrealized Inter-Affiliate Benefits		2,676	-
Lease modification loss (gain)	6(19)	85	-
Changes in operating assets and liabilities			
Changes in operating assets, net			
Notes receivable, Net		(109)	-
Accounts receivable		(3,838)	16,253
Receivables from related parties		2,422	(8,980)
Other receivables		(328)	142
Other receivables from related parties		4,263	865
Prepayments		(678)	(4,959)
Other current assets		12	405
Changes in Liabilities Related to Operating Activities, net			
Contractual Liabilities - Current		(5)	61
Notes payable		(1)	(448)
Accounts payable		2,742	1,775
Payables to related parties		(5,889)	(18,230)
Other accounts payable		(5,120)	7,264
Other payables to related parties		87	-
Other current liabilities		(7)	(26)
Net defined benefit liability-Noncurrent		(977)	(1,139)
Cash generated from operations		(17,266)	(39,654)
Interest Collection		1,710	564
Refund (payment) of income tax		6	(5,844)
Interest payment		(42)	(193)
Net cash generated by operating activities		(15,592)	(45,127)

(Continued)

Taihan Precision Technology Co., Limited

INDIVIDUAL STATEMENTS OF CASH FLOWS

December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

	Note	January 1 ~ December 31, 2021	January 1 ~ December 31, 2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss – current		$ -	($ 30,000)
Disposal of financial assets at fair value through profit or loss – current		30,000	-
Financial assets measured at fair value through other comprehensive income or loss Capital reduction and refund of shares	6(3)	721	1,100
Acquisition of property, plant and equipment	6(6)	(2,944)	-
Disposal of investment properties	6(8)	-	308,791
Acquisition of intangible assets		(1,291)	(797)
Increase in deposit guarantee		(4)	(2,300)
Decrease in deposit guarantee		2,600	-
Receipt of dividends		597	24
Receipt of dividends from subsidiaries		-	234,397
Net cash used in investing activities		29,679	511,215
Cash flows from financing activities			
Repayment of the principal portion of lease liabilities	6(25)	(2,209)	(2,744)
Decrease in short-term loans	6(25)	-	(80,000)
Increase in short-term loans	6(25)	-	80,000
Decrease in deposit guarantee	6(25)	-	(1,050)
Cash dividends and capital reserve for cash allocation	6(25)	(115,648)	(92,518)
Purchase of treasury stock		-	(121,932)
Net cash outflow from financing activities		(117,857)	(218,244)
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS		(103,770)	247,844
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		421,946	174,102
CASH AND CASH EQUIVALENTS, END OF YEAR		$ 318,176	$ 421,946

The accompanying notes to the individual financial statements are an integral part of these individual financial statements and should be read in conjunction with them.

Chairman：Tsai, Chen-Lung Manager：Tsai, Chen-Lung Accounting Manager：Chen, Chin-Chung

TaiHan Precision Technology Co., Limited
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Unit：Amounts in Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

1. Milestone

(1) TaiHan Precision Technology Co., Limited (hereinafter referred to as the "Company") was established on August 28, 1987, and is mainly engaged in the design, manufacture and trading of various precision molds, tooling and plastic molding products.
(2) The Company's shares have been listed and transacted on TPEx since November 2007.
(3) The Speed Tech Corporation Group owns the Company's equity and is the single largest shareholder of the Company and has substantial control over the Company's personnel, finances and operations and will became the parent company of the Company in August 2021. In addition, Luxshare Precision Industry Co., Ltd. is the ultimate parent company of the Company.

2. Date and procedure for approval of financial statements

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 14, 2022.

3. Date and procedure of financial statement approval

(1) Effect of application of new and revised IFRSs endorsed by the Financial Supervisory Commission ("FSC")

The following table summarizes the newly issued, amended and revised IFRSs and interpretations of IFRSs endorsed by the FSC for 2021：

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 4 "Temporary Exemption from the Application of IFRS 9 Extensions"	January 1, 2021
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Phase II Amendments "Changes to Interest Rate Indicators”	January 1, 2021

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 16, "COVID-19 Related Rent Reductions after June 30, 2021"	April 1, 2021(Note)

Note: The FSC allowed in advance for application on January 1, 2021.

The Company has evaluated that the above standards and interpretations do not have a significant effect on the Company's financial position and financial performance.

(2) Effects of new and amended IFRSs that have not been endorsed by the FSC

The following table summarizes the new, amended and revised IFRSs and interpretations of IFRSs approved by the FSC for application in 2022：

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022
Amendments to IAS 16 “Property, Plant and Equipment - Proceeds before Intended Use”	January 1, 2022
Amendments to IAS 37 “Onerous Contracts–Cost of Fulfilling a Contract”	January 1, 2022
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	January 1, 2022

The Company has evaluated that the above standards and interpretations do not have a significant effect on the Company's financial position and financial performance.

(3) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

The following table summarizes the new, amended and revised standards and interpretations of IFRSs issued by the IASB that have not yet been incorporated into IFRSs endorsed by the FSC：

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance Contracts	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023

The Company has evaluated that the above standards and interpretations do not have a significant impact on the Company's financial position and financial performance.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these individual financial statements are described below. Unless otherwise stated, these policies have been applied consistently throughout the reporting period.

(1) Statement of Compliance

These individual financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

1. The individual financial statements have been prepared on the basis of historical cost, except for the following significant items:

   (1) Financial assets and liabilities at fair value through profit or loss are measured at fair value

   (2) Financial assets at fair value through other comprehensive income or loss that are measured at fair value.

   (3) The defined benefit obligation is recognized as the net asset less the present value of the defined benefit obligation of the pension fund.

2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretative Pronouncements ("IFRSs") as endorsed by the FSC requires the use of certain critical accounting estimates. The application of the Company's accounting policies also requires management to exercise its judgment. Items involving a higher degree of judgment or complexity, or items involving significant assumptions and estimates in the individual financial statements are described in Note 5.

(3) Foreign currency exchange

Items included in the Company's individual financial statements are measured using the currency of the primary economic environment in which the Company operates (i.e., the functional currency). These financial statements are presented in the New Taiwan dollar, which is the Company's functional currency.

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency using the spot rate at the date of the transaction or measurement date, and translation differences arising from such transactions are recognized in profit or loss for the current period.

(2) The balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the exchange rates prevailing on the balance sheet date, and the resulting translation differences are recognized in profit or loss for the current period.

(3) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are adjusted at the exchange rate prevailing on the balance sheet date, and the resulting exchange differences are recognized in profit or loss for the current period; those measured at fair value through other comprehensive income are adjusted at the exchange rate prevailing on the balance sheet date, and the resulting exchange differences are recognized in other comprehensive income; those not measured at fair value are measured at the historical exchange rate at the date of initial transaction.

(4) All exchange gains and losses are reported in "Other gains and losses" in the individual comprehensive income statements.

2. Translation of foreign operations

The results of operations and financial position of all corporate entities with a functional currency different from the presentation currency are translated into the presentation currency as follows：

(1) Assets and liabilities expressed in each balance sheet are translated at the closing rate on that balance sheet date.

(2) The income and expenses expressed in each consolidated statement of income are translated at the average exchange rate for the period; and

(3) All translation differences are recognized in other comprehensive income.

(4) Classification of Current and Noncurrent Assets and Liabilities

1. Assets are classified as current assets if they meet one of the following categories:

(1) The asset is expected to be realized in the normal operating cycle, or is intended to be sold

or consumed.

(2) Those that are held primarily for trading purposes.

(3) Expected to be realized within 12 months after the balance sheet date.

(4) Cash or cash equivalents, except for those that are restricted from being exchanged or used to settle liabilities for at least twelve months after the balance sheet date.

The Company classifies all assets that do not meet the above criteria as non-current.

2. Liabilities are classified as current liabilities if one of the following conditions is met.
(1) The liability is expected to be settled in the normal operating cycle.
(2) Held primarily for trading purposes.
(3) They are expected to be settled within 12 months after the balance sheet date.
(4) The maturity date cannot be unconditionally extended to at least twelve months after the balance sheet date. The terms of the liabilities, which may be settled by issuing equity instruments at the option of the counterparties, do not affect the classification.

The Company classifies all liabilities that do not meet the above conditions as non-current.

(5) Cash Equivalents

Cash equivalents, for the purpose of meeting short-term cash commitments, consist of highly liquid time deposits and investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value。

(6) Financial assets at fair value through profit or loss

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income or loss are classified as financial assets at fair value through profit or loss.

2. The Company uses trade date accounting for financial assets at fair value through profit or loss that qualify as customary transactions.

3. The Company recognizes the related transaction costs at fair value through profit or loss on initial recognition and subsequently recognizes the benefit or loss at fair value through profit or loss.

4. Dividend income is recognized in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow and the amount of dividends can be measured reliably.

(7) Financial assets measured at fair value through other comprehensive income or loss

1. The fair value changes of investments in equity instruments not held for trading are reported in other comprehensive income at the time of initial recognition as an irrevocable

choice.

2. The Company uses trade date accounting for financial assets measured at fair value through other comprehensive income or loss that qualify for trading practice.

3. The Company measures its equity instruments at fair value plus transaction costs on initial recognition and subsequently at fair value. Changes in the fair value of equity instruments are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is not reclassified to profit or loss and is reclassified to retained earnings. Dividend income is recognized in profit or loss when the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow and the amount of the dividends can be measured reliably.

(8) Financial assets measured at amortized cost

1. A financial asset is one that also meets the following conditions:
   (1) The financial asset is held under an operating model whose objective is to collect the contractual cash flows.
   (2) The contractual terms of the financial asset generate cash flows at a specific date, solely for the purpose of paying interest on the principal and outstanding principal amount.
2. The Company uses trade date accounting for financial assets carried at amortized cost that qualify for transaction practice.
3. The Company recognizes financial assets at fair value plus transaction costs on initial recognition, and subsequently recognizes interest income and impairment losses over the liquidity period using the effective interest method under the amortization procedure and recognizes the gains or losses in profit or loss when they are derecognized.

(9) Accounts and notes receivable

1. Accounts and instruments with unconditional right to receive the consideration for the transfer of goods or services in accordance with the contract.
2. Short-term accounts and notes receivable with unpaid interest are measured at the original invoice amount because the effect of discounting is not significant.

(10) Impairment of financial assets

For financial assets carried at amortized cost, an allowance for losses is provided for at 12-month expected credit losses for financial assets that do not have a significant increase in credit risk since initial recognition, taking into account all reasonable and probable information (including forward-looking information); for financial assets that have a significant increase in credit risk since initial recognition, an allowance for losses is provided for at the expected credit losses over the expected life of the asset; and for receivables or contract assets that do not contain significant financial components, an allowance for losses is provided for at the expected credit losses over the expected life of the asset. For accounts receivable or contract assets that do not contain significant financial components, the allowance for loss is measured at the expected credit loss over the period.

(11) Derecognition of financial assets

Financial assets are derecognized when the Company's contractual rights to receive cash flows from the financial assets lapse.

(12) Lessor's Lease Transactions - Operating Leases

Lease proceeds from operating leases, net of any incentives given to the lessee, are| recognized in profit or loss on a straight-line basis over the lease term.

(13) Inventories

1. The purchase cost of inventories includes the purchase price, import duties and taxes, and other costs directly attributable to the acquisition of the merchandise. Transaction discounts, markdowns and other similar items are deducted in determining the cost of purchase.
2. Inventories are measured at the lower of cost or net realizable value, with cost determined by the moving weighted-average method. Net realizable value is the estimated selling price in the ordinary course of business, less related variable selling expenses.

