THAIKIN

Stock Code：6629

Thai Kin Co.,Ltd.

2021 Annual Report

Annual report is available at : http://mops.twse.com.tw
Company website : http://www.thai-kin.com
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Notice to readers

This annual report been translated into English from the original Chinese version. In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail

I. Company Spokesperson and Acting Spokesperson

Spokesperson: President Hsu, Chen-Jung

Acting Spokesperson: CFO Huang, Cheng Hsiu

Tel: (02) 2514-9960

Email: derekhuang@thai-kin.com

II. Name, Title, and Contact Information of Litigation and Non-litigation Agent in the Republic of China

Name: Huang, Cheng Hsiu

Title: Chief Financial Officer

Tel: (02) 2514-9960

Email: derekhuang@thai-kin.com

III. Addresses and Telephone Numbers of Head Office, Branches, Subsidiaries, Sub-subsidiaries, and Factories

Name of Head Office:THAI KIN CO., LTD.(British Cayman Islands THAI KIN CO., LTD.) (hereinafter referred to as the "Company" or "TK")

Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands

Tel: (886) 2-2514-9960

Website: www.thai-kin.com

Name of branch: British Cayman Islands Thai Kin Co., Ltd., Taiwan Branch

Address: 4F., No.287, Sec.3, Nanjing E. Rd., Songshan Dist., Taipei City 105

Tel: (886) 2-2514-9960

Subsidiary in Thailand: ROYAL FINISHING CO., LTD.

Address: 999 Moo10Tumbol Nonge roon Ampher Ban Bueng Chouburi 20220.Thailand

Tel: (66) 38-056-223-9

Subsidiary in Thailand: PAOKIN CO., LTD.

Address: 999/4MooTumbol Nongeroon Ampher Ban-bueng Chonburi 20220. Thailand

Tel: (66) 38-056-223-9

Subsidiary in Hong Kong: Thai Kin Company Limited (HK)

Address: RM 1701, 9 Chong Yip ST, Kwun Tong, KLN, Hong Kong

Tel: -

Subsidiary in Samoa: Angel Win Limited

Address: Maystar Chambers, P.O. Box 3269, Apia, Samoa

Tel: -

Sub-subsidiary in the US: Mira Home Inc.

Address: 1005 N Commons Dr. Aurora, IL 60504-4100 USA

Tel: -

IV. Contact Information of Stock Transfer Agency

Name: Transfer Agency Department, CTBC Bank

Address: 5F, No.83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City

Tel: (886) 2-6636-5566

Website: www.ctbcbank.com

V. Names of the Certified Public Accountants, Name, Address, Website, Telephone Number of the Accounting Firm that Certified the Most Recent Annual Financial Report:

Name of CPAs: CPA Kuan, Chun-Hsiu and CPA Chang, Chun-I

Accounting Firm: KPMG Taiwan

Address: 68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City 110

Website: http://www.kpmg.com.tw

Tel: (886) 2-8101-6666

VI. Overseas Securities Exchange: Not applicable

VII. Company Website: www.thai-kin.com

VIII. Roster of Board of Directors

April 30, 2021

Title	Name	Nationality	Education and Work Experiences
Chairperson	Hsu, Ta-Chin	Republic of China	Department of Business Administration, Fu Jen Catholic University Chairman of TK
Director	Lo, Lung-Shan	Republic of China	Lu-Tsao Junior High School Equipment and mold R&D engineer, Window Coverings Co., Ltd
Director	Hsu, Chen-Jung	Republic of China	MBA, Chulalongkorn University, Thailand President of TK
Director	Hsu, Wen-Chih	Republic of China	Master of Electrical Engineering, University of Southern California Vice President of TK
Independent Director	Wu, Chung-Fern	Republic of China	University of California Los Angeles (UCLA), US Ph.D., Anderson Graduate School of Management Professor, Department of Accounting, National Taiwan University Full-time Member of Financial Supervisory Commission (Administrative Officer)
Independent Director	Chang, An-Tso	Republic of China	Master of International Business, National Taiwan University (NTU) Director, BenQ Medical Technology Corporation
Independent Director	Huang, Po-Chia	Republic of China	Master of International Business, National Dong Hwa University Vice President, East Sun United Co., Ltd.

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Chapter I. Letter to Shareholders

Dear Shareholders,

On behalf of the company's management team, I am honored to report to you the company's operating results in 20210. In 2021, with the spread of the new crown epidemic due to the popularization of vaccines, the impact on the economy will gradually ease, and the economic market will also begin to recover. Under the steady growth of demand in the real estate market in the United States, the home improvement market is still active, and the company's performance has also grown steadily. In 2020, although the new crown epidemic has affected the overall world economy, the rise of the home economy and the strong demand for home improvement market, the company's performance has grown against the trend, With the efforts of all colleagues, we continued to expand new customers and seize the market share of our products. Despite the gradual increase in raw materials and the impact of unfavorable factors such as exchange rates, the company's annual profit still reached a record high.

I, hereby, on behalf of the Board of Directors and the management team, sincerely thank all shareholders and employees for the trust in TK. Moving forward, TK will continue to progress while upholding the spirit of integrity, pragmatism, and innovation. We also look forward to your continuous support and encouragement, as we create more value for the Company and return to shareholders.

I. 2021 Annual business report

(I) Operating Results

Amount Unit: NT$ thousand

Item	2021		2020		Change by Percentage
	Amount	As a Percentage of Operating Revenue	Amount	As a Percentage of Operating Revenue	
Operating Revenue	1,359,221	100%	1,264,815	100%	7%
Operating Costs	987,280	73%	926,668	73%	7%
Gross Operating Profit	371,941	27%	338,147	27%	10%
Net Operating Profit	284,553	21%	242,827	19%	17%
Net Profit Before Tax	272,304	20%	255,944	20%	6%
Net Profit After Tax	231,709	17%	223,644	18%	4%

Since the impact of the U.S. epidemic in 2020, the U.S. housing market and home improvement market have been activated. In 2021, due to the increase in the penetration rate of vaccines, the epidemic will gradually ease. However, the demand for restocking in the U.S. market is still strong. In addition, the company has actively developed customers and products in recent years. Items grew steadily, resulting in a 7% increase in operating income. However, with the increasing global production demand, the price of raw materials began to rise. The company continued to improve the

production process and diversify its product projects, dispersing the concentration of materials, and maintaining the overall operating gross profit margin of 27%. Control, operating net profit increased by 17%, after-tax net profit increased by 4%.

(II) Budget implementation: Not applicable as the Company is not required to prepare financial forecasts.

(III) Profitability Analysis

Item	2021	2020
Return on Assets	14.22%	15.35%
Return on Equity	26.56%	27.92%
Net Profit Margin	17.05%	17.68%
Earnings Per Share	NT$6.51	NT$6.61

In terms of profitability indicators, the return on assets and the return on equity are similar due to the two-year profit. However, due to the growth of the company's scale, the return on average assets and average equity slightly increased, and the return rate decreased slightly; the net profit rate and per share Earnings are comparable.

(IV) The Status of Research and Development (R&D)

As a large-scale manufacturer of home decoration castings, TK is committed to improving manufacturing and process capacity, optimizing product portfolio, improving production efficiency while reducing production cost, and achieving superior quality. Furthermore, the Company proactively develops new product items to expand into more fields. In 2021, we completed the following R&D projects:

1. 95 series of cabinet handle items.

2. 404 series of sanitary ware items.

3. 144 series of window decoration casting items.

Project development plan for 2022:

1. 79 series of sanitary ware items.

2. 97 series of cabinet handle item.

3. 99 series of window decoration casting items.

II. Annual Business Plan for 2022

(I) Operating guidelines

1. Business: Continue to penetrate the market for the existing product range of cabinet handles, sanitary ware, and curtains, and develop new items to secure a higher market share. On the other hand, develop a new clientele base, break into more retail channels, collaborate with renowned brands so as to improve product sales.

2. Production: Implement production improvements, continuously refine production line processes so as to elevate production efficiency and avoid unnecessary waste. Plans include

modification of production line conveyor belt to reduce movement time of personnel and products during the production process, consolidation of electroplating segments to facilitate one-stop production and reduce the idle time for semi-finished goods, and introduction of machining automation equipment to drastically shorten the product operation time.

3. Procurement: Monitor the trend of prices for international raw materials closely over time and strategically increase the procurement of raw materials when the price is at a low point. Proactively source for more suppliers with competitive pricing.

4. Finance: Allocate the Group's fund planning to reduce the impact of exchange rate on the Company in accordance with the changes of interest rates in the international exchange market, and leverage on the capital market to raise funds and reduce the borrowing costs of banks so as to improve the financial structure of the Group.