(14) Investments accounted for using the equity method - subsidiaries

1. A subsidiary is an entity (including a structured entity) that is controlled by the Company and is controlled by the Company when the Company is exposed to variable remuneration from participation in the entity or has rights to such variable remuneration and has the ability to affect such remuneration through its power over the entity.
2. Unrealized gains or losses resulting from transactions between the Company and its subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to conform to the policies adopted by the Company.
3. The Company recognizes its share of the profit or loss of a subsidiary in the current period and its share of other comprehensive income or loss after the acquisition. If the Company's share of losses recognized in a subsidiary equal or exceeds its interest in that subsidiary, the Company continues to recognize losses in proportion to its ownership.
4. Changes in ownership of subsidiaries that do not result in a loss of control (transactions with non-controlling interests) are treated as equity transactions, i.e., as transactions with owners. The difference between the amount of the adjustment of the non-controlling interest and the fair value of the consideration paid or received is recognized directly in equity.

5. When the Company loses control of a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and recognized as the fair value of the originally recognized financial asset or the cost of the originally recognized investment in a related party or joint venture, and the difference between the fair value and the carrying amount is recognized in profit or loss for the period. For all amounts previously recognized in other comprehensive income or loss related to the subsidiary, the accounting treatment is the same as if the Company had directly disposed of the related assets or liabilities, i.e., if a gain or loss previously recognized in other comprehensive income or loss would be reclassified to profit or loss upon disposal of the related assets or liabilities, the gain or loss is reclassified from equity to profit or loss when control over the subsidiary is lost.

6. In accordance with the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers", the current profit or loss and other comprehensive income or loss in individual financial statements should be the same as the apportionment of the current profit or loss and other comprehensive income or loss attributable to the owners of the parent company in the financial statements prepared on a consolidated basis, and the owners' equity in individual financial statements should be the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

(15) Property, Plant and Equipment

1. Property, plant and equipment are recorded at acquisition cost.
2. Subsequent costs are included in the carrying amount of an asset or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced portion should be excluded. All other maintenance costs are recognized in profit or loss as incurred.
3. Property, plant and equipment are subsequently measured at cost and depreciated on a straight-line basis over their estimated useful lives. If the components of property, plant and equipment are significant, they are depreciated separately.
4. The Company reviews the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of the residual value and useful life differs from previous estimates, or if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the change is accounted for in accordance with IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," from the date of the change. The useful lives of each asset are as follows:

Office Equipment	3 years
Other Equipment	5 years
Lease Improvements	5 years

(16) Lessee's lease transactions - right-of-use assets/lease liabilities

1. Leased assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the Company. When a lease contract is a short-term lease or a lease of a low-value underlying asset, the lease payments are recognized as an expense on a straight-line basis over the lease term.
2. Lease liabilities are recognized at the present value of the lease payments outstanding at the inception date of the lease, discounted at the Company's incremental borrowing rate, which is a fixed benefit, less any lease incentives that may be received.

   Interest expense is subsequently accrued over the lease term using the amortized cost method. The lease liability is reassessed and the right-of-use asset is remeasured when there is a change in the lease term or lease payments that is not a contractual modification.
3. Right-of-use assets are recognized at cost at the inception date of the lease and the cost is the original measurement of the lease liability.

   Depreciation expense is provided when the right-of-use asset is subsequently measured at cost, at the earlier of the end of its useful life or the end of the lease term. When a lease liability is reassessed, the right-of-use asset is adjusted for any re-measurement of the lease liability.

(17) Investment property

Investment property is recognized at acquisition cost and subsequently measured using the cost model. Except for land, depreciation is provided on a straight-line basis over the estimated useful lives of 50 years.

(18) Intangible assets

The cost of computer software is recognized at acquisition cost and amortized on a straight-line basis over the estimated useful lives of 1 ~ 5 years.

(19) Impairment of non-financial assets.

An impairment loss is recognized when the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of the fair value of an asset less its cost of disposal or its value in use. When the impairment loss recognized in prior years does not exist or decreases, the impairment loss is reversed, provided that the carrying amount of the asset increased by the reversed impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, net of depreciation or amortization.

(20) Loans

This refers to short-term borrowings from banks. The Company measures the amount at its fair value less transaction costs on initial recognition and subsequently recognizes interest expense in profit or loss over the period of liquidity using the effective interest method and the amortization procedure for any difference between the consideration less transaction costs and the redemption value.

(21) Accounts and notes payable

1. Debt incurred for the purchase of raw materials, goods or services on credit and bills payable for operating and non-operating purposes.

2. Short-term accounts payable and notes payable with unpaid interest are measured at the original invoice amount because the effect of discounting is not significant.

(22) Derecognition of financial liabilities

The Company derecognizes financial liabilities upon the performance, cancellation or maturity of the obligations specified in the contracts.

(23) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the non-discounted amount expected to be paid and are recognized as an expense when the related services are rendered.

2. Retirement

(1) Definition of the contribution plan

For defined contribution plans, the amount to be contributed to the pension fund is recognized as pension cost on an accrual basis in the current period. Prepaid contributions are recognized as assets to the extent that they are refundable in cash or reduce future benefits.

(2) Defined benefit plans

A. The net obligation under the defined benefit plans is calculated by discounting the amount of future benefits earned by employees for current or past service by the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The net defined benefit obligation is calculated annually by the actuary using the projected unit benefit method, using market yields at the balance sheet date on government bonds (at the balance sheet date) that correspond to the currency and period of the defined benefit plan.

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they occur and are expressed in retained earnings.

C. The related expenses for prior service costs are recognized immediately in profit or loss.

3. Employee Compensation and Directors' Remuneration

Employee compensation and remuneration to directors and supervisors are recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If the actual allotment amount subsequently resolved differs from the estimated amount, the difference is treated as a change in accounting estimate. In addition, the number of shares used for employee compensation is calculated based on the closing price on the day before the date of the board of directors' resolution.

<u>(24) Employee Share-based Payment</u>

1. Equity-settled share-based payment agreements are measured at the fair value of the equity instruments given on the date of grant for employee services received and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of equity instruments should reflect the effect of market vesting conditions and non-vesting conditions. The recognized compensation cost is adjusted as the number of awards that are expected to meet the service conditions and non-market vesting conditions is adjusted until the final amount recognized is based on the number of awards vested at the vesting date.

2. Restrictions on Employee Rights IPO

(1) Compensation cost is recognized at the grant date on the basis of the fair value of the equity instruments granted over the vesting period.

(2) The right to participate in dividend distribution is not restricted and the employee is not required to return the dividends received if he/she leaves the company during the vesting period.

(3) Employees are required to pay a price to acquire new shares with restricted rights. If an employee leaves the Company during the vesting period, the employee should return the shares and the Company should also refund the price.

<u>(25) Taxation</u>

1. Income tax expense consists of current and deferred income taxes. Income taxes are recognized in profit or loss, except when they relate to items included in other

comprehensive income or directly in equity, which are included in other comprehensive income or directly in equity, respectively.

2. The Company calculates current income taxes based on tax rates enacted or substantively enacted at the balance sheet date of the countries in which the Company operates and generates taxable income. Management periodically evaluates the status of income tax returns with respect to applicable income tax regulations and, when applicable, estimates the income tax liability based on the expected tax payments to be made to the tax authorities. Income tax is imposed on undistributed earnings in accordance with the Income Tax Act. In the year following the year in which the earnings are generated, income tax expense is recognized on the actual distribution of earnings after the shareholders' meeting approves the earnings distribution.

3. Deferred income tax is recognized, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the balance sheet. If the Company has control over the timing of the reversal of temporary differences arising from its investment in a subsidiary and it is probable that the temporary differences will not reverse in the foreseeable future, the temporary differences are not recognized. Deferred income tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized, and the unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.

5. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and there is an intention to settle or realize the assets and liabilities simultaneously on a net basis; deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities and the deferred income tax assets and liabilities are incurred by the same taxable entity or by different taxable entities that intend to settle or realize the assets and liabilities simultaneously on a net basis.

(26) Share Capital

1. Common stock is classified as equity. Incremental costs directly attributable to the issuance of new shares or stock options are recorded as a deduction from equity, net of income taxes.

2. When the Company repurchases outstanding shares, the consideration paid includes any directly attributable incremental costs recognized as a deduction from stockholders' equity, net of income taxes.

(27) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the Company's shareholders resolve to distribute the dividends, and cash dividends are recognized as a liability.

(28) Revenue Recognition

1. Sales revenue is recognized when control of the product is transferred to the customer, i.e., when the product is delivered to the customer, the customer has discretion over the access and price of the product, and the Company has no outstanding performance obligations that may affect the customer's acceptance of the product. Delivery of merchandise occurs when the product is delivered to the designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product in accordance with the sales contract or when there is objective evidence that all acceptance criteria have been met.
2. Revenue from sales of merchandise is recognized on a net basis, based on contract prices less sales returns and discounts. The Company does not adjust the transaction price to reflect the time value of money because the time lag between the transfer of the promised goods or services to the customer and the customer's payment does not exceed one year.
3. Accounts receivable are recognized when the merchandise is delivered to the customer because the Company has an unconditional right to the contract price from that point onward and only requires the passage of time to receive the consideration from the customer.

(29) Government Subsidies

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant and that the grant will be received. If the nature of the government grant is to compensate the Company for expenses incurred, the government grant is recognized in profit or loss on a systematic basis in the period in which the related expenses are incurred. Government grants related to property, plant and equipment are recognized as non-current liabilities and are recognized as current income on a straight-line basis over the estimated useful lives of the related assets.

5. Critical accounting judgments, assumptions and key sources of estimation uncertainty

In preparing these individual financial statements, management has used its judgment in determining the accounting policies to be used and has made accounting estimates and assumptions that are based on reasonable expectations of future events under the circumstances prevailing at the balance sheet date. Significant accounting estimates and assumptions made that may differ from actual results are continually evaluated and adjusted, considering historical experience and other factors. These estimates and assumptions are subject to the risk that the carrying amounts of assets and liabilities will be adjusted in the next financial year. The following is a description of the uncertainties in significant accounting judgments, estimates and assumptions:

(1) Critical Accounting Estimates and Assumptions

The accounting policies adopted by the Company have been assessed to be free of significant uncertainty.

(2) Critical Accounting Estimates and Assumptions

In preparing these individual financial statements, management makes accounting estimates and assumptions that are based on reasonable expectations of future events under the circumstances prevailing at the balance sheet date. Significant accounting estimates and assumptions made may differ from actual results and are continually evaluated and adjusted, taking into account historical experience and other factors. The risk that the carrying amounts of assets and liabilities may be adjusted in the next financial year as a result of the Company's significant accounting estimates and assumptions are as follows:

Estimated allowance for loss on accounts receivable

The Company manages the collection and demand operations of its customers and assumes the related credit risk. The management regularly evaluates the credit quality and collection status of customers and adjusts the credit policy for customers in a timely manner. The expected loss rate is established by incorporating forward-looking information on the customer's ability to pay.

As of December 31, 2021, the carrying amount of the Company's accounts receivable was $96,853.

6. Description of significant accounting items

(1) Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 30	$ 30
Checking Deposit and Savings Deposit	318,146	193,416
Cash equivalents - bank time deposits	-	178,500
Cash equivalents - bonds with repurchase	-	50,000
	$ 318,176	$ 421,946

1. The Company has good credit quality with financial institutions, and the Company has dealings with several financial institutions to diversify credit risk, so the possibility of default is expected to be low.
2. The Company has not pledged cash and cash equivalents as collateral.

(2) Financial assets at fair value through profit or loss

	December 31, 2021	December 31, 2020
Current Items：		
Mandatory financial assets at fair value through profit or loss		
Hybrid Instrument - Structured Time Deposit	$ -	$ 30,000
Valuation Adjustment	-	99
	$ -	$ 30,099

1. The net (loss) gain or loss on the Company's financial assets at fair value through profit or loss is $846 and $99 in 2021 and 2020, respectively.
2. The Company has not pledged any financial assets at fair value through profit or loss as collateral.
3. Please refer to Note 12(3) for the related fair value information.