5. Industry: Seek cross-industry collaborations and expand the Company's operational scale.

(II) Sales volume forecast and basis thereof

The Company formulates its annual budget according to the overall housing market and furniture market environments, expected customer orders, and production capacity plans. In addition to maintaining stable and long-term relationships with customers, our operating revenue will be continuously expanded through the regular development of new products, new customers, and new markets.

(III) Production and Marketing Policies

1. Shorten product development cycle to meet customers' schedules for new product development.

2. Establish process standard operations, standard working hours, standard consumption, and standard output for each process to accurately control production efficiency.

3. Reduce defect rate, scrap rate, and rework rate.

4. Adjust the production lines to smooth production processes and reduce the idle time of personnel and machines.

5. Automation of machines and equipment to replace manual operations and reduce production time.

6. Elevate utilization rate, increase production capacity, and improve economies of scale to reduce production costs.

III. Future Development Strategy for 2022

In 2021, under the impact of the epidemic, the company will continue to expand new customers, and in terms of product categories, it will increase the proportion of bathroom and window decoration products; in 2022, the product mix will continue to be dispersed. In addition to optimizing product price mix, With different product categories, the dependence on a single raw material can be dispersed and the impact of raw material price fluctuations can be reduced. In addition, the company will continue to improve the production process in 2022. It is believed that in 2022, under the dual optimization of the business side and the production side, it is

bound to bring steady growth momentum to the company again .

IV. Impact of External Competition Environment, Legal environment, and Macroeconomic Environment

(I) External Competition Environment

In recent years, major international furniture brands retained their core design departments at their headquarters while manufacturing and assembly for other parts were outsourced. Asia's major furniture manufacturing countries included China and emerging markets such as Thailand and Vietnam. To the same degree, the US furniture market is characterized by fragmented channels and fierce competition. The market is undergoing structural change, and consolidation of the industry is progressively apparent with the gradual decline of small and medium-sized furniture manufacturers while large-scale furniture manufacturers continued to grow. Hence, furniture manufacturers that have the advantages of both production capacity scale and product quality and can respond to retailers' needs quickly will be favored by retailers. TK's geographical advantages are complemented with one-stop services with production capacity, product quality and the ability to respond to customers' needs.

(II) Legal Environment

TK will continue to uphold the spirit of corporate governance, operate with integrity, strengthen the functions of the Board of Directors, maintain smooth communication channels with stakeholders, protect the rights and interests of shareholders, and fulfill social responsibilities while the competent authorities in Taiwan progressively refine the laws and regulations related to corporate governance.

(III) Overall business environment

In 2021, due to the increase in the penetration rate of vaccine administration in major economies around the world, the economic recovery brought about by the slowdown of the epidemic is expected to bring growth momentum to the overall economic market. However, due to the economic uncertainty caused by the conflict between Ukraine and Russia, which has driven up material prices, as well as the various measures that the world is preparing to raise interest rates in response to the inflation problem, the global economic market will be more volatile in 2022, which will bring 2022. new challenge . Nonetheless, TK will continue to uphold the business philosophy of exercising caution and proceeding steadily and be ready to respond to changes in the overall business environment at all times so as to continue to yield good results for shareholders in 2021. Our sincere wishes for all.

Good health and all the best.

Chairperson:HSU TA-CHIN

President:HSU,CHEN-JUNG

Head of Accounting: Huang Cheng Hsiu

Chapter II. Company Profile

I. Introduction

THAI KIN CO., LTD. (British Cayman Islands TK Co., Ltd., hereinafter referred to as "TK" or the "Company" or collectively with all of its subsidiaries as the "Group") was established in the British Cayman Islands on February 3, 2016, mainly for organizational restructuring so as to apply for listing on Taipei Exchange. Subsequently, the Taiwan branch and the Thai subsidiary Paokin Co., Ltd. (hereinafter referred to as "Paokin") were established in April and July 2016, respectively, and Royal Finishing Co., Ltd. (hereinafter referred to as "Royal Finishing") in Thailand was established in January 2017 for share exchange, after which TK became the controlling parent company of the Group. In addition, in order to expand the business in the markets of Hong Kong and Mainland China, the Company made an investment to establish a wholly-owned Thai Kin Company Limited (hereinafter referred to as "Thai Kin(HK)"). In addition, in order to serve customers in the US region, the Company completed business registration and established Mira Home., Inc. (hereinafter referred to as "Mira Home") in the US in November 2017, and officially invested US$5 thousand to start operations on December 27, 2018. In order to further expand the Group's operating territory this year, on March 11, 2020, we made an investment to establish the 100%-owned Angel Win Limited (hereinafter referred to as "Angel").

The Group originated from Royal Finishing, which was established in Thailand in December 2008. It primarily engages in the manufacture and sale of zinc-aluminum alloy and other composite materials for home decoration castings. The products are used in hardware accessories and other home accessories, such as cabinets, curtains, sanitary wares, and hangers. The main place of operation is located in Chonburi, the core of the Eastern Economic Corridor of Thailand. The geographical location has great advantages in personnel recruitment and transportation. The sales scope ranges from Europe, the Americas, Mainland China to Thailand.

II. Company History

Year	History
2008	1. Invested and established Royal Finishing in Thailand to engage in the manufacture and sale of home decoration castings with a paid-in capital of THB$80 million. 2. Royal Finishing was approved by the Thailand Board of Investment (BOI) and received a three-year tax exemption for export.
2009	1. Purchased land occupying 144.34 rai (approximately 230,948 square meters) in the industrial area of Chonburi Province, Thailand. 2. Royal Finishing increased its capital by THB$70 million in cash, and the paid-in capital after the capital increase was THB$150 million. 3. The construction of A2 and A3 plants in phase I was completed.
2010	1. Machines and equipment at A2 and A3 plants were installed and commenced trial production. 2. The construction of the employee dormitory in phase I was completed. 3. Natural storage reservoir was excavated to revitalize the water for green purposes.
2011	1. The construction of A1, B2, and B3 plants in phase II was completed, and the machines and equipment were installed and commenced trial production. 2. The construction of sewage treatment equipment was completed.
2012	Official mass production.
2013	1. Started business cooperation with IKEA after passing IKEA's certification. 2. Amerock was listed as a strategic partner. 3. The construction of the employee dormitory in phase II was completed. 4. The production line plan was expanded, and the die casting production line was increased.
2014	1. Certified as a green enterprise by the Thai Industry Bureau.

Year	History
	2. Passed IKEA's labor human rights and environmental safety certification. 3. Passed the MOEN system certification. 4. The production line plan was expanded, and the electroplating production line was increased.
2015	1. Royal Finishing increased the capital by THB$150 million in cash, and the paid-in capital after the capital increase was THB$300 million. 2. The OXBY product line sold to MOEN was selected as the brand's annual selected product. 3. Completed the capacity expansion plan in phase I, and the production capacity was increased.
2016	1. Rated as a potential prioritized supplier by IKEA. 2. In February, the Company was established in the British Cayman Islands with a paid-in capital of NT$1 million. A Taiwan branch was established as a base for operation planning for the development in Taiwan. 3. In July, the Company established the subsidiary Paokin in Thailand with a paid-in capital of THB$20 million. 4. The construction of the B1 plant in phase III was completed. 5. Automated production equipment was introduced and developed. 6. 3D printing technology was introduced to the product development stage. 7. Home decoration products were developed.
2017	1. Paokin was approved by the Thailand BOI and received a three-year tax exemption for export. 2. In January, the Company exchanged shares with Royal Finishing and Hardware Group to complete the Group's organizational restructuring. After the restructuring, the paid-in capital was NT$300 million. 3. The products were selected as the best work of the annual Kitchen & Bath Industry Show in the US. 4. Started a new business - window decoration castings. 5. Established the US sub-subsidiary Mira Home.
2018	1. Expanded electroplating production lines. 2. Obtained ISO certification. 3. Registered in the US as a self-own brand. 4. The self-owned brand sold products on the e-commerce platforms of the US leading retail and leading home decoration businesses. 5. Implemented social responsibility in energy conservation and carbon emission reduction and built solar panels on the rooftop. 6. Established the Hong Kong subsidiary Thai Kin(HK).
2019	1. Listed on Taipei Exchange. 2. Sold products in physical stores of leading home decoration business. 3. Brand products were placed on the home page of the US retail industry’s leading window curtain rod e-commerce website. 4. Invited to attend a US leading national retail conference and expo of home decoration as a strategic supplier. 5. Obtained Global Safety Certification (GSV). 6. Acquired ISO9001 quality attestation.
2020	1. Rebuilt electroplating production lines, and the production capacity was increased. 2. Expanded plants, adjusted traffic flow, and improve warehouse utilization rate. 3. Solar roof in phase I was completed, and it is expected to invest in phase II. 4. Secure the US leading retail business for product sales.
2021	1. The second phase of solar roof construction began. 2. The product has entered the top ten retail enterprises in the United States.