(3) Financial assets measured at fair value through other comprehensive income or loss

	December 31, 2021	December 31, 2020
Non-current items：		
Equity Tools		
Unlisted counter stocks (Note)	$ 3,179	$ 3,900

	2021	2020
Valuation Adjustment	893	1,092
	$ 4,072	$ 4,992

Note: The investee company will reduce its capital by $721 and $1,100 in December 2021 and 2020, respectively, due to operational strategy adjustment.

1. The Company has elected to classify its equity investments, which are strategic investments, as financial assets measured at fair value through other comprehensive income or loss.
2. The breakdown of financial assets at fair value through other comprehensive income or loss recognized in (loss) income and comprehensive (loss) income is as follows：

	2021	2020
Equity instruments measured at fair value through other comprehensive income or loss		
Changes in fair value recognized in other comprehensive (loss) income	($ 199)	$ 982

3. The Company has not pledged financial assets at fair value through other comprehensive income or loss as collateral.
4. Please refer to Note 12(3) for the related fair value information.

(4) Notes and accounts receivable (including related parties)

	December 31, 2021	December 31, 2020
Notes Receivable	$ 109	$ -
Accounts receivable	$ 96,882	$ 93,044
Less: Allowance for losses	(29)	-
	$ 96,853	$ 93,044
Accounts receivable - related parties	$ 6,914	$ 9,336

1. The aging analysis of notes and accounts receivable and related credit risk information are described in Note 12(2).
2. As of December 31, 2021 and 2020, the balances of notes and accounts receivable were generated from customer contracts, and as of January 1, 2020, the balances of notes and accounts receivable from customer contracts were $109,653.
3. The Company does not hold any collateral for its accounts receivable.

(5) Investments accounted for using the equity method

	December 31,	December 31,

	2021		2020	
	Carrying amount	Shareholding Ratio	Carrying amount	Shareholding Ratio
Subsidiaries：				
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	$ 1,243,392	100%	$ 1,189,388	100%

	2021		2020	
	Share of (loss) interest in subsidiaries accounted for using the equity method	Other comprehensive (Loss) gain (before tax)	Share of (loss) interest in subsidiaries accounted for using the equity method	Other comprehensive (Loss) gain (before tax)
Subsidiaries：				
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	$ 110,430	($ 53,750)	$ 75,699	($ 25,930)

For information on the Company's subsidiaries, please refer to Note 4(3) to the Company's consolidated financial statements for the year 2021.

(6) Property, plant and equipment

2021	Office Equipment	Other Equipment	Lease Improvements	Total
January 1				
Cost	$ 1,162	$ 2,061	$ -	$ 3,223
Accumulated depreciation and impairment	(549)	(1,786)	-	(2,335)
	$ 613	$ 275	$ -	$ 888
January 1	$ 613	$ 275	$ -	$ 888
Additions	-	-	2,944	2,944
Depreciation expense	(388)	(275)	(245)	(908)
December 31	$ 225	$ -	$ 2,699	$ 2,924
December 31				
Cost	$ 1,162	$ -	$ 2,944	$ 4,106
Accumulated depreciation and impairment	(937)	-	(245)	(1,182)
	$ 225	$ -	$ 2,699	$ 2,924

2020	Office Equipment	Other Equipment	Lease Improvements	Total
January 1				
Cost	$ 1,162	$ 2,061	$ -	$ 3,223
Accumulated depreciation and impairment	(161)	(1,374)	-	(1,535)
	$ 1,001	$ 687	$ -	$ 1,688
January 1	$ 1,001	$ 687	$ -	$ 1,688
Depreciation expense	(388)	(412)	-	(800)
December 31	$ 613	$ 275	$ -	$ 888
December 31				
Cost	$ 1,162	$ 2,061	$ -	$ 3,223

Accumulated depreciation and impairment	(549)	(1,786)	-	(2,335)
	$ 613	$ 275	$ -	$ 888

1. For the years ended December 31, 2011 and 2020, the Company did not capitalize any interest, and all of them were for its own use.
2. As of December 31, 2021 and 2020, the Company has not pledged any property, plant and equipment as collateral.

(7) Lease transaction - Tenant

1. The subject asset of the lease is a building. The term of the building lease agreement is 5 years. The lease contracts are individually negotiated and contain various terms and conditions. The leased assets cannot be subleased, loaned, assigned or otherwise used by others, or the lease rights transferred to others without the lessor's consent.
2. The carrying value of the right-of-use assets and the depreciation expense recognized were as follows：

	Building Construction	Transportation Equipment	Total
January 1, 2021	$ 1,422	$ 2,852	$ 4,274
Additions	3,861	-	3,861
Reduction	(864)	(1,680)	(2,544)
Depreciation expense	(1,046)	(1,172)	(2,218)
December 31, 2021	$ 3,373	$ -	$ 3,373

	Building Construction	Transportation Equipment	Total
January 1, 2020	$ 209	$ -	$ 209
Additions	2,438	4,390	6,828
Depreciation expense	(1,225)	(1,538)	(2,763)
December 31, 2020	$ 1,422	$ 2,852	$ 4,274

3. Information on the profit and loss items related to lease contracts is as follows：

	2021	2020
Items affecting profit or loss for the period		
Interest expense on lease liabilities	$ 42	$ -
Lease payments for assets of low value	1	25
Lease modification loss (benefit)	85	-

4. In addition to the cash outflow for lease related expenses described in Note 6(7)(3) above,

the Company will incur cash outflow for principal repayment of lease liabilities totaling $2,209 and $2,744 in 2021 and 2020, respectively.

(8) Investment property

2021：None。

	2020 Land	House and Building	Total
January 1			
Cost	$ 73,966	$ 30,034	$ 104,000
Accumulated depreciation	-	(14,979)	(14,979)
	$ 73,966	$ 15,055	$ 89,021
January 1	$ 73,966	$ 15,055	$ 89,021
Depreciation expense	-	(76)	(76)
Disposal	(73,966)	(14,979)	(88,945)
December 31	$ -	$ -	$ -
December 31			
Cost	$ -	$ -	$ -
Accumulated depreciation	-	-	-
	$ -	$ -	$ -

1. Rental income from investment properties and direct operating expenses：

	2021	2020
Rental income from investment properties	$ -	$ 2,108
Direct operating expenses incurred on investment properties that generate rental income in the current period	$ -	$ 76

2. The Company's board of directors resolved on February 19, 2020 to dispose of the land and building located at Lot 501, Wugu District, New Taipei City, Taiwan, and the sale of the aforementioned property was completed on April 30, 2020 for a total sale price of $310,000, net of sales tax of $1,209 and book value of $88,945, resulting in a gain on disposal of investment property of $219,846.

(9) Other payables

	December 31, 2021	December 31, 2020
Salaries and bonuses payable	$ 12,911	$ 9,669
Compensation payable to employees and directors and supervisors	7,692	17,589
Pension payable	550	552
Health insurance payable	549	540
Labor costs payable	1,897	485

Other	574	458
	$ 24,173	$ 29,293

(10) Retirement

1. Defined Benefit Retirement Plan

(1) The Company's pension plan under the Labor Standards Law of R.O.C. is a defined benefit pension plan administered by the government. Employees' pension payments are based on the average salary for the six months prior to the date of approved retirement. The Company contributes 2% of the employees' monthly salaries to the pension fund, which is deposited in the name of the Labor Pension Fund Supervisory Committee in a special account in the Bank of Taiwan. If the balance of the special account is not sufficient to pay the employees who are expected to meet the retirement requirements in the following year before the end of the year, the difference will be withdrawn in one lump sum by the end of March of the following year. The Bank of Taiwan entrusts the management of the account to the Bureau of Labor Fund Application, Ministry of Labor, and the Company has no right to influence the investment management strategy.

(2) The amounts recognized in the balance sheet were as follows：

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	($ 14,529)	($ 14,120)
Fair value of planned assets	11,825	10,510
Net defined benefit obligation	($ 2,704)	($ 3,610)

(3) The changes in the net defined benefit obligation were as follows：

	Defined Benefits Present Value of Volunteer Services	Planned assets Fair value	Net defined benefit Assets (liabilities)
2021			
Balance as of January 1	($ 14,120)	$ 10,510	($ 3,610)
Current service cost	(149)	-	(149)
Interest (expense) income	(49)	39	(10)
	(14,318)	10,549	(3,769)
Remeasurements.			
Return on plan assets (excluding amounts included in interest income or expenses)	-	140	140
Effect of changes in demographic assumptions	(749)	-	(749)
Effect of changes in financial assumptions	551	-	551
Experience Adjustments	(13)	-	(13)
	(211)	140	(71)
Contribution to retirement fund	-	1,136	1,136
Balance on December 31	($ 14,529)	$ 11,825	($ 2,704)

	Defined Benefits Present Value of Volunteer Services	Planned assets Fair value	Net defined benefit Assets (liabilities)
2020			
Balance as of January 1	($ 9,564)	$ 8,928	($ 636)
Current service cost	(103)	-	(103)
Interest (expense) income	(76)	76	-
	(9,743)	9,004	(739)
Remeasurements.			
Return on plan assets (excluding amounts included in interest income or expenses)	-	264	264
Effect of changes in demographic assumptions	(64)	-	(64)
Effect of changes in financial assumptions	(318)	-	(318)
Experience Adjustments	(3,995)	-	(3,995)
	(4,377)	264	(4,113)
Contribution to retirement fund	-	1,242	1,242
Balance on December 31	($ 14,120)	$ 10,510	($ 3,610)

(4) The assets of the Company's defined benefit pension plan are entrusted to the Bank of Taiwan in accordance with Article 6 of the Regulations Governing the Custody and Use of Labor Pension Fund (i.e., deposit with domestic and foreign financial

institutions, investment in domestic and foreign listed, over-the-counter or private placement equity securities, and investment in domestic and foreign real estate securitization products) within the proportion and amount of the entrusted items set forth in the annual investment and utilization plan of the fund. The use of the fund is supervised by the Labor Pension Fund Supervisory Committee. The minimum annual earnings to be distributed from the fund shall not be less than the earnings calculated based on the interest rate of two-year time deposits in local banks, and if there is any deficiency, it shall be replenished by the national treasury after approval by the competent authority. As the Company does not have the authority to participate in the operation and management of the fund, the fair value of plan assets cannot be disclosed in accordance with paragraph 142 of IAS 19. The fair value of the total assets constituting the fund as of December 31, 2021 and 2020, please refer to the annual reports on the use of the labor pension fund announced by the government.

(5) The actuarial assumptions related to pensions are summarized as follows：

	2021	2020
Discount rate	0.75%	0.35%
Future salary increase rate	2.50%	2.50%

The assumptions for future mortality are based on the Sixth Life Table of Experience for the Taiwan life insurance industry.

An analysis of the present value of the defined benefit obligation due to changes in the major actuarial assumptions used is as follows：

	Discount rate		Future salary increase rate	
	Increase of 0.25%	Reduction of 0.25%	Increase of 0.25%	Reduction of 0.25%
December 31, 2021				
Effect on the present value of defined benefit obligations	($ 351)	$ 362	$ 347	($ 337)
December 31, 2020				
Effect on the present value of defined benefit obligations	($ 369)	$ 383	$ 365	($ 354)

The sensitivity analysis above analyzes the effect of changes in a single assumption with other assumptions held constant. In practice, changes in many assumptions may be linked. The sensitivity analysis is consistent with the methodology used to calculate the net pension liability on the balance sheet.

The methodology and assumptions used to compile the sensitivity analysis in this period are the same as those used in the previous period.