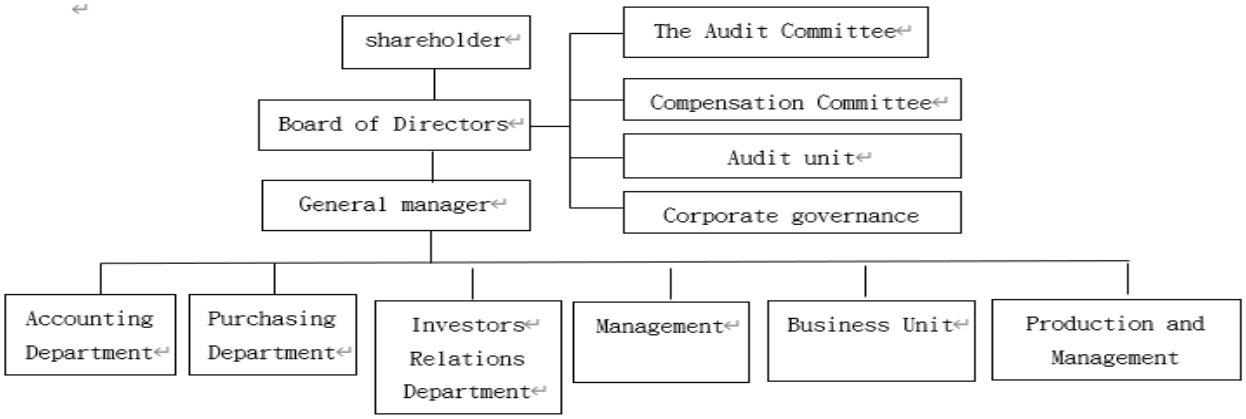
III. Organizational Structure: For details, please refer to Chapter VIII Special Disclosure in this Annual Report.

IV. Matters of Risk: For details, please see Chapter VII Review and Analysis of Financial Position and Financial Performance, and Matters of Risk in this Annual Report.

Chapter III. Corporate Governance

I. Organizational System

(I) Organizational Structure Chart



(II) Department Functions

Name of Department	Business and Terms of Reference
President	Implement the resolutions of the Board of Directors and manage the Company's business.
Management Department	Responsible for matters related to funding coordinating, import acceptance, procurement management, human resources management, warehousing management, administrative management, and general affairs.
Business Department	Responsible for new product development, market research, collection and analysis of business information, planning and execution of business objectives, and export business.
Production Management Department	Responsible for the production and manufacturing, R&D, quality assurance, mold development, and process improvement of products.
Accounting Department	Responsible for accounting work, budget control, and analysis and explanation of the financial structure, profit and loss changes, and accounting reports.
Purchasing Department	Responsible for supplier management as well as procurement cost budgeting and control.
Investor Relations Department	Responsible for investor relations maintenance.
Audit Unit	Responsible for the evaluation and execution of various audit operations and internal controls, and put forward improvement suggestions, and continuously track the progress of improvement.
Corporate governance unit	The main responsibilities are to handle matters related to the board of directors and shareholders' meetings according to the law, to prepare minutes of the board of directors and shareholders' meetings, to assist directors in their appointment and continuous education, to provide directors with information required for business execution, and to assist directors to comply with laws and regulations. , integrity management and other corporate governance related matters

II. Information on Directors, President, Vice Presidents, Assistant Managers, and Heads of Departments and Branches

(I) Information on Directors

Unit: Share; %; April 19, 2022

Title	Name	Gender/age	Nationality/Place of Registration	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse and Minor Shareholding		Shareholding in the Name of Others		Principal Experience (Education)	Other Position Concurrently Held in the Company or Other companies	Other Executives, Directors or Supervisors who Are Spouses or Relatives within the Second Degree of Kinship		
							Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Title	Name	Relation
Chairperson	Hsu, Ta-Chin	Male 71~80	Republic of China	2020.6.24	3 years	2016.2.3	250,385	0.97	283,385	0.79	10,002,735	28.01	10,752,197	30.12	Department of Business Administration, Fu Jen Catholic University	Director, Royal Finishing Director, Paokin Director, Window Coverings Co., Ltd. Director, Wealth Develop Co., Ltd. Director, Grand Lake Living Co., Ltd.	Director Director	Hsu, Chen-Jung Hsu, Wen-Chih	Daughter Son
Director	Hsu, Chen-Jung	Female 41~50	Republic of China	2020.6.24	3 years	2017.8.1	149,293	0.50	149,293	0.42	-	-	2,538,008	7.11	MBA, Chulalongkorn University, Thailand Bachelor of Business Administration, University of North Carolina at Chapel Hill	Director & Sales Manager, Royal Finishing Director, Paokin Director, Mira Home Director, Thai Kin(HK) Director, Angel Director, Window Coverings Co., Ltd. Director, Wealth Develop Co., Ltd. Director, Grand Lake Living Co., Ltd.	Chairperson Director	Hsu, Ta-Chin Hsu, Wen-Chih	Father Younger Brother
Director	Hsu, Wen-Chih	Male 31~40	Republic of China	2020.6.24	3 years	2017.8.1	149,293	0.50	149,293	0.42	-	-	2,538,008	7.11	Master of Electrical Engineering, University of Southern California Bachelor of Electrical Engineering, University of Southern California	Director & Production Manager, Royal Finishing Director, Paokin Director, Window Coverings Co., Ltd. Director, Grand Lake Living Co., Ltd.	Chairperson Director	Hsu, Ta-Chin Hsu, Chen-Jung	Father Elder sister
Director	Lo, Lung-Shan	Male 61~70	Republic of China	2020.6.24	3 years	2017.8.1	-	-	-	-	-	-	-	-	Equipment and mold R&D engineer, Window Coverings Co., Ltd.	-	-	-	-
Independent Director	Wu, Chung-Fern	Female 61~70	Republic of China	2020.6.24	3 years	2017.8.1	-	-	-	-	-	-	-	-	University of California Los Angeles (UCLA), US Ph.D., Anderson Graduate School of Management Professor, Department of Accounting, National Taiwan University Full-time Member of Financial Supervisory Commission (Administrative Officer)	Independent Director, Everlight Chemical Industrial Corporation Independent Director, Chunghwa Precision Test Tech. Co., Ltd Independent Director, Taiwan Sugar Corporation Charity Director, Taiwan Stock Exchange	-	-	-
Independent Director	Chang, An-Tso	Male 51~60	Republic of China	2020.6.24	3 years	2017.8.1	-	-	-	-	-	-	-	-	Master of International Business, National Taiwan University (NTU) Director, BenQ Medical Technology Corporation	National Taipei University of Education Cultural and Creative Industries Management - Part-time Associate Professor M-POWER Independent Director	-	-	-
Independent Director	Huang, Po-Chia	Male 31~40	Republic of China	2020.6.24	3 years	2017.8.1	-	-	-	-	-	-	-	-	Master of International Business, National Dong Hwa University Vice President, East Sun United Co., Ltd.	Vice President, East Sun United Co., Ltd.	-	-	-

Note: The Company has set up an Audit Committee, and there is no need to disclose the information of the supervisors.

1. The substantial shareholders of corporate directors: None of the Company's Directors is a representative of a corporate shareholder, so it is not applicable.
2. Major corporate shareholder of major Directors: Not applicable.
3. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors:

condition / Name	Professional qualifications and experience	Independence situation	Number of independent directors of other public companies
Hsu, Ta-Chin	1. With more than 40 years of work experience required by the company's business. 2. Currently serves as the chairman of the board of directors of the company. 3. None of the items in Article 30 of the Company Law.	No Article 27 of the Companies Act provides for the election of a government, a legal person or its representative。	None
Hsu, Chen-Jung	1. More than 10 years of work experience required by the company's business. 2. Possess a master's degree in business administration. 3. Currently serving as the general manager of the company. 4. None of the items in Article 30 of the Company Law.	No Article 27 of the Companies Act provides for the election of a government, a legal person or its representative。	None
Hsu, Wen-Chih	1. More than 10 years of work experience required by the company's production business. 2. Possess a master's degree in electrical engineering. 3. Currently serving as the Deputy General Manager of the Company. 4. None of the items in Article 30 of the Company Law.	No Article 27 of the Companies Act provides for the election of a government, a legal person or its representative。	None

condition / Name	Professional qualifications and experience	Independence situation	Number of independent directors of other public companies
Lo, Lung-Shan	1. More than 30 years of work experience required for the company's mold development business. 2. None of the items in Article 30 of the Company Law.	1. Not employed by the Company or an affiliates. 2. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minors, or held by the person in the name of others, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in shareholdings. 3. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representatives to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (however, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 4. Not a director, supervisor, or employee of another company that the majority of its directors or the shares with voting rights are controlled by the same person (however, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 5. Not a director, supervisor, or employee of another company or an institution who is concurrently the Chairperson, President, or equivalent positions of the Company or a spouse thereof (however, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 6. Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company (however, if a specific company or institution holds more than 20% and no more than 50% of the total issued shares of the Company and if an Independent Director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 7. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the Company or any Affiliate of the Company for which the provider in the most recent two fiscal years has received cumulative compensation exceeding NT$500 thousand or a spouse thereof; provided. Provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, which exercises powers pursuant to the Security and Exchanges Act or the Business Mergers and Acquisitions Act or relevant laws or regulations. 8. Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company. 9. Where the person is not elected in the capacity of the government, a juristic person, or a representative thereof as provided in Article 27 of the Company Act.	None
Wu, Chung-Fern	1. Professor, Department of Accounting, National Taiwan University。 2. Possess a certificate of passing the National Examination for Accountants。 3. Independent Director, Everlight Chemical Industrial Corporation Independent Director, Chunghwa Precision Test Tech. Co., Ltd Independent Director, Taiwan Sugar Corporation Charity Director, Taiwan Stock Exchange。 4. None of the items in Article 30 of the Company Law。	1. Not employed by the Company or an affiliates. 2. Not a Director or supervisor of the Company or any of its affiliates. (However, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minors, or held by the person in the name of others, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in shareholdings. 4. Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship listed in (2) and (3). 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representatives to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (however, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local	3

condition / Name	Professional qualifications and experience	Independence situation	Number of independent directors of other public companies
Chang, An-Tso	1. Have more than 25 years of work experience required by the company's business. 2. National Taipei University of Education Cultural and Creative Industries Management - Part-time Associate Professor。 3. M-POWER Independent Director 4. President of BenQ Asia Pacific Corporation；VP and GM of Healthcare Business Group, BenQ Materials；Board Director, BenQ Medical Technology Corporation。 5. None of the items in Article 30 of the Company Law。	laws and regulations, this requirement shall not apply). 6. Not a director, supervisor, or employee of another company that the majority of its directors or the shares with voting rights are controlled by the same person (however, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 7. Not a director, supervisor, or employee of another company or an institution who is concurrently the Chairperson, President, or equivalent positions of the Company or a spouse thereof (however, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 8. Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company (however, if a specific company or institution holds more than 20% and no more than 50% of the total issued shares of the Company and if an Independent Director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the Company or any Affiliate of the Company for which the provider in the most recent two fiscal years has received cumulative compensation exceeding NT$500 thousand or a spouse thereof; provided. Provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, which exercises powers pursuant to the Security and Exchanges Act or the Business Mergers and Acquisitions Act or relevant laws or regulations. 10. Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company. 11. Where the person is not elected in the capacity of the government, a juristic person, or a representative thereof as provided in Article 27 of the Company Act.	1
Huang, Po-Chia	1. Have more than 10 years of work experience required by the company's business。 2. Served as Vice President of East Sun United Co., Ltd。 3. None of the items in Article 30 of the Company Law。		None

4. Board Diversity and Independence:

(1) Diversity of the Board of Directors: Based on the diversity policy, strengthening corporate governance and promoting the development of a sound board composition and structure, the company's nomination of director candidates follows the provisions of the company's articles of association and adopts the candidate nomination system.) qualifications, measuring professional background, integrity or relevant professional qualifications, etc., after the resolution of the board of directors, it will be submitted to the shareholders' meeting for election.

The Board of Directors has also formulated the "Director Election Method", which specifies the procedures and standards for the nomination, qualification and evaluation of director candidates.

The composition of the board of directors should be considered diversified. Except that directors who also serve as managers of the company should not exceed one-third of the number of directors, an appropriate diversity policy should be formulated according to their own operation, operation type and development needs, which should include but not limited to the following two general standard:

A. Basic conditions and values: gender, age, nationality and culture, etc., and at least one female independent director.

B. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The members of the board of directors shall generally possess the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board of directors as a whole should have the following capabilities:

A. Operational judgment.

B. Accounting and financial analysis skills.

C. Management ability.

D. Crisis handling capacity.
E. Industry knowledge.
F. International Market View.
G. Leadership.
H. Decision-making ability.

The current board of directors of the company consists of seven directors. The specific management objectives and achievement of the board diversity policy are as follows:

management goals	Achievement
The number of independent directors exceeds one third of the number of directors	reach
Directors who also serve as company managers should not exceed one-third of the number of directors	reach
The consecutive term of independent directors should not exceed three consecutive terms	reach
At least one female independent director	reach
Adequate and diverse professional knowledge and skills	reach

The implementation of the Board Diversity Policy is as follows:

Diversified Core / Name			basic component							Professional background			Professional knowledge and skills		
	Nationality	Gender	employee identity	age					Term of independent director (less than 3 terms)	industry	Financial Accounting	Marketing	Operational Judgment / Operation	Crisis Management/Leadership	Industry Knowledge/International
				31-40	41-50	51-60	61-70	71-80							
Hsu, Ta-Chin	R.O.C.	male						V		V			V	V	V
Hsu, Chen-Jung		female	V		V					V		V	V	V	V
Hsu, Wen-Chih		male	V	V						V			V	V	V
Lo, Lung-Shan		male					V			V			V	V	V
Wu, Chung-Fern		female					V		V		V		V	V	V
Chang, An-Tso		male				V			V	V		V	V	V	V
Huang, Po-Chia		male		V					V	V		V	V	V	V

(2) Independence of the Board of Directors: The Company currently has 7 members of the Board of Directors, including 3 independent directors and 2 directors with employee status (accounting for 43% and 29% of all directors), and the number of independent directors exceeds one third. All independent directors comply with the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission on independent directors, and there are no matters 3 and 4 stipulated in Article 26-3 of the Securities and Exchange Act between the directors and independent directors. Review the professional qualifications of directors and independent directors Independence information, the board of directors of the company is independent.

(II) President, Vice Presidents, Assistant Managers, and Heads of Departments and Branches

Unit: Share; %; April 19, 2021

Title (Note 1)	Name	Gender	Nationality	Date Taking Office	Shareholding		Spouse/Minor shareholding		Shareholding in the Name of Others		Principal Experience (Education) (Note 2)	Other Position Concurrently Held in the Company or Other Companies	Managerial officers who are spouses or within the second degree of kinship			Remarks
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
President	Hsu, Chen-Jung	Female	Republic of China	2017.7.21	149,293	0.42	-	-	2,538,008	7.11	MBA, Chulalongkorn University, Thailand Bachelor of Business Administration, University of North Carolina at Chapel Hill	Director & Sales Manager, Royal Finishing Director, Paokin Director, Mira Home Director, Thai Kin(HK) Director, Angel Director, Window Coverings Co., Ltd. Director, Wealth Develop Co., Ltd. Director, Grand Lake Living Co., Ltd.	Vice President	Hsu, Wen-Chih	Younger Brother	Note
Vice President	Hsu, Wen-Chih	Male	Republic of China	2017.7.21	149,293	0.42	-	-	2,538,008	7.11	Master of Electrical Engineering, University of Southern California Bachelor of Electrical Engineering, University of Southern California	Director & Production Manager, Royal Finishing Director, Paokin Director, Window Coverings Co., Ltd. Director, Grand Lake Living Co., Ltd.	President	Hsu, Chen-Jung	Elder sister	
Management Department Vice President	Ku, Hsing-Hua	Female	Republic of China	2017.7.21	-	-	-	-	2,090,124	5.85	Purchasing Manager, Window Coverings Co., Ltd. Yu Da High School of Commerce and Home Economics	Manager of the Administration Department, Royal Finishing Director, Window Coverings Co., Ltd.	-	-	-	
Chief Financial Officer	Huang, Cheng Hsiu	Male	Republic of China	2017.2.28	100,000	0.28	-	-	-	-	Senior Finance and Accounting Manager, Pharmadax Inc. Manager of Audit Department, KPMG Taiwan Master of Accounting, Soochow University Department of Accounting, National Taipei University	-	-	-	-	
Chief Internal Auditor	Chang, Pei-Chi	Female	Republic of China	2017.2.28	20,000	0.06	-	-	-	-	Assistant Manager of Sales Department, KGI Securities Co., Ltd. Assistant Manager of Audit Department, PricewaterhouseCoopers (PwC) Taiwan Head of Audit Team, Deloitte & Touche Department of Accounting, Soochow University	-	-	-	-	

Note: The Chairperson and the President of the Company are relatives within the first degree of kinship.