(6) The Company expects to contribute of $1,136 to its retirement plan in

fiscal 2022.

(7) As of December 31, 2021, the weighted-average duration of the retirement plan is 10 years. The maturity analysis of pension payments is as follows：

		Amount
Within 1 year	$	9,817
1 ~ 5 years		6,614
	$	16,431

2. Determine the method of contribution to retirement

(1) Effective July 1, 2005, the Company has established a defined contribution retirement

plan under the Labor Pension Act, which is applicable to employees of the Company’s nationality. The Company makes monthly contributions of 6% of salaries and wages to employees' personal accounts at the Labor Insurance Bureau for employees who choose to be covered by the Labor Pension Act. 。

(2) For the years 2021 and 2020, the Company recognized pension costs of $863 and $1,079, respectively, based on the above pension plan.

(11) Share Based Payment

1. The Company's share-based payment agreements are as follows：

Restricted Employee Rights IPO

The Company did not issue any new restricted employee rights shares in fiscal 2021 and 2020, and the information on the issued shares is as follows：

	2021 No. of shares (in thousands)	2020 No. of shares (in thousands)
In circulation at the beginning of January 1	-	983
Current vested	-	(983)
In circulation at the end of December 31	-	-

2. Expenses arising from share-based payment transactions

	2021	2020
Restrictions on Employee Rights IPO	$ -	$ 2,355

(12) Share Capital

As of December 31, 2021, the Company had a paid-in capital of $1,500,000 divided into 150,000 thousand shares and a paid-in capital of $770,984 with a par value of $10 per share. The Company has received payment for all issued shares.

A reconciliation of the number of outstanding shares of the Company's common stock at the beginning and end of the period (in thousands) is as follows：

	2021	2020
Share Capital		
January 1	77,098	85,148
Cancellation of treasury stock	-	(8,050)
December 31	77,098	77,098
Treasury Stock		
January 1	-	50
Purchase of treasury stock	-	8,000
Cancellation of treasury stock	-	(8,050)
December 31	-	-

(13) Capital surplus

1. In accordance with the Company Law, capital surplus from the issuance of shares in excess of par value and capital surplus from gifts may be used to offset losses, and new shares or cash may be issued in proportion to the shareholders' original shares when the Company has no accumulated losses. In accordance with the Securities and Exchange Act, the total amount of the above capital surplus shall not exceed 10% of the paid-in capital each year. The Company may not use capital surplus to replenish capital unless there is a shortfall in capital surplus to cover capital deficit.

	2021				
	Issue Premium	_Treasury Stock Transactions	RSA	Other	Total
January 1 (i.e., the end of December 31)	$ 615,083	$ 53,673	$ -	$ 143	$ 668,899

	2020				
	Issue Premium	_Treasury Stock Transactions	RSA	Other	Total
January 1	$ 713,256	$ 28,554	$ 5,885	$ 143	$ 747,838
Cash allotment from capital reserve	(37,007)	-	-	-	(37,007)
Cancellation of treasury stock	(67,051)	25,119	-	-	(41,932)
Restrictions on employee rights new shares vested	5,885	-	(5,885)	-	-
January 1	$ 615,083	$ 53,673	$ -	$ 143	$ 668,899

2. The Company held a shareholders' meeting on June 16, 2020 and resolved to distribute cash from capital surplus in the amount of $37,007.

(14) Retained earnings/post-period events

1. In accordance with the Company's Articles of Incorporation, the Company shall first make up its deficit and then set aside 10% of the remaining balance as legal reserve, except when the legal reserve has reached the total capital. In addition, the Board of Directors shall prepare a proposal for the appropriation of the special reserve or the reversal of the special reserve by law or by the competent authority, and if there is any surplus, the Board of Directors shall propose a resolution to the shareholders' meeting to distribute the amount of the accumulated undistributed earnings of the previous year and the undistributed earnings of the current year.

2. The Company's dividend policy is based on a prudent and balanced approach, and at least 20% of the dividends distributed in a given year is set aside for cash dividends, taking into account factors such as profitability, financial structure and future development of the Company.

3. The legal reserve may not be used except to cover losses or to issue new shares or cash in proportion to the shareholders' original shares, provided that the amount of such reserve shall exceed 25% of the paid-in capital.

4. When distributing earnings, the Company is required by law to set aside a special reserve for the debit balance of other equity items as of the balance sheet date, and if the debit balance of other equity items is subsequently reversed, the reversed amount may be included in available-for-distribution earnings.

5. The Company's earnings were distributed as follows：

(1) At the ordinary shareholders' meetings held on July 16, 2021 and June 16, 2020, it was resolved that the appropriation of earnings for 2020 and 2019 be approved as follows：

	2020		2019	
	Amount	Dividend per share ($)	Amount	Dividend per share ($)
Provision for legal reserve	$ 18,929		$ 7,224	
Provision for special reserve	17,407		9,770	
Cash dividends	115,648	1.50	55,511	0.72
	$ 151,984		$ 72,505	

(2) The Board of Directors resolved on March 14, 2022 to distribute earnings for fiscal 2021 as follows：

	2021	
	Amount	Dividend per share ($)
Provision for legal reserve	$ 7,700	
Provision for special reserve	43,199	
Cash dividends	30,839	0.40
	$ 81,738	

(15) Other equity items

2021

	Unrealized (loss) gain	Foreign Currency Conversion	Employees no earning compensation	Total
January 1	$ 1,092	($ 93,423)	$ -	($ 92,331)
Rating Adjustment	(199)	-	-	(199)
Foreign currency translation differences.				
-Subsidiaries	-	(53,750)	-	(53,750)
-Taxes on subsidiaries	-	10,750	-	10,750
December 31	$ 893	($ 136,423)	$ -	($ 135,530)

2020

	Unrealized (loss) gain	Foreign Currency Conversion	Employees no earning compensation	Total
January 1	$ 110	($ 72,679)	($ 2,355)	($ 74,924)
Rating Adjustment	982	-	-	982
Recognized share-based payment expense	-	-	2,355	2,355
Foreign currency translation differences.				
-Subsidiaries	-	(25,930)	-	(25,930)
-Taxes on subsidiaries	-	5,186	-	5,186
December 31	$ 1,092	($ 93,423)	$ -	($ 92,331)

(16) Operating income

1. Breakdown of contract customer revenue

The Company's revenues are generated from merchandise that is transferred at a point in time and are broken down into the following major business groups：

	2021 Revenue from customer contracts	2020 Revenue from customer contracts
Molds	$ 115,302	$ 115,464

Plastic molding	521,921	385,569
	$ 637,223	$ 501,033

2. Contractual Liabilities

(1) The Company recognized contract liabilities related to revenue from customer contracts as follows:

	December 31, 2021	December 31, 2020	January 1, 2020
Contractual liabilities – sales of goods	$ 67	$ 72	$ 11

(2) The amount of revenue recognized in the current period for the opening contract liabilities for both fiscal 2021 and 2020 is $0.

(17) Interest income

	2021	2020
Bank Deposit Interest	$ 765	$ 564

(18) Other income

	2021	2020
Rental Income	$ -	$ 2,108
Government subsidy income	2,002	2,461
Dividend income	597	24
Other	411	491
	$ 3,010	$ 5,084

(19) Other Benefits and Losses

	2021	2020
(Gain) loss on disposal of property, plant and equipment	$ -	$ 788
(Gain) loss on disposal of investment property	-	219,846
(Gain) loss on lease modification	(85)	-
Net foreign currency exchange gains (losses)	(2,589)	(4,874)
Financial assets at fair value through profit or loss	846	99
Net (loss) gain or loss on financial assets at fair value through profit or loss		
Other	(98)	(480)
	($ 1,926)	$ 215,379

(20) Financial Costs

	2021	2020
Interest charges on bank loans	$ -	$ 144
Interest expense on lease liabilities	42	49
	$ 42	$ 193

(21) Additional information on the nature of fees

	2021	2020
Employee benefit expenses	$ 44,078	$ 46,192
Depreciation expense on property, plant and equipment	$ 908	$ 800
Depreciation of right-of-use assets	$ 2,218	$ 2,763
Depreciation expense on investment property	$ -	$ 76
Amortization of intangible assets	$ 1,059	$ 958

(22) Employee benefit expenses

	2021	2020
Salary Costs	$ 36,794	$ 33,175
Labor and Health Insurance Costs	2,045	2,078
Pension Fees	1,022	1,182
Directors' remuneration	3,229	8,795
Other employee benefit expenses	988	962
	$ 44,078	$ 46,192

1. In accordance with the Company's Articles of Incorporation, the Company shall appropriate not less than 1% and not more than 3% of the pre-tax income before employees' and directors' and supervisors' remuneration, respectively, of the Company for the current year, after retaining the amount to cover losses

2. The compensation to employees is estimated to be $4,913 and $9,344 for 2021 and 2020, respectively, and the compensation to directors and supervisors is estimated to be $2,779 and $8,245, respectively, and the aforementioned amount is recorded as salary expense. 2021 is estimated at 4.7% and 2.7%, respectively, based on the profitability of the year.

The remuneration to employees and remuneration to directors and supervisors for 2020 resolved by the Board of Directors amounted to $9,344 and $8,245, respectively, which were consistent with the amounts recognized in the financial statements for 2020 and were paid in cash of $9,344 and $8,245, respectively, for the year ended December 31, 2021.

3. Information on the remuneration of employees and directors and supervisors approved by the Board of Directors and reported in the shareholders' meeting is available on the Market Observation Post System.

(23) Income Tax

1. Income tax expense

(1) Income tax expense component：

	2021	2020
Current income tax：		
Income taxes arising from current income	$ -	$ -
Foreign income tax	121	200
Land appreciation tax	-	5,543
(High) Underestimation of prior years' income tax	-	548
Total current income tax	121	6,291
Deferred income tax.		
Origination and reversal of temporary differences	18,602	58,220
Income tax expense	$ 18,723	$ 64,511

(2) Amount of income tax expense (benefit) related to other comprehensive income:

	2021	2020
Translation differences between foreign operating entities	($ 10,750)	($ 5,186)
Actuarial gains and losses on defined benefit plans	(14)	(673)
	($ 10,764)	($ 5,859)

(3) There are no income taxes related to direct debits or credits to the Company's interests in fiscal 2021 and 2020.