(III) Where the Chairperson of the Board of Directors (the "Board") and the President or person holding an equivalent post of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reasons, reasonability, necessity, and countermeasures:

Chairperson Hsu, Ta-Chin is the founder and major shareholder of the Company. He has been deeply involved in the home casting industry in Thailand for more than four decades. His extensive operational management experience effectively assists and coordinates the organization and the Board of Directors of the Company, the highest decision-making unit, to put thee functions into good use. Hsu, Chen-Jung is the President appointed by the Company's Board. She acquired a business management degree and master's degrees in the US and Thailand. She has been devoted to the distribution channels of the home decoration and casting industry for many years, and has maintained positive relations with major international well-known brands, retailers, and distributors. Therefore, considering her expertise in management and execution, it is reasonable and necessary for her to serve as the President of the Company.

Countermeasures: Considering that Chairperson Hsu, Ta-Chin and President Hsu, Chen-Jung are relatives within the first degree of kinship, and to strengthen the implementation of corporate governance, the number of Independent Directors has been increased to three in accordance with the regulations, and a majority of the Directors do not have the status of employees or managerial officers. In addition, the number of Independent Directors will increase to four by December 31, 2023 pursuant to the "Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies."

III. Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, President, and Vice Presidents

(I) Remuneration to Directors (including Independent Directors)

Unit: NTD thousand; thousand shares; period: 2021

Title	Name	Remuneration to Directors								Proportion of net profit after tax after summing up the four items of A, B, C, and D		Relevant remuneration received by Directors who are also employees								Proportion of net profit after tax after summing the seven items of A, B, C, D, E, F and G		Whether or not the person receives remuneration from other non-subsidiary companies that TK has invested in
		Remuneration (A)		Severance pay and pension (B)		Remuneration of Directors (C)		Business expense (D)				Salary, Bonus and Special Allowance (E)		Retirement pension (F)		Employee's compensation (G)						
																The Company		All companies listed in the Financial Report				
		The Company	All companies listed in the Financial Report	The Company	All companies listed in the Financial Report	The Company	All companies listed in the Financial Report	The Company	All companies listed in the Financial Report	The Company	All companies listed in the Financial Report	The Company	All companies listed in the Financial Report	The Company	All companies listed in the Financial Report	Amount in Cash	Amount in Shares	Amount in Cash	Amount in Shares	The Company	All companies listed in the Financial Report	
Chairperson	Hsu, Ta-Chin	3,000	3,000	-	-	-	-	-	-	1.29	1.29	-	-	-	-	-	-	-	-	1.29	1.29	-
Director	Hsu, Chen-Jung	-	-	-	-	-	-	-	-	-	-	2,400	2,400	-	-	-	-	-	-	1.04	1.04	-
Director	Hsu, Wen-Chih	-	-	-	-	-	-	-	-	-	-	1,213	2,166	-	-	-	-	-	-	0.52	0.93	-
Director	Lo, Lung-Shan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Director	Wu, Chung-Fern	585	585	-	-	-	-	30	30	0.27	0.27	-	-	-	-	-	-	-	-	0.27	0.27	-
Independent Director	Chang, An-Tso	520	520	-	-	-	-	30	30	0.24	0.24	-	-	-	-	-	-	-	-	0.24	0.24	-
Independent Director	Huang, Po-Chia	520	520	-	-	-	-	30	30	0.24	0.24	-	-	-	-	-	-	-	-	0.24	0.24	-

1. Please describe the remuneration policy, system, standard and structure of independent directors, and describe the relationship with the amount of remuneration according to the responsibilities, risks, investment time and other factors: the independent directors of the company receive travel expenses and fixed remuneration. The remuneration received is based on the overall operational performance of the company, and is reviewed by the Remuneration Committee and approved by the board of directors according to its participation in the company's operations and contribution value, as well as the industry standard..
2. Unless disclosed above, the remuneration of the Directors in the most recent year for providing services (e.g., serving as a non-employee consultant) to companies in the Financial Report:: None.

(II) Remuneration paid to Supervisors: The Company does not engage Supervisors; therefore, this is not applicable.

(III) Remuneration to President and Vice Presidents:

Unit: NTD thousand; %; thousand shares; period: 2021

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and Allowances (C)		Employee's Remuneration(D)				Proportion of net profit after tax after summing up items A, B, C, and D (%)		Whether or not the person receives remuneration from other non-subsidiary companies that TK has invested in
		The Company	All companies listed in the Financial Report	The Company	All companies listed in the Financial Report	The Company	All companies listed in the Financial Report	The Company		All companies listed in the		The Company	All companies listed in the Financial Report	
								Amount in Cash	Amount in Shares	Amount in Cash	Amount in Shares			
President	Hsu, Chen-Jung	2,400	2,400	-	-	-	-	-	-	-	-	1.04	1.04	Nil
Vice President	Hsu, Wen-Chih Ku, Hsing-Hua	1,213	2,166	-	-	-	-	-	-	-	-	0.52	0.93	Nil
Vice President of Managemen	Ku, Hsing-Hua	1,440	1,440									0.62	0.62	Nil

(IV) Name of Managerial Officers and the Distribution of Employee Bonus:

Unit: NTD thousand; %; thousand shares; period: 2021

	Title (Note 1)	Name (Note 1)	Amount in Shares	Amount in Cash	Total	Ratio of total amount to net income (%)
Managerial officer	President	Hsu, Chen-Jung	0	0	0	0
	Vice President	Hsu, Wen-Chih				
	Vice President of the Management Department	Ku, Hsing-Hua				
	Chief Financial Officer	Huang, Cheng Hsiu				
	Chief Internal Auditor	Chang, Pei-Chi				

(V) Comparison and analysis of the total remuneration to the Company's Directors, supervisors, President, and Vice Presidents over the most recent two years paid by the Company and all companies in the Consolidated Financial Report as a percentage of total net profit after tax, and descriptions of the policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its linkage to business performance and future risk exposure:

1. Analysis of total remuneration paid to the Company's Directors, supervisors, President, and Vice Presidents in the most recent two fiscal years as a percentage of net profit after tax:

Item	Total remuneration for 2021 Proportion to net profit after tax		Total remuneration for 2020 Proportion to net profit after tax	
Title	The Company	All companies listed in the Financial Report	The Company	All companies listed in the Financial Report
Director	3.59	4.01	3.67	4.13
President	1.04	1.04	1.07	1.07
Vice President	1.14	1.56	1.15	1.61

Note: Total remuneration of Directors includes remuneration received by Directors for concurrently serving as employees; therefore, the total remuneration of the President and Vice Presidents overlap.

2. The policies, standards, and packages for payment of remuneration, as well as the procedures for determining the remuneration, and their linkages to business performance and future risk exposure:

The company's remuneration policy is stipulated in the company's articles of association. If the company has a profit in the year, it should allocate no more than 5% of the profit as the employee's remuneration, and no more than 3% of the profit should be allocated to the employee. Remuneration for directors (excluding independent directors). However, when the company still has accumulated losses, it should reserve the amount in advance to make up for it. The procedures for the remuneration of directors and managers of the company are based on the "Directors' Remuneration Regulations", "Managers' Remuneration Regulations" and other norms as the basis for evaluation .

Based on their responsibilities, the independent directors of the company independently perform business and participate in corporate governance. They receive fixed remuneration and do not participate in the distribution of the company's earnings. The remuneration of directors shall be distributed according to the company's operating performance, future operations, and peer-to-peer standards, as well as the value of their participation and contribution to the company's operations. Please refer to the annual report for the execution results of the Board of Directors' evaluation. Corporate Governance Operation (1) Operation of the Board of Directors Section 3. Implementation of the Board's Evaluation

The appointment, dismissal and remuneration of managers are handled in accordance with the company's regulations and approved by the board of directors. The policies and procedures for paying managers' remuneration are based on the company's salary cycle management regulations and the salary level of the position in the industry market, and the position in the company. Scope of responsibility and contribution to the company's operating objectives to pay remuneration. The procedure for setting remuneration is based on the company's annual performance appraisal method. In addition to referring to the company's overall operating performance, future business risks and development trends of the industry, it also refers to the individual's performance achievement rate and contribution to the company. Including financial and non-financial indicators such as operating results and personnel management, and giving reasonable remuneration according to the assessment results

The company has set up a compensation and remuneration committee. The performance appraisal of directors and managers and the rationality of their compensation are regularly reviewed and evaluated by the compensation and compensation committee, and are adjusted according to the operating conditions and relevant laws and regulations.

The company pays remuneration to directors and managers. In addition to considering the company's future operational development and operational risks, the company has also comprehensively considered the amount of remuneration and the company's future risk issues, and at the same time, it has been assessed to be positively related to its operating performance.

IV. Implementation of Corporate Governance

(I) Operation of the Board

The Board of the Company is primarily responsible for supervising the Company's ethical management, financial transparency, determination on material matters, examining the progress of corporate strategies, instructing and monitoring the business team, and creating maximum value for shareholders.
The composition of the Company's Board has diversification, including Directors from different industrial and academic professional backgrounds, and two female Directors.

A total of seven (6) meetings of the Board were held in 2021, and the attendance is as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Chairperson	Hsu, Ta-Chin	6	0	100	Re-appointed on June 24, 2020
Director	Hsu, Chen-Jung	6	0	100	Re-appointed on June 24, 2020
Director	Hsu, Wen-Chih	6	0	100	Re-appointed on June 24, 2020
Director	Lo, Lung-Shan	6	0	100	Re-appointed on June 24, 2020
Independent Director	Wu, Chung-Fern	6	0	100	Re-appointed on June 24, 2020
Independent Director	Chang, An-Tso	6	0	100	Re-appointed on June 24, 2020
Independent Director	Huang, Po-Chia	6	0	100	Re-appointed on June 24, 2020

Other matters:

1. The date of the Board meeting, the session, the content of the proposals, opinion of all Independent Directors, and the Company's actions in response to the opinions of Independent Directors shall be recorded should any of the following circumstances occur in the operations of the Board meeting:

(1) Items listed in Article 14-3 of the Securities and Exchange Act

Meeting Date (Session)	Proposal	Dissenting or qualified opinion of the Independent Director
2021.03.16 5th meeting of the 3nd session	1. Proposal for the 2020 employees' compensations and Directors' remunerations	Nil
	2. Proposal for the 2020 business report and consolidated financial statements	Nil

	3. Proposal for the 2020 earnings distribution	Nil
	4. Proposal for the 2020 "Statement on Internal Control"	Nil
	5. Proposal for the review of the 2020 remuneration to managerial officers	Nil
	6. Proposal for the 2020 managerial officers' remuneration policy and system	Nil
	7. Proposal for the review of the remuneration for the Chairperson and the Directors for 2020	Nil
	8. The Company's 2021 Director Salary and Remuneration Policy and System Proposal	Nil
	9. The Company provided an endorsement guarantee for its subsidiary Royal Finishing to apply for the renewal of the short-term comprehensive financing line to China Trust Commercial Bank	Nil
	10. Assess the independence and suitability of the company's certified accountants in 2021	Nil
	11. Appointment and remuneration of the company's financial report certified accountant	Nil
	12. The case of lifting the non-compete of the current independent director of the company	Nil
	13. Amendment of the company's "Articles of Association"	Nil
	14. Amendment to the Company's " Rules of Procedure of the Board of Directors "	Nil
	15. Amendment to the Company's "Rules of Procedures for Shareholders' Meetings"	Nil
	16. Amendment to the Company's " Method for Election of Directors "	Nil
	17. Amendment to the Company's " Audit Committee Organizational Regulations "	Nil
	18. Amendment to the Company’ s " Compensation and Compensation Committee Organizational Regulations "	Nil
	19. Amendment to the Company's " Rules on the scope of duties of independent directors "	Nil
	20. Amendment to the Company's " Director's Performance Evaluation Method "	Nil
	21. Amendment to the Company's " Code of Ethical Conduct for Directors and Managers "	Nil
	22. Formulate internal control work plans related to the company's "Management of the operation of the Remuneration Committee", "Management of the proceedings of the Audit Committee", and	Nil

	"Management of the proceedings and operation of the Board of Directors"	
	23. Prescribe the company's "Administrative Measures for the Application of International Accounting Standards"	Nil
	Independent Director's opinions: None	
	The Company's actions in response to the opinions of Independent Directors: None	
	Resolution result: All Directors present voted in favor of the resolution.	
2021.05.11 6th meeting of the 3nd session	1. The Company intends to lend funds to Royal Finishing Co., Ltd, a subsidiary in Thailand	Nil
	Independent Director's opinions: None	
	The Company's actions in response to the opinions of Independent Directors: None	
	Resolution result: All Directors present voted in favor of the resolution.	
2021.08.24 8th meeting of the 3nd session	1. The Company's Consolidated Financial Statements for the Second Quarter of 2021	Nil
	Independent Director's opinions: None	
	The Company's actions in response to the opinions of Independent Directors: None	
	Resolution result: All Directors present voted in favor of the resolution.	
2021.11.10 9st meeting of the 3rd session	1. Proposal of the Company's Earnings Distribution for the First Half of 2021	Nil
	2. Authorize Mr. Xu Dajin, executive director of the subsidiary, Royal Finishing, to supervise and control the risks of the subsidiary's derivatives trading	Nil
	3. Revise the Company's "Management Measures for the Preparation of Financial Statements" and related internal control procedures	Nil
	Independent Director's opinions: None	
	The Company's actions in response to the opinions of Independent Directors: None	
	Resolution result: All Directors present voted in favor of the resolution.	
2021.12.29 10th meeting of the 3rd session	1. Proposal of the Company's annual budget report for 2022	Nil
	2. Proposal of the establishment of the Company's 2022 audit plan	Nil
	3. Proposal for lending of funds to the Thai subsidiary Paokin Co., Ltd. by the Thai subsidiary Royal Finishing Co.	Nil
	4. Revised the "computerized information system processing procedures" and related internal control procedures of the company and its subsidiaries	Nil
	5. Appointment of Head of Corporate Governance of the Company	Nil
	6. It is proposed to hire external experts to execute the 2021 board performance evaluation plan	Nil
	7. The Company's 2022 Annual	Nil

	Manager Salary and Remuneration Policy and System Proposal	
	8. The Company's 2022 Director Salary and Remuneration Policy and System Proposal	Nil
	Independent Director's opinions: None	
	The Company's actions in response to the opinions of Independent Directors: None	
	Resolution result: All Directors present voted in favor of the resolution.	

(2) In addition to the preceding matter, other resolutions of the Board meetings on which Independent Directors have dissenting opinions or qualified opinions, and that are documented or issued through written statements: None.

2. In regards to the recusal of Directors from voting due to conflict of interests, the name of the Directors, the content of the proposal, reasons for recusal due to conflict of interests, and voting outcomes shall be stated: None.

Meeting Date (Session)	Proposal	Name of the Directors Recused due to Conflict of Interests	Reason for the Recusal and the Voting Outcome
2021.03.16 5th meeting of the 3nd session	The case of lifting the non-compete of the current independent director of the company	Wu, Chung-Fern,	Directors with personal interests recused themselves from the discussion and voting of the proposal
2021.11.10 9th meeting of the 3nd session	Authorize Hsu, Ta-Chin, executive director of the subsidiary, Royal Finishing, to supervise and control the risks of the subsidiary's derivatives trading	Hsu, Ta-Chin	Directors with personal interests recused themselves from the discussion and voting of the proposal

3. Board self-evaluation (or peer evaluation) cycles and periods, scope, method, and content, the execution of the Board evaluation is as follows:

Execution of the Board Evaluation

Evaluation Cycle	Period of Evaluation	Scope of Evaluation	Evaluation Method	Evaluation Content
Once a year	January 1, 2021 to December 31, 2021	Board of Directors Individual Directors Audit Committee	Evaluation by external experts of the board of directorsSelf-evaluation of Board members Internal self-evaluation of the Audit Committee	The measurement items for the performance evaluation of the Board cover five major dimensions: I. Composition and structure of the Board. II. Election and continuing education of the Directors III. Participation in the operation of the Company. IV. Improvement of the quality of the Board's decision-making. V. Internal control. VI.Environment, Society and Governance. VII. Value Creation The measurement items for the performance evaluation of the Board members cover six major aspects: I. Alignment of the goals and missions of the Company. II. Awareness of the duties of a Director. III. Participation in the operation of the Company. IV. Management of internal relationships and communication. V. The Director's professionalism and continuing education. VI. Internal control. The measurement items for the performance evaluation of functional committees cover five major aspects: I. Participation in the operation of the Company. II. Awareness of the duties of the functional committee. III. Improvement of the quality of the functional committee's decision-making. IV. Composition and election of the functional committee's members. V. Internal control.