2. Relationship between income tax expense and accounting profit

	2021	2020
Income tax on net income before tax at statutory rate	$ 19,156	$ 51,448
Excludable expenses under the tax law	-	2,707
Income exempt from tax under the Tax Law	(554)	(41,511)
Underestimation of prior years' income tax	-	548
Foreign income tax	121	200
Land appreciation tax	-	5,543
Deferred income tax assets not recognized for temporary differences	-	45,576
Income tax expense	$ 18,723	$ 64,511

3. The amount of each deferred income tax asset or liability arising from temporary differences and tax losses is as follows：

2021

	January 1	Recognized in (Loss) gain	Recognized in other comprehensive (loss) income	December 31
Deferred income tax assets:				
Temporary differences				
- Accrued pension liability	$ 1,630	$ -	$ 14	$ 1,644
- Exchange differences of foreign operating institutions	23,356	-	10,750	34,106
- Others	241	423	-	664
Tax loss	30,557	3,061	-	33,618
Subtotal	55,784	3,484	10,764	70,032
Deferred income tax liabilities:				
Temporary differences				
- Accumulated foreign investment benefits recognized under the equity method	(42,686)	(22,086)	-	(64,772)

- Others	(704)	-	-	(704)
Subtotal	(43,390)	(22,086)	-	(65,476)
Total	$ 12,394	($ 18,602)	$ 10,764	$ 4,556

2020	January 1	Recognized in (Loss) gain	Recognized in other comprehensive (loss) income	December 31
Deferred income tax assets：				
Temporary differences				
- Accumulated losses from foreign investments recognized under the equity method	$ 29,813	($ 29,813)	$ -	-
- Accrued pension liability	1,203	(246)	673	1,630
- Impairment loss	302	(302)	-	-
- Allowance for doubtful accounts	971	(971)	-	-
- Exchange differences of foreign operating institutions	18,170	-	5,186	23,356
				Recognized in
- Others	2,639	(2,398)	January 1	(Loss) gain
Tax loss	13,895	16,662	-	30,557
Subtotal	66,993	(17,068)	5,859	55,784
Deferred income tax liabilities：				
Temporary differences				
- Converted interest on corporate bonds was realized	(1,422)	1,422	-	-
- Accumulated foreign investment benefits recognized under the equity method	-	(42,686)	-	(42,686)
- Others	(816)	112	-	(704)
Subtotal	(2,238)	(41,152)	-	(43,390)
Total	$ 64,755	($ 58,220)	$ 5,859	$ 12,394

4. The effective periods of unused tax losses and the amount of unrecognized deferred income tax assets at December 31, 2021 and 2020 are as follows：

December 31, 2021

Year occurred	Tax loss	Amount not yet offset	Deferred income tax not recognized Proceeds from the amount of assets	Last Credit Year
2017 (Approved)	$ 344,150	$ 123,936	$ -	2027
2018 (Approved)	28,848	28,848	-	2028
2021 (Declared)	15,305	15,305	-	2031
	$ 388,303	$ 168,089	$ -	

December 31, 2020

Year occurred	Tax loss	Amount not	Deferred income tax not recognized Proceeds from the	Last Credit Year

		yet offset	amount of assets	
2017 (Approved)	$ 344,150	$ 123,936	$ -	2027
2018 (Approved)	28,848	28,848	-	2028
	$ 372,998	$ 152,784	$ -	

5. As of December 31, 2021 and 2020, the Company's income from deductible temporary differences not recognized as deferred income tax assets is $0.
6. The Company's income tax business has been approved by the tax authorities until 2019.

(24) Earnings per share

	2021		
	Amount after tax	Weighted average Outstanding Number of shares (in thousands)	EPS (NT$)
Basic EPS			
Net income attributable to ordinary shareholders of the parent company	$ 77,058	77,098	1.00
Diluted EPS			
Net income attributable to ordinary shareholders of the parent company for the period	$ 77,058	77,098	
Effect of dilutive potential common shares			
-Employee compensation	-	319	
Net income attributable to ordinary shareholders of the parent company for the period	$ 77,058	77,417	1.00

	2020		
	Amount after tax	Weighted average Outstanding Number of shares (in thousands)	EPS (NT$)
Basic earnings per share			
Net income attributable to ordinary shareholders of the parent company	$ 192,727	77,642	2.48
Diluted earnings per share			
Net income attributable to ordinary shareholders of the parent company for the period	$ 192,727	77,642	
Effect of dilutive potential common shares			
-Employee compensation	-	513	
-New shares with restricted employee rights	-	160	
Net income attributable to ordinary	$ 192,727	78,315	2.46

shareholders of the parent company for the period

(25) Changes in liabilities arising from financing activities

	Dividends payable	Short-term loans	Deposit Guarantee	Lease liabilities (Current/non-current)
January 1, 2021	$ -	$ -	$ -	$ 4,290
Declaration of cash dividends	115,648	-	-	-
Increase in lease liabilities	(115,648)	-	-	-
Negative dividends on leases	-	-	-	3,861
Issuance of principal repayments of debt	-	-	-	(2,209)
Decrease in lease liabilities	-	-	-	(2,459)
December 31, 2021	$ -	$ -	$ -	$ 3,483

	Cash dividends payable and Cash allotment from capital surplus	Short-term loans	Deposit Guarantee	Lease liabilities (Current/non-current)
January 1, 2020	$ -	$ -	$ 1,050	$ 206
Cash dividends payable and capital surplus cash allotment	92,518	-	-	-
Cash dividends and capitalization Cash allotment from capital reserve	(92,518)	-	-	-
Increase in short-term borrowings	-	80,000	-	-
Decrease in short-term borrowings	-	(80,000)	-	-
Increase in lease liabilities	-	-	-	6,828
Principal repayment of lease liabilities	-	-	-	(2,744)
Decrease in guarantee deposits on deposit	-	-	(1,050)	-
December 31, 2020	$ -	$ -	$ -	$ 4,290

7. Related party transactions

(1) Name and relationship of related parties

Name of Related Party	Relationship with our Company
Speed Tech Corporation (SPEED TECH)	Company with control over the Company(Note)

TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.(TAIHAN SOMOA)	Subsidiaries of the Company
YONGHAN PRECISION TECHONOLOGY CO., LTD.(YONGHAN)	Subsidiaries of the Company
TAIHAN PRECISION TECHNOLOGY (PHILLIPINES) CO., INC.(TAIHAN PHILLIPINES)	Subsidiaries of the Company
TaiHan Mold Products (Dongguan) Co., Ltd.(TaiHan Dongguan)	Subsidiaries of the Company
All directors, general managers and key management personnel, etc.	Major management and governance units of the Company

Note: The Company was formerly a related company of Speed Tech Corporation but it acquired control of the Company in August 2021 and became the parent company of the Company.

(2) Significant transactions with related parties

1. Sales Transactions

(1) Operating income

The amounts of sales to related parties were as follows：

	2021	2020
YONGHAN	$ 61,605	$ 22,243
TAIHAN PHILLIPINES	24,904	11,973
	$ 86,509	$ 34,216

(2) Accounts receivable

The breakdown of accounts receivable arising from the above related party transactions is as follows：

	December 31, 2021	December 31, 2020
YONGHAN	$ 5,454	$ 5,630
TAIHAN PHILLIPINES	1,460	3,706
	$ 6,914	$ 9,336

The prices of sales to related parties are based on the Company's transfer pricing policy and the items sold are different from those of non-related parties. In addition, the collection period for sales to related parties is 120 days per month, which differs from that of non-related parties depending on the items sold and the delivery method.

2. Import Trading

(1) Cost of Goods

The Company's purchases from related parties were as follows：

	2021		2020	
TAIHAN DONGGUAN	$	213,900	$	143,727
TAIHAN PHILLIPINES		359,798		320,683
	$	573,698	$	464,410

(2) Accounts payable

The Company's accounts payable arising from the above related party purchase transactions are as follows：

	December 31, 2021		December 31, 2020	
TAIHAN DONGGUAN	$	53,647	$	58,822
TAIHAN PHILLIPINES		56,398		57,112
	$	110,045	$	115,934

The prices of purchases from related parties are based on the Company's transfer pricing policy and are different from those of non-related parties; in addition, the payment period to related parties is 120 days per month, which differs from that of non-related parties depending on the products to be purchased and the delivery method.

3. Management Consulting Services Revenue

(1) Other income

Other income generated from management consulting services provided to related parties was as follows：

	2021		2020	
YONGHAN	$	13,718	$	16,906
TAIHAN DONGGUAN		2,861		2,721
	$	16,579	$	19,627

The Company's revenue from management consulting services provided to related parties was $16,579 and $19,627 for fiscal 2021 and 2020, respectively, offset by other net revenue of $0 for this service.

(2) Other accounts receivable

The breakdown of other receivables arising from the above related party transactions is as follows：

	December 31, 2021	December 31, 2020
YONGHAN	$ 3,191	$ 7,839
TAIHAN DONGGUAN	1,068	683
	$ 4,259	$ 8,522

4. Office lease transactions

(1) Operating Expenses

The depreciation and utility costs incurred by the Company in renting office space to related parties are as follows：

	2021	2020
Speed Tech Corporation	$ 500	$ -

The rent for the above-mentioned office leasing transactions is set by agreement between the parties and is payable on a monthly basis.

(2) Other accounts payable

Other accounts payable arising from the above related party transactions were as follows：

	December 31, 2021	December 31, 2020
Speed Tech Corporation	$ 87	$ -

(3) Leasing Liabilities

The Company leases office space for a period of 5 years. The rent is determined by mutual agreement and is paid monthly. The Company's lease liabilities arising from the above related party transactions are as follows：

	December 31, 2021	December 31, 2020
Speed Tech Corporation	$ 3,483	$ -

(4) Financial Costs

Interest expense recognized on the Company's lease liabilities：

	2021	2020
Speed Tech Corporation	$ 16	$ -

Interest for fiscal 2021 is calculated at 0.86% per annum.

(5) Other Transactions

(1) Operating Expenses

The breakdown of operating expenses paid to related parties for miscellaneous purchases is as follows：

	2021	2020
Speed Tech Corporation	$ 86	$ -

(2) Other accounts payable

As of December 31, 2021 and 2020, other accounts payable arising from the above related party transactions were $0.

(3) Other current liabilities

As of December 31, 2021 and 2020, the Company's other current liabilities arising from payments and receipts on behalf of YONGHAN are $405.

6. Endorsement Guaranteed Transactions

The amount of endorsement and guarantee provided by the Company to its subsidiaries in the name of the guarantor is as follows：

	December 31, 2021	December 31, 2020
TAIHAN SAMOA	$ 332,280	$ 413,366
YONGHAN	69,225	114,032
TAIHAN PHILLIPINES	221,520	228,064
	$ 623,025	$ 755,462

7. Long-term equity investment transactions

For the years 2021 and 2020, the amount of dividend income from the Company's investment in TAIHAN SAMOA (a deduction from the investment using the equity method) was $0 and $234,397, respectively.

(3) Key Management Compensation Information

	2021	2020
Short-term Employee Benefits	$ 11,578	$ 13,477

8. Pledged assets

None.

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) Significant or liabilities

None.

(2) Significant unrecognized contractual commitments

1. On December 31, 2021 and 2020, the Company issued promissory notes of $507,660 and $634,414, respectively for bank credit line requirements.
2. On December 31, 2021 and 2020, the Company's endorsement of guarantees for others is $623,025 and $755,462, respectively.

10. Significant catastrophic losses

None.

11. Significant Post-Term Events

The appropriation of earnings for 2021 was approved by the board of directors on March 14, 2022, as described in Note 6(14).

12. Other

(1) Capital Management

The Company's objectives in managing capital are to protect the Company's ability to continue as a going concern, to maintain stable liquidity of the Company, to reduce the cost of capital by adjusting the optimal capital structure, and to provide remuneration to shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors its capital by using a gearing ratio, which is calculated as total liabilities divided by total assets.

The Company's strategy for 2021 remains the same as that for 2020, with a gearing ratio of 12% and 11% as of December 31, 2021 and 2020, respectively.

(2) Financial Instruments

1. Types of Financial Instruments

	December 31, 2021	December 31, 2020
Financial Assets		
Financial assets at fair value through profit or loss		
Mandatory financial assets at fair value through profit or loss - current	$ -	$ 30,099
Financial assets at fair value through other comprehensive income - non-current		
Investments in equity instruments selected for designation	4,072	4,992
Financial assets measured at amortized cost		
Cash and cash equivalents	318,176	421,946
Notes receivable, net	109	-
Accounts receivable, net	96,853	93,044
Accounts receivable - related parties, net	6,914	9,336
Other receivables	207	-
Other receivables - related parties	4,259	8,522
Guarantee deposits on deposit	6	2,602
	$ 430,596	$ 570,541

	December 31, 2021	December 31, 2020
Financial liabilities		
Financial liabilities measured at amortized cost		
Notes payable	$ -	$ 1
Accounts payable	4,517	1,775
Accounts payable - related parties	110,045	115,934
Other payables	24,173	29,293
Other payables - related parties	87	-
	$ 138,822	$ 147,003
Lease liabilities-current	$ 789	$ 2,980
Lease liabilities-non-current	$ 2,694	$ 1,310

2. Risk Management Policy

(1) The Company's daily operations are subject to a number of financial risks, including market risk (including exchange rate risk, price risk and interest rate risk), credit risk and liquidity risk.

(2) Risk management is performed by the Company's Finance Department in accordance with policies approved by management. The Company's Finance Department is responsible for identifying, evaluating and hedging financial risks by working closely with the various operating units within the Company. Management

has written principles for overall risk management and provides written policies for specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus liquidity.

3. Nature and extent of significant financial risks

(1) Market Risk

A. Exchange rate risk

(A) The Company operates on a multinational basis and is therefore exposed to exchange rate risk arising from various currencies, primarily the U.S. dollar. The related exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

(B) The Company engages in business involving certain non-functional currencies (the Company's functional currency is the New Taiwan dollar) and is therefore subject to exchange rate fluctuations. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows：

	December 31, 2021		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)			
Financial Assets			
Monetary items			
USD: NTD	6,968	27.690	$ 192,944
Financial liabilities			
Monetary items			
USD: NTD	4,154	27.690	115,024

	December 31, 2020		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)			
Monetary items			
USD: NTD			
Financial liabilities	6,717	28.508	$ 191,480
Monetary items			

USD: NTD			
Monetary items	4,183	28.508	119,251

(B) The aggregate amount of all exchange gains (losses) (both realized and unrealized) recognized in fiscal 2021 and 2020 for monetary items that are materially affected by exchange rate fluctuations are ($2,589) and ($4,874), respectively.

(C) The Company's exposure to foreign currency market risk due to significant exchange rate fluctuations is analyzed as follows：

	2021		
	Sensitivity Analysis		
	Rate of change	Impact (loss) benefit	Effect of other Comprehensive (loss) income
(Foreign currency: Functional currency)			
Financial Assets			
Monetary items			
USD: NTD	1%	$ 1,929	$ -
Financial liabilities			
Monetary items			
USD: NTD	1%	(1,150)	-

	2020		
	Sensitivity Analysis		
	Rate of change	Impact (loss) benefit	Effect of other Comprehensive (loss) income
(Foreign currency: Functional currency)			
Financial Assets			
Monetary items			
USD: NTD	1%	$ 1,915	$ -
Financial liabilities			
Monetary items			
USD: NTD	1%	($ 1,193)	-

B. Price risk

(A) The equity instruments to which the Company is exposed to price risk are financial assets held at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk of equity instruments, the Company diversifies its investment portfolio in accordance with the limits set by the Company.

(B) The Company invests primarily in equity instruments issued by domestic companies. The prices of these instruments are affected by the uncertainty of the future value of the underlying investments. If the price of these instruments had increased or decreased by 1%, with all other factors held constant, the gain or loss on the equity instruments classified as at fair value through other comprehensive income would increase or decrease by $41 and $50 for 2021 and 2020, respectively.

C. Cash flow and risk of fair value interest rate

The Company is not exposed to cash flow and fair value interest rate risk.

(2) Credit Risk

A. The Company's credit risk is the risk of financial loss resulting from the failure of customers or counterparties to financial instruments to meet their contractual obligations, primarily due to the failure of counterparties to settle notes and accounts receivable on collection terms.

B. The Company has established credit risk management from a corporate perspective. In accordance with the internal credit policy, each operating entity and each new customer are required to manage and analyze credit risk before setting payment and delivery terms and conditions. Internal risk control is performed by considering the financial position, past experience and other factors to assess the credit quality of customers. Individual risk limits are established by management based on internal or external ratings, and the use of credit limits is monitored regularly.

C. Based on historical collection experience, the Company determines whether there is a significant increase in the credit risk of a financial instrument after initial recognition. A financial asset is considered to have a significant increase in credit risk after initial recognition when the contractual payment terms are more than 60 days past due.

D. Based on the Company's historical collection experience, a default is considered to have occurred when the contractual payments are overdue for more than 181 days each according to the contractual payment terms.

E. The Company uses a simplified approach to estimate expected credit losses based on an allowance matrix. Since the Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only sets the expected credit loss rate based on the number of days past due on accounts receivable.

F. After the recourse procedure, the amount of financial assets that cannot be reasonably expected to be recovered is eliminated, but the Company will continue the recourse legal procedures to preserve the rights of the debts.

G. The Company adjusts the allowance for losses on notes and accounts receivable (including related parties) based on historical and current information for a specific period by considering future-looking considerations, and the allowance matrix is as follows：

December 31, 2021

	Not overdue	Overdue 1-60 days	Overdue 61-90 days	Overdue 91-180 days	Overdue 181 days or more	Total
Expected loss rate	0.03%	0.03%	0.03%	0.03%	100.00%	
Total carrying value	$ 103,905	$ -	$ -	$ -	$ -	$ 103,905
Allowance for losses	$ 29	$ -	$ -	$ -	$ -	$ 29

December 31, 2020

	Not overdue	Overdue 1-60 days	Overdue 61-90 days	Overdue 91-180 days	Overdue 181 days or more	Total
Expected loss rate	0%~0.02%	0%~0.02%	0%~0.02%	0%~0.02%	100%	
Total carrying value	$ 101,765	$ 615	$ -	$ -	$ -	$ 102,380
Allowance for losses	$ -	$ -	$ -	$ -	$ -	$ -

The above is an aging analysis based on the number of days past due.

H. The Company's condensed statement of changes in allowance for losses is as follows：

	2021	2020
January 1	$ -	$ -
Expected credit impairment (benefit) loss	29	-
Effect of exchange rate	$ 29	$ -

(3) Liquidity risk

A. Cash flow projections are compiled by the Company's Finance Department. The Company's Finance Department monitors forecasts of the Company's liquidity requirements to ensure that it has sufficient funds to meet its operating needs and maintains sufficient unexpended borrowing commitments at all times, considering the Company's debt financing plans, compliance with debt terms and compliance with internal balance sheet financial ratio targets。

B. The remaining cash held by each unit of the Company will be transferred back to the Corporate Finance Department when it exceeds the time required to manage working capital. On December 31, 2021 and 2020, the Company held $4,072 and $35,091 of these investments (other than cash and cash equivalents), respectively, to generate immediate cash flows to manage liquidity risk. The Company's investments in these investments, other than cash and cash equivalents, will generate immediate cash flows to manage liquidity risk.

C. The Company has unused borrowings of $157,382 and $239,978 as of December 31, 2021 and 2020, respectively.

D. The Company's derivative financial liabilities and non-derivative financial liabilities are analyzed on the basis of the remaining period from the balance sheet date to the contractual maturity date, except for those listed in the table below, which are due within one year and correspond to the amounts shown in the individual balance sheets, and the contractual cash flow amounts disclosed are undiscounted amounts as follows：

December 31, 2021	Less than 3 months	3 months to 1 year	More than 1 year
Non-derivative financial liabilities：			
Lease liabilities (current/non-current)	$ 197	$ 592	$ 2,763

December 31, 2020	Less than 3 months	3 months to 1 year	More than 1 year
Non-derivative financial liabilities：			
Lease liabilities (current/non-current)	$ 828	$ 2,136	$ 1,326

(3) Fair value information

1. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows：

Level 1：Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available to the enterprise at the measurement date. An active market is one in which transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company has no financial or non-financial instruments at this level.

Level 2：The observable input value of assets or liabilities, directly or indirectly, except for those included in the quoted prices in Level 1. The fair value of the structured time deposits entered into by the Company is included in this category.

Level 3：Unobservable input value of assets or liabilities. The fair value of the Company's investment in unlisted stocks is included in this category.。

2. Financial instruments that are not measured at fair value

The carrying amounts of financial instruments not carried at fair value, including cash and cash equivalents, notes receivable, net accounts receivable (including related parties), other receivables (including related parties), refundable deposits, notes payable, accounts payable (including related parties), other payables (including related parties), lease liabilities - current and lease liabilities - non-current, are a reasonable approximation of fair value.

3. Financial and non-financial instruments carried at fair value are classified according to the nature, characteristics and risks of the assets and liabilities and the basis of the fair value hierarchy, and the related information is as follows：

(1) The Company's assets and liabilities are classified according to their nature and the related information is as follows：

December 31, 2021	Level 1	Level 2	Level 3	Total
Repeatable fair value				
Financial assets at fair value through profit or loss financial assets at fair value through profit or loss				
- Structured Time Deposit	$ -	$ -	$ -	$ -
Financial assets at fair value through other comprehensive income financial assets measured at fair value through other comprehensive income				
- Equity Securities	$ -	$ -	$ 4,072	$ 4,072

December 31, 2020	Level 1	Level 2	Level 3	Total
Repeatable fair value				
Financial assets at fair value through profit or loss financial assets at fair value through profit or loss				
- Structured Time Deposit	$ -	$ 30,099	$ -	$ 30,099
Financial assets at fair value through other comprehensive income financial assets measured at fair value through other comprehensive income				
- Equity Securities	$ -	$ -	$ 4,992	$ 4,992

(2) The methods and assumptions used by the Company to measure fair value are described below：

A. Level 2 Fair Value Measurement Valuation Techniques and Inputs

Types of Financial Instruments	Evaluation techniques and input values
Structured Deposit	The fair value is based on the discount rate curve derived from quoted prices in the open market, and the discounted value of future cash flows is used as the basis for measurement.

B. Level 3 Fair Value Measurement Valuation Techniques and Inputs

Types of Financial Instruments	Evaluation techniques and input values
Investment in domestic unlisted stocks	Asset-based method: Based on the balance sheet of the appraised company, the value of all tangible and intangible assets and liabilities of the appraised company is evaluated on an item-by-item basis. The value of all tangible and intangible assets of the appraised company and its liabilities, as well as off-balance sheet assets and off-balance sheet liabilities, are considered to determine the value of the appraised company.

4. There are no transfers between Level 1 and Level 2 in fiscal 2021 and 2020.

5. The following table shows the third-tier changes for fiscal 2021 and 2020：

	2021 Non-derivative equity instruments	2020 Non-derivative equity instruments
January 1	$ 4,992	$ 5,110
Recognized in other comprehensive (loss) income	(199)	982
Capital Reduction Refunds	(721)	(1,100)
December 31	$ 4,072	$ 4,992

6. The Company's valuation process for fair value classification in Level 3 involves the finance department performing independent fair value verification of financial instruments, using independent sources of information to approximate market conditions, confirming that the sources of information are independent, reliable, consistent with other resources and representative of executable prices, regularly calibrating valuation models, performing back testing, updating input values and information required by the valuation models and any other necessary fair value adjustments to ensure that the valuation results are reasonable.

7. The Company carefully evaluates the valuation models and valuation parameters selected by the Company, but the use of different valuation models or valuation parameters may result in different valuation results. For financial assets classified as Level 3, a 0.1% increase or decrease in net assets would not have a significant impact on the Company's other comprehensive income.

(4) Other issues

In response to the COVID-19 epidemic, the Company has taken prudent and strict measures to reduce the impact of the epidemic on its operations, production and business, etc. The Company's financial position and results of operations in fiscal 2021 have not been significantly affected by the epidemic. 。

13. Note Disclosure

(1) Significant Transaction Information

1. Loaning funds to others: Please refer to Exhibit 1.

2. Endorsement and guarantee for others: Please refer to Exhibit 2 (attached).

3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies and joint ventures): Please refer to Exhibit 3

(attached).

4. Cumulative purchases or sales of marketable securities amounting to at least NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None.
7. Purchases from or sales to related parties amounting to at least $100 million or 20% of the paid-in capital: Exhibit 4 (attached).
8. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: None.
9. Derivative transactions: Please refer to Note 6(2) for details.
10. Business relationships and significant transactions between the Parent Company and its subsidiaries: Please refer to Exhibit 5 (attached).