The Company has completed the 2021 Board performance Evaluation by external experts of the board of directors, and the evaluation results were submitted and reported to the Board meeting in the first quarter of 2022 to serve as a basis for examination and improvement. The overall result of the performance self-assessment of individual directors is in compliance with the standard, indicating that the overall board of directors is functioning well; the overall result of the audit committee performance self-assessment is beyond the standard..

4. The objectives of strengthening the functions of the Board of Directors in the current year and the most recent fiscal year (such as the establishment of an audit committee, the improvement of information transparency) and the assessment of implementation:

(1)The Company has formulated the Rules of Procedure for Board of Directors Meetings as the guidelines for the operation of Board meetings. In addition, the Company has established its Audit Committee and Remuneration Committee, while disclosing relevant information on the Company's website and MOPS as required to enhance information transparency.

(2) Strengthening corporate governance: On December 29, 2021, the board of directors of the company approved the establishment of a corporate governance supervisor, who is responsible for related affairs and assists directors in executing business to play a supervisory function.

(3) Improve information transparency: The company's website has an "Investor Zone", which provides the contact information of the spokesperson for shareholders to consult the company's financial and business-related information

(II) Operations of Audit Committee:

The Audit Committee is primarily responsible for assisting the Board in supervising the accounting, audit, and financial report process and financial control.

Primary matters discussed by the Audit Committee include:

- Establishment of or amendment to the internal control system and policies and procedures related to the internal control system according to Article 14-1 of the Securities Exchange Act.
- Audit on the effectiveness of the internal control system
- Establishment of or amendment to procedures for significant financial operations such as the acquisition or disposal of assets, engaging in derivative transactions, lending funds to others, and providing endorsement and guarantee to others according to Article 36-1.
- Matters related to the interests of Directors.
- Significant asset or derivative transactions
- Significant loans or provision of endorsement and guarantee.
- Placing, issuance, or private offering of any equity-based securities.
- Appointment, dismissal, or compensation of CPAs.
- Appointment and dismissal of a chief financial officer, accounting manager, or Chief Internal Auditor.
- Annual financial statements signed or sealed by the Chairperson, managers, and accounting manager and the second quarter financial statements audited and certified by CPAs.

- Other significant matters stated by the Company or the competent authority.

A total of six (5) meetings of the Audit Committee were held in 2021. The attendance of Independent Directors was as follows:

Title	Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Remarks
Independent Director	Wu, Chung-Fern	5	0	100	Re-appointed on June 24, 2020
Independent Director	Chang, An-Tso	5	0	100	Re-appointed on June 24, 2020
Independent Director	Huang, Po-Chia	5	0	100	Re-appointed on June 24, 2020

Other matters:

1. The date of the Board meeting, the session, the content of the proposals, Dissenting opinions, reservations or major proposals of independent directors, resolution results of the Audit Committee, and the Company's actions in response to the opinions of the Audit Committee shall be recorded should any of the following circumstances occur in the operations of the Board meeting:

(1) Items listed in Article 14-5 of the Securities and Exchange Act

Meeting Date (Session)	Proposal	Dissenting opinions, reservations or major proposals of independent directors
2021.03.16 4th meeting of the 2st session	1. Proposal for the 2020 employees' compensations and Directors' remunerations	Nil
	2. Proposal for the 2020 consolidated financial statements	Nil
	3. Proposal of the 2020 "Statement of Internal Control"	Nil
	4. The Company provided an endorsement guarantee for its subsidiary Royal Finishing to apply for the renewal of the short-term comprehensive financing line to China Trust Commercial Bank	Nil
	5. Assess the independence and suitability of the company's certified accountants in 2021.	Nil
	6. Appointment and remuneration of the company's financial report certified accountant	Nil
	7.The case of lifting the non-compete of the current independent director of the company	Nil
	8.Amendment to the Company's " Rules of Procedure of the Board of Directors "	Nil
	9. Amendment to the Company's " Audit Committee Organizational Regulations "	Nil
	10.Amendment to the Company’ s "	Nil

	Compensation and Compensation Committee Organizational Regulations "	
	11.Amendment to the Company's " Rules on the scope of duties of independent directors "	Nil
	12. Amendment to the Company's " Director's Performance Evaluation Method "	Nil
	13. Amendment to the Company's " Code of Ethical Conduct for Directors and Managers "	Nil
	14. Formulate internal control work plans related to the company's "Management of the operation of the Remuneration Committee", "Management of the proceedings of the Audit Committee", and "Management of the proceedings and operation of the Board of Directors"	Nil
	15. Prescribe the company's "Administrative Measures for the Application of International Accounting Standards"	Nil
	Resolution results of the Audit Committee: All the members of the Audit Committee voted in favor of the resolution.	
	The Company’ s response to the opinions of the Audit Department: Approved by all the committee members present.	
2021.05.11 5th meeting of the 2st session	1. The Company intends to lend funds to Royal Finishing Co., Ltd, a subsidiary in Thailand	Nil
	Resolution results of the Audit Committee: All the members of the Audit Committee voted in favor of the resolution.	
	The Company’ s response to the opinions of the Audit Department: Approved by all the committee members present.	
2021.08.24 6th meeting of the 2st session	1. The Company's Consolidated Financial Statements for the Second Quarter of 2021	Nil
	Resolution results of the Audit Committee: All the members of the Audit Committee voted in favor of the resolution.	
	The Company’ s response to the opinions of the Audit Department: Approved by all the committee members present.	
2021.11.10 7th meeting of the 2st session	1. Proposal of the Company's Earnings Distribution for the First Half of 2021	Nil
	2. Revised the Company's "Administrative Measures for the Preparation of Financial Statements" and related internal control procedures	Nil
	Resolution results of the Audit Committee: All the members of the Audit Committee voted in favor of the resolution.	
	The Company’ s response to the opinions of the Audit Department: Approved by all the committee members present.	
2021.12.29 8th meeting of the 2st session	1.Proposal of the establishment of the Company's 2022 audit plan	Nil
	2.Proposal for lending of funds to the Thai subsidiary Paokin Co., Ltd. by the Thai subsidiary Royal Finishing Co.	Nil
	3. Revised the "computerized information system processing procedures" and related internal control procedures of the company	Nil

	and its subsidiaries	
	Resolution results of the Audit Committee: All the members of the Audit Committee voted in favor of the resolution.	
	The Company’ s response to the opinions of the Audit Department: Approved by all the committee members present.	

(2) Except for the previously mentioned matters, other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors: None.

2. In regards to the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the content of the proposal, reasons for recusal due to conflict of interests, and voting outcomes shall be stated:

Meeting Date (Session)	Proposal	Name of the Directors Recused due to Conflict of Interests	Reason for the Recusal and the Voting Outcome
2021.03.16 5th meeting of the 3nd session	The case of lifting the non-compete of the current independent director of the company	Wu, Chung-Fern,	Directors with personal interests recused themselves from the discussion and voting of the proposal

3. Communication between Independent Directors, the Chief Internal Auditor, and CPAs (including significant matters, methods, and results for the Company's financial and business positions):

(1)The Company's Chief Internal Auditor regularly communicates with the Audit Committee regarding the results of the audit report and prepares an internal audit report during the Audit Committee meeting in each quarter; for any special circumstances, it shall immediately report to the Audit Committee. There was no special circumstance mentioned above in 2021. The Audit Committee has healthy communication with the Chief Internal Auditor.

(2)The Company's CPAs report the audit or review results for the financial statements of the quarter at the Audit Committee meeting each quarter; for any special circumstances, they shall immediately report to the Audit Committee. There was no special circumstance mentioned above in 2021. The Audit Committee has healthy communication with the CPAs.