(2) Transfers of investment business information

Name of investee company, location and other related information (excluding Mainland China investee company): Please refer to Exhibit 6.

(3)Mainland Investment Information

1. Basic information: Please refer to Exhibit 7 (attached).
2. Significant transactions directly or indirectly between the third-party business and the investee company in Mainland China: Please refer to Exhibit 8 (attached).

(4) Information on major shareholders

Please refer to the Exhibit 9.

14、Department Information

Not applicable.

TaiHan Precision Technology Co., Limited
Loaning funds to others
December 31, 2021

Exhibit 1

Unit: NT$1,000
(Unless otherwise specified)

No.	Loan Funded Companies	Lender	Current Items	Is a related party	Current Maximum Amount	End of period balance	Actual expenditure Amount	Interest Rate Range	Funding Loan and Nature	Business Transaction amount	Short term financing is necessary for the following reasons	Allowance for losses	Collateral Name	Collateral Value	The limit for individual target funds lending		Remark
0	Our Company	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	Other related parties of receivables	Yes	$ 57,062	$ 55,380	$ -	-	People who need short-term financing funds	$ -	Operational Turnaround	$ -	$ -	$ -	$ 619,626	$ 774,532	Note 1、Note 2
1	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN MOLD PRODUCTS (DONGGUAN) CO., LTD.	Other related parties of receivables	Yes	57,062	55,380	13,845	-	People who need short-term financing funds	-	Operational Turnaround	-	-	-	619,626	774,532	Note 1、Note 3
1	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	Other related parties of receivables	Yes	142,655	138,450	27,690	-	People who need short-term financing funds	-	Operational Turnaround	-	-	-	248,679	774,532	Note 1、Note 4
1	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHANLAND (PHILIPPINES) INC.	Other related parties of receivables	Yes	171,186	166,140	55,380	-	People who need short-term financing funds	-	Operational Turnaround	-	-	-	248,679	774,532	Note 1、Note 4

Note 1：The total amount of the Company's capital loans shall not exceed 50% of the net value of the Company's most recent accountants' report.

Note 2：If the Company engages in the lending of funds for short-term financing purposes, the total amount of funds lent shall not exceed 40% of the Company's latest accountants' net worth. The amount of individual loans shall not exceed 10% of the net value of the Company's most recent accountants' report. The amount of individual loans shall not exceed 10% of the Company's latest audited financial statements and shall not exceed 40% of the Company's net worth if the loans are made to the Company's subsidiaries (including indirectly reinvested subsidiaries).

Note 3：If TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD is a subsidiary with 100% direct or indirect voting rights, the amount of individual loans and all loans shall not exceed 40% of the net worth of the Company's parent company, TaiHan Precision Technology Co. The amount of individual loans and all loans shall be limited to 40% of the net value of the most recent financial statements of TaiHan Precision Technology Co.

Note 4：If TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD. engages in the lending of funds for short-term financing purposes, the total amount of funds lent and the amount of individual funds lent shall not exceed 50% of the net value of the most recent financial statements of TAIHAN PRECISION TECHNOLOGY (SAMOA) CO. The total amount of the loan and the individual loan are limited to not more than 40% and 20% of the net value of the most recent financial statements certified by the accountants.

Note 5：The above transactions are related party transactions that have been eliminated in the consolidated financial statements.

TaiHan Precision Technology Co., Limited
Endorsement for others
December 31, 2021

Exhibit 2

Unit: NT$1,000
Unless otherwise specified

No. (Note 1)	Endorser Company Name	Endorsed Guarantees: Company Name	Endorsed Guarantees: Relationship (Note 2)	Guarantee limit for single enterprise endorsement (Note 3)	Current Maximum Endorsement Guarantee Balance	End of Period Endorsement Guaranteed Balance	Actual expenditure Amount	Amount of endorsement guarantee by property guarantee	Ratio of accumulated endorsement guarantee to net worth of the most recent financial statements	Endorsement Guarantee Maximum Limit (Note 3)	Parent company endorsement of subsidiary	Endorsement guarantee from subsidiary to parent company	Endorsement guarantee for mainland China	Remark
0	Our Company	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	(2)	$ 774,532	$ 228,248	$ 221,520	$ 70,522	$ -	15%	$ 1,549,064	Y	N	N	-
0	Our Company	YONGHAN PRECISION TECHNOLOGY CO. LTD.	(2)	774,532	114,124	69,225	-	-	7%	1,549,064	Y	N	N	-
0	Our Company	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	(2)	774,532	497,210	332,280	56,765	-	32%	1,549,064	Y	N	N	-
1	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	TAIHANLAND (PHILIPPINES) INC.	(4)	774,532	85,593	83,070	69,779	-	6%	1,549,064	N	N	N	-
2	TAIHANLAND (PHILIPPINES) INC.	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	(4)	774,532	85,593	83,070	83,070	-	6%	1,549,064	N	N	N	-

Note 1: The description of the number column is as follows.
(1) The issuer is entered as 0.
(2) The investee companies are numbered in order by company, starting from the Arabic numeral 1.

Note 2: There are 7 types of relationships between the guarantor and the target of the endorsement, and the types can be indicated as follows
(1) Companies with business dealings.
(2) Companies in which the company directly or indirectly holds more than 50% of the voting shares.
(3) Companies in which more than 50% of the voting shares are directly or indirectly held by the company.
(4) Companies in which the Company directly or indirectly holds more than 90% of the voting shares.
(5) A company that is mutually insured under a contract between peers or co-founders for the purpose of contracting for work.
(6) A company whose joint investment is guaranteed by all contributing shareholders in proportion to their shareholdings.
(7) Intercompany guarantees for the performance of contracts for the sale of pre-sale properties in accordance with the Consumer Protection Act.

Note 3: The aggregate amount of the Company's and the Company's subsidiaries' endorsement and guarantee shall not exceed 100% of the Company's latest certified public accountants' net financial statements, and the aggregate amount of endorsement and guarantee for a single enterprise shall not exceed 25% of the Company's latest certified public accountants' net financial statements.
The cumulative amount of the endorsement guarantee for a single enterprise shall not exceed 25% of the Company's most recent audited net financial statements. If the endorsement/guarantee is for a subsidiary of the Company (including indirect investment in a subsidiary), the endorsement/guarantee shall not exceed 50% of the net value of the Company's most recent financial statements as certified by the accountant.

Note 4: The exchange rate for the conversion of the Company's endorsement guarantee into New Taiwan dollars is based on the resolution of the board of directors.

TaiHan Precision Technology Co., Limited

Marketable securities held at the end of the period

December 31, 2021

Exhibit 3

Unit: NT$1,000
(Unless otherwise specified)

				End of period				
Company held	Type and Name of Marketable Securities	Relationship with the issuer of marketable securities	Billing Subjects	No. of shares	Carrying amount	Shareholding ratio	Fair Value	Remark
Our Company	Ordinary shares of non-listed counterparties - Asia Pacific Emerging Industry Venture Capital Co., Ltd.	None	Financial assets at fair value through other comprehensive income or loss - non-current	318	$ 4,072	0.56%	$ 4,072	-

TaiHan Precision Technology Co., Limited

Purchase or sale of goods with related parties amounting to at least NT$100 million or 20% of the paid-in capital

December 31, 2021

Exhibit 4

Unit: NT$1,000
(Unless otherwise specified)

			Transaction Status				The status of and reasons for the difference between the transaction terms and those of ordinary transactions		Notes receivable (paid) and accounts payable		
Import (sales) of companies	Counterparty Name	Relationship	Import (Sales)	Amount	Percentage of total imports (sales)	Credit Period	Unit price	Credit Period	Balance	Percentage of total notes and accounts receivable (payable)	Remark (Note)
Our Company	TaiHan Mold Products (Dongguan) Co., Ltd.	The Company's sub-subsidiary	Import	$ 213,900	36%	120 days	According to the Company's transfer pricing policy system	No significant differences	($ 53,647)	47%	
Our Company	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	The Company's sub-subsidiary	Import	359,798	61%	120 days	According to the Company's transfer pricing policy system	No significant differences	(56,398)	49%	

Note: Written off from the consolidated statement of income.

TaiHan Precision Technology Co., Limited

Business relationships and significant transactions between the Parent Company and its subsidiaries and their respective subsidiaries and amounts

December 31, 2021

Exhibit 5

Unit: NT$1,000
(Unless otherwise specified)

No. (Note 1)	Name of the trader	Trading partners	Relationship with the counterparty (Note 2)	Transaction history: Subjects		Transaction history: Amount	Transaction history: Terms of Trade	Transaction history: Percentage of Consolidated Total Revenue or Total Assets (Note 3)
0	Our Company	TaiHan Mold Products (Dongguan) Co., Ltd.	1	Import	$	213,900	According to the Company's transfer pricing policy system	10.26%
0	Our Company	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	1	Import		359,798	According to the Company's transfer pricing policy system	17.25%
0	Our Company	TaiHan Mold Products (Dongguan) Co., Ltd.	1	Accounts payable		53,647	Credit on 120 days	2.37%
0	Our Company	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	1	Accounts payable		56,398	Credit on 120 days	2.49%
0	Our Company	YONGHAN PRECISION TECHNOLOGY CO., LTD.	1	Sales revenue		61,605	According to the Company's transfer pricing policy system	2.95%
0	Our Company	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	1	Sales revenue		24,904	According to the Company's transfer pricing policy system	1.19%
1	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	3	Other accounts receivable		27,690	—	1.22%
1	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHANLAND (PHILIPPINES) INC.	3	Other accounts receivable		55,380	—	2.44%
2	TAIHANLAND (PHILIPPINES) INC	TAIHAN PRECISION TECHNOLOGY (PHILIPPINES) CO., INC.	3	Rental income		30,905	—	1.48%

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column respectively, and the numbers should be completed as follows.
(1). Enter 0 for the parent company.
(2). The subsidiaries are numbered by company, starting with the Arabic numeral 1.

Note 2: There are three types of relationships with the counterparties as follows. For example, if the parent company has disclosed the transaction with the subsidiary, the subsidiary does not need to disclose the transaction repeatedly. For subsidiary-to-subsidiary transactions, if one subsidiary has already disclosed the transaction, the other subsidiary does not need to disclose it repeatedly).
(1). Parent to subsidiary.
(2). Subsidiary to parent company.
(3). Subsidiaries to subsidiaries.

Note 3: The ratio of transaction amount to consolidated total revenue or total assets is calculated as the ending balance to consolidated total assets in the case of assets and liabilities, or as the cumulative amount to consolidated total revenue in the case of profit or loss.

Note 4: The ratio of inter-parent-subsidiary business relationships and significant transactions is only disclosed if the ratio reaches 1% or more of the consolidated total revenue or total assets.

TaiHan Precision Technology Co., Limited

Name of investee company, location and other related information (excluding Mainland China investee company)

December 31, 2021

Exhibit 6

Unit: NT$1,000
(Unless otherwise specified)

Name of Investment Company	Name of investee company	Location	Main Business Items	Original investment amount: End of current period	Original investment amount: End of last year	Held at end of period: No. of shares	Held at end of period: Ratio	Held at end of period: Carrying amount	(Loss) income of the investee company for the period	Investment income (loss) recognized in the period	Remark
Our Company	TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	Samoa	Professional Investment Business	$ 1,092,737	$ 1,092,737	32,289,761	100%	$ 1,243,393	$ 113,106	$ 110,430	
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN HOLDING (SAMOA) CO., LTD.	Samoa	Professional Investment Business	391,133	391,133	10,799,664	100%	84,473	(18,435)	-	註 2
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	YONGHAN HOLDING (SAMOA) CO., LTD.	Samoa	Professional Investment Business	321,162	321,162	10,023,632	100%	598,038	124,657	-	註 2
TAIHAN PRECISION TECHNOLOGY (SAMOA) CO., LTD.	TAIHAN HOLDING PHILIPPINES CO., LTD.	Seychelles	Professional Investment Business	666,368	655,306	22,139,000	100%	526,560	12,265	-	註 2
YONGHAN HOLDING (SAMOA) CO., LTD.	YONGHAN PRECISION TECHNOLOGY CO., LTD.	Vietnam	Production and sales of various precision molds and plastic products, etc.	320,391	320,391	-	100%	598,024	124,407	-	註 2
TAIHAN HOLDING PHILIPPINES CO., LTD.	TAIHANLAND (PHILIPPINES) INC.	Philippines	Holding the production base of Land and plant	308,755	308,755	-	39.99%	315,941	13,064	-	註 1、註 2
TAIHAN HOLDING PHILIPPINES CO., LTD.	TAIHAN PRECISON TECHNOLOGY (PHILIPPINES) CO., INC.	Philippines	Production and sales of various precision molds and plastic products, etc.	319,567	319,567	-	99.99%	204,410	8,399	-	註 1、註 2

Note 1: Please refer to Note 4(3) for details of the Company's shareholdings in its subsidiaries.
Note 2: Gains or losses of the Company's direct investment in subsidiaries that are reinvested in the Company are recognized by the respective investment companies and are therefore not disclosed.

TaiHan Precision Technology Co., Limited

China Investment Information - Basic Information

December 31, 2021

Exhibit 7

Unit: NT$1,000
(Unless otherwise specified)

Name of Mainland China investee company	Main Business Items	Paid-in capital	Investment Method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or retrieved during the period		Cumulative investment amount remitted from Taiwan at the end of the period	Current income (loss) of the investee company (Loss) income for the period	Shareholding of our Company's direct or indirect investments	Investment (loss) recognized during the period (Note 2)	Carrying amount of investments at the end of the period	Investment income remitted for the period ended	Remark
					Remit	Retrieve							
TaiHan Mold Products (Dongguan) Co., Ltd.	Production and sales of various precision precision molds and plastic products products, etc.	$ 421,315	2	$ 421,315	$ -	$ -	$ 421,315	($ 18,435)	100%	($ 18,435)	$ 84,473	$ -	Investment in China through TAIHAN HOLDING (SAMOA) CO., LTD.

Note 1: Investment methods are divided into the following three categories, and the labeling of each category is sufficient.

(1). Direct investment in mainland China

(2). Reinvesting in Mainland China through a third-party company (please specify the third-party investment company)

(3). Other methods

Note 2: The investment income or loss recognized in the current period is based on the financial statements audited by the Company's accountants.

Note 3: The calculation of the investment limit in Mainland China is based on each investment entity. According to the regulations of the Investment Commission of the Ministry of Economic Affairs, the maximum percentage of investment in Mainland China is limited to 60% of the net value of the company.

Company Name	Cumulative amount of investment from Taiwan to Mainland China at the end of the period	MOEAIC Approved Investment Amount	Investment limit in Mainland China according to MOEAIC regulations (Note 3)
Our Company	$ 421,315	$ 421,315	$ 929,438

TaiHan Precision Technology Co., Limited

Mainland China Investment Information - Significant transactions directly or indirectly between third-party businesses and investees in Mainland China

December 31, 2021

Exhibit 8

Unit: NT$1,000
(Unless otherwise specified)

Name of Mainland China investee company	Sales (Import)		Property Transactions		Accounts receivable (paid)		Note endorsement guarantee or Provision of collateral		Accommodation of funds				
	Amount	%	Amount	%	Balance	%	End of period balance	Purpose	Maximum Balance	End of period balance	Interest Rate Range	Current Interest	Other
TaiHan Mold Products (Dongguan) Co., Ltd.	($ 213,900)	36%	$ -	-	($ 53,647)	47%	$ -	Not applicable	$ -	$ -	-	$ -	-

TaiHan Precision Technology Co., Limited

Major Shareholders Information

December 31, 2021

Exhibit 9

	Shares	
Name of Major Shareholders	No. of shares held	Shareholding ratio
ABLBRIDGE CORPORATION	15,012,000	19.47%
SPEED TECH CORPORATION	7,587,000	9.84%

Note 1: The information on major shareholders in this table is based on the last business day of the quarter in which the shareholders held 5% or more of the Company's common shares and preferred shares that have been delivered without physical registration (including treasury shares). The number of shares recorded in the consolidated financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of calculation.

Note 2: The above information is revealed by the trustee's opening of a trust account with individual subaccounts of the principal if the shareholder has delivered the shares to the trust. As for the shareholder's s shareholding of more than 10% of the shares held by the Company in accordance with the Securities and Exchange Act, the shareholding includes the shareholder's own shares plus the shares delivered to the trust and the shareholder has the right to decide on the use of the trust property, etc. Please refer to the Market Observation Post System (MOPS) for the information on insider shareholding.

TaiHan Precision Technology Co., Limited
Statement of Cash and Cash Equivalents
December 31, 2021

Statement 1 | Unit: NT$1,000

Item	Summary	Amount	
Bank Deposits			
Cash on hand in Taiwan dollars		$	30
Taiwan Dollar Demand Deposits			237,880
Foreign Currency Demand Deposits	US$2,895,000; HK$25,000		80,266
		$	318,176

Note: Foreign currency exchange rate: 1USD = 27.69 NTD; 1HKD = 3.5491 NTD

TaiHan Precision Technology Co., Limited
Statement of accounts receivable
December 31, 2021

Statement 2 | Unit: NT$1,000

Customer Name	Amount	Remark
General Customers-		
Company A	$ 92,328	
Others	4,554	The balance of each fractional customer does not exceed 5% of the balance of the account.
	-	
	96,882	
Less: Allowance for losses	(29)	
	96,853	
Affiliates -		
YONGHAN PRECISION TECHONOLOGY CO., LTD.	5,454	
TAIHAN PRECISION TECHNOLOGY (PHILLIPINES) CO., INC.	1,460	
	-	
	6,914	
Less: Allowance for losses	-	
	6,914	
	$ 103,767	

TaiHan Precision Technology Co., Limited

Statement of changes in investments accounted for using the equity method

2021

Statement 3

Unit: NT$1,000

Name	Beginning balance Number of Shares (Thousands of shares)	Beginning balance Amount	Increase in the current period Number of Shares (Thousands of shares)	Increase in the current period Amount	Amount of investment (loss)	Amount of other adjustment items (Note 1)	Reduction of the current period Number of Shares (Thousands of shares)	Reduction of the current period Amount	End of period balance Number of Shares (Thousands of shares)	End of period balance Shareholding ratio	End of period balance Amount	Market Value or Net Equity Price (NTD)	Market Value or Net Equity Total Price	Provision of guarantees or pledges	Remark
TAIHAN PRECISON TECHNOLOGY (SAMOA) CO.,LTD.	32,290	$ 1,189,388	-	$ -	$ 110,430	($ 2,676)	-	$ -	32,290	100%	$ 1,297,142	38.51	$ 1,243,392	None	
Add (minus):															
Cumulative Conversion Adjustment:		-		-	-	(53,750)		-			(53,750)				
		$ 1,189,388		$ -	$ 110,430	($ 56,426)		$ -			$ 1,243,392				

Note 1: Other adjusting items ($2,676) represent unrealized gain on sales for the period. ◦

TaiHan Precision Technology Co., Limited
Statement of Accounts Payable
December 31, 2021

Statement 4 Unit: NT$1,000

Customer Name	Amount		Remark
General suppliers-			
Other	$	4,517	The balance of each fractional supplier does not exceed 5% of the balance of the account.
Affiliates -			
TaiHan Mold Products (Dongguan) Co., Ltd.		53,647	
TAIHAN PRECISION TECHNOLOGY (PHILLIPINES) CO., INC.		56,398	
		-	
		110,045	
	$	114,562	

TaiHan Precision Technology Co., Limited
Operating Income Statement
2021

Statement 5 Unit: NT$1,000

Item	Quantity	Amount	Remark
Mold Revenue	199 pcs	$ 115,302	
Plastic molding revenue	150,206,000 pcs.	521,921	
		$ 637,223	

TaiHan Precision Technology Co., Limited
Operating Cost Statement
2021

Statement 6 | Unit: NT$1,000

Item	Amount	Remark
Merchandise Inventory		
Add: Opening inventory	$ -	
Imports for the period	591,094	
Less: Closing inventory	-	
Total cost of goods sold	591,094	
Total operating costs	$ 591,094	

TaiHan Precision Technology Co., Limited
Management Fee Statement
2021

Statement 7 Unit: NT$1,000

Item	Amount		Remark
Salary Costs	$	36,794	
Labor cost		4,970	
Directors' remuneration		3,229	
Depreciation expenses		3,126	
Other		11,761	The balance of each of the fractional items does not exceed 5% of the balance of the account.
		-	
	$	59,880	

TaiHan Precision Technology Co., Limited

Summary of employee benefits, depreciation, depletion and amortization expenses incurred during the period by function

January 1- December 31, 2021 and 2020

Statement 8 Unit: NT$1,000

Function / Nature	2021			2020		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee Benefit Costs						
Salary Costs	$ -	$ 36,794	$ 36,794	$ -	$ 33,175	$ 33,175
Labor and Health Insurance	-	2,045	2,045	-	2,078	2,078
Pension Fees	-	1,022	1,022	-	1,182	1,182
Directors' remuneration	-	3,229	3,229	-	8,795	8,795
Other employee benefit expenses	-	988	988	-	962	962
Depreciation expense	-	3,126	3,126	-	3,639	3,639
Amortization expense	-	1,059	1,059	-	958	958

Notes:

1. The number of employees for the current year and the previous year were 35 and 38, respectively, of which the number of directors who were not also employees were 3 and 4, respectively.
2. For companies whose shares are traded over the counter, the following information should be disclosed.

(1) The average employee benefit expense for the year was $1,277. ("Total employee benefit expense for the year - total directors' remuneration"/"Number of employees for the year - number of directors who are not concurrent employees").
The average employee benefit expense for the previous year was $1,100. ("Total employee benefit expense for the previous year - total directors' remuneration" / "Number of employees for the previous year - number of directors who were not also employees").

(2) Average employee salary expense for the year was $1,150. (Total salary expense for the year/"Number of employees for the year - number of directors who did not serve as employees").
The average salary cost for the previous year was $976. (Total salary cost for the previous year / "Number of employees for the previous year - Number of directors who were not also employees").

(3) Change in average employee salary cost adjustment of 18%. ("Average employee salary expense for the current year - average employee salary expense for the previous year"/average employee salary expense for the previous year).

(4) The Company has independent directors, so there is no remuneration for supervisors.

(5) The Company's salary compensation policy is as follows:

A. Compensation Policy for Directors.
In accordance with Article 21 of the Company's Articles of Incorporation, if the Company makes a profit in a year, the Board of Directors shall resolve to set aside not more than 3% of the amount of such profit as remuneration to the Directors. However, if the Company still has accumulated losses, the amount of compensation shall be reserved in advance.

B. Compensation Policy for General Manager and Managers.
The compensation of the Company's managers (including the general manager) is based on a multifaceted assessment of industry characteristics, the nature of their duties, and personal performance, and in accordance with the Company's relevant compensation policy and with reference to the Company's operating performance. The compensation committee will consider and submit the compensation to the board of directors for approval.

C. Employee Compensation Policy.
(a) The salary adjustment method shall be formulated annually in accordance with the Company's operating conditions and the measurement of employee performance and contribution in order to achieve the purpose of retaining talents.
(b) In accordance with Article 21 of the Company's Articles of Incorporation, the Company shall set aside not less than one percent of the annual profit for employee compensation, but shall reserve the amount to cover any accumulated losses in advance.