Matters of communication between Independent Directors, the Chief Internal Auditor, and CPAs are set out in the following table:

Date	theme	Participants	Place	conclusion
2021.03.16	1. Audit report for the fourth quarter of 2020 2. Progress plan and actual implementation of financial reporting capability	Three independent directors and head of audit	Taipei Office	Report audit results and self-compiling progress of financial report Independent directors have no objection
2021.03.16	1. Accountants explain the responsibilities of auditors for checking financial reports 2. Important accounting standards or interpretation letters, securities laws and tax laws update	Certified Accountant, Three Independent Directors and Audit Supervisor	Taipei Office	Accountants explain and communicate the responsibilities of auditors for auditing financial reports
2021.05.11	1. Audit report for the first quarter of 2021 2. Progress plan and actual implementation of financial reporting capability	Three independent directors and head of audit	Taipei Office	Report audit results and self-compiling progress of financial report Independent directors have no objection
2021.05.11	Accountants explain the responsibilities of reviewers to review financial reports	Certified Accountant, Three Independent Directors and Audit Supervisor	Taipei Office	Accountants explain and communicate with auditors on their responsibilities for reviewing financial reports
2021.08.24	1. Audit report for the second quarter of 2021 2. Progress plan and actual implementation of financial reporting capability	Three independent directors and head of audit	Taipei Office	Report audit results and self-compiling progress of financial report Independent directors have no objection
2021.08.24	Accountants explain the responsibilities of reviewers to review financial reports	Certified Accountant, Three Independent Directors and Audit Supervisor	Taipei Office	Accountants explain and communicate the responsibilities of auditors for auditing financial reports
2021.11.10	1. Audit report for the third quarter of 2021 2. Progress plan and actual implementation of financial reporting capability	Three independent directors and head of audit	Taipei Office	Report audit results and self-compiling progress of financial report Independent directors have no objection
2021.11.10	Accountants explain the responsibilities of reviewers to review financial reports	Certified Accountant, Three Independent Directors and Audit Supervisor	Taipei Office	Accountants explain and communicate with auditors on their responsibilities for reviewing financial reports
2021.12.29	1. 2022 annual audit plan 2. Revise the computerized information system processing procedures of the company and its subsidiaries	Three independent directors and head of audit	Taipei Office	Independent director has no objection
2021.12.29	1. Accountants explain the responsibilities of auditors for checking financial reports 2. Important accounting standards or interpretation letters, securities laws and tax laws update	Certified Accountant, Three Independent Directors and Audit Supervisor	Taipei Office	The accountant explained and communicated with the auditors on the review of the financial report and the update of laws and regulations

Results: The above matters were reviewed or approved by the Audit Committee, and Independent Directors have no dissenting opinions.

(III) Corporate governance implementation status and its deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has formulated the Corporate Governance Best Practice Principles and disclosed them on MOPS.	No significant deviation.
II. Shareholding structure and shareholders' rights				
(I) Has the Company established an internal procedure for handling shareholder proposals, inquiries, disputes, and litigation? Are such matters handled according to the internal procedure?	V		(I) The Company has stipulated relevant regulations as set out in the Corporate Governance Best Practice Principles and appointed a spokesperson and an acting spokesperson to handle shareholders' suggestions and questions.	No significant deviation. No significant deviation.
(II) Has the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	V		(II) The Company, through its shareholder services agency, fully keeps abreast of the register of its substantial shareholders and their ultimate controllers, and regularly discloses changes in shareholdings of Directors, Independent Directors, and major shareholders in accordance with the laws and regulations.	No significant deviation.
(III) Has the Company established and enforced risk control and firewall systems with its affiliates?	V		(III) The Company has formulated the "Regulations on Transactions between Group Companies, Specific Companies, and Related Parties" and the "Subsidiary Supervision and Management Regulations" to establish appropriate risk control mechanisms and firewalls. The Company's businesses and finances are separated from those of its affiliated companies, and it implements risk management between the Company and its affiliated companies and appropriate firewall mechanisms to eliminate unusual transactions.	No significant deviation.
(IV) Has the Company stipulated internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	V		(IV) The Company has formulated the "Insider Trading Prevention Management" for all employees, managerial officers, and Directors of the Company, and persons acknowledged the Company's information due to their duties or any control relationships to observe, prohibiting any conduct that may involve insider trading; the Company regularly organizes educational training and communication.	
III. Composition and responsibilities of the Board				
(I) Has the Board established a policy of Board diversity and duly implemented such policy?	V		(I) The Board has established the "Regulations for Director Election" to state the procedures and standards related to the nomination, qualification, and evaluation of Director candidates. The Company considers the overall composition of the Board for the election of the Company's Directors. The Company considers the diversification of the Board composition and	No significant deviation.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			has established a diversification policy for its operations, business model, and development requirements, among others: For details, please refer to page 11 of the annual report	
(II) In addition to the Remuneration Committee and Audit Committee established according to law, has the Company voluntarily established other functional committees?	V		(II) The Company currently does not need to set up other functional committees and will evaluate the need for such establishment if necessary in the future.	No significant deviation
(III) Has the Company established standards to measure the performance of the Board, and has the Company implemented such performance evaluation annually? Has the Company submitted the results of performance evaluation to the Board and adopted them as a reference for determining remuneration for individual Directors and their nomination for reappointment?	V		(III)The Company has formulated the "Board of Directors Evaluation Regulations" and conducted performance evaluations annually and regularly, while reporting the results of the performance evaluation to the Board and adopting them as a reference for individual Directors' remuneration and the nomination for re-appointment. The Company has External experts have been hired executed its Board performance evaluation in 2021. Performance evaluations on the Board, individual Directors, and Audit Committee are performed annually and regularly; the questionnaires are adopted for self-evaluations. For items of evaluation, please see #page 22# of the Annual Report.	No significant deviation
(IV) Has the Company regularly implemented assessments on the independence of CPAs?	V		(IV) The Company has stipulated in the Corporate Governance Best Practice Principles that the Audit Committee meetings and the Board meetings shall be convened regularly to assess the independence of CPAs. The Company has evaluated the independence of CPAs at the Audit Committee meeting and Board meeting in the first quarter of 2022. For details on the 2022 CPAs independence and competency evaluation chart, please see #page 35# of the Annual Report.	No significant deviation
IV. Has the listed Company engaged an appropriate number of qualified corporate governance personnel, and appointed a corporate governance officer responsible for matters related to corporate governance (including but not limited to providing directors with the necessary information for the execution of business, assisting Directors in compliance, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, and preparing minutes for Board meetings and the shareholders' meetings)?	V		On December 29, 2021, the board of directors of the company appointed Mr. Huang, Cheng Hsiu, the chief financial officer, as the director of corporate governance, and set up a corporate governance unit to be responsible for the information required by directors to execute their business, assist directors to follow laws and regulations, handle matters related to meetings of the board of directors and shareholders' meetings, and prepare the board of directors. The chairman of the board is responsible for the supervision of corporate governance-related matters such as the minutes of the shareholders' meeting, and is also responsible for the planning and promotion of corporate sustainable management and integrity management. The corporate	No significant deviation

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>governance unit is subordinate to the board of directors and reports the implementation status to the board of directors at the end of each year</td><td></td></tr>
<tr><td>V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' section been established on the Company's website? Has the Company addressed appropriately the major corporate social responsibility (CSR) issues concerned by stakeholders?</td><td>V</td><td></td><td>The Company's departments are responsible for the communication with stakeholders, including the Investor Relations Department, Human Resource Department, Business Department, and Procurement Department. The Company also set out the contact information of the spokesperson and relevant business departments on its website. Also, a stakeholder section is established to appropriately respond to important CSR issues concerned by stakeholders.

Communication channels with stakeholders are detailed as follows:
<table>
<tr><th>Stakeholder categories</th><th>Concerned issues</th><th>Communication channel and frequency</th><th>Performance</th></tr>
<tr><td>Employee</td><td>Labor human rights
Labor security
Employee's value</td><td>Non-periodic:
1. Communication between units and organizations and work meetings.
2. Human Resource Department.
3. Employee's opinion mailbox.</td><td>1. Annual health inspection for employees.
2. Organize safety educational training week for employees.</td></tr>
<tr><td>Shareholders/investors</td><td>Business performance
Ethical management.</td><td>Quarterly: Financial report.
Annually: Shareholders' meeting.
Non-periodic: Investor conferences, phone calls to respond to investors or media; investor's mailbox.</td><td>Two investor conferences
Spokesperson respond to shareholders' inquiries from time to time.</td></tr>
<tr><td>Customers</td><td>Production management
Business performance
Product quality</td><td>Non-periodic: Video conference, customers visiting our plants for inspection, customer's mailbox.</td><td>Customers visiting our plants for inspection</td></tr>
<tr><td>Supplier</td><td>Procurement quality</td><td>Non-periodic: Procurement personnel communicates</td><td>Execution of the Statement of</td></tr>
</table></td><td>No significant deviation.</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td></td><td>with suppliers via phone calls or mails.</td><td>Supplier Code of Conduct.</td></tr>
<tr><td>Government</td><td>Legal compliance
Environmental protection
Labor security</td><td>Non-periodic: Correspondence, participation in presentations organized by the competent authority, phone call communication.</td><td>Participation in presentations organized by the competent authority.</td></tr>
</table></td><td></td></tr>
<tr><td>VI. Has the Company appointed a professional stock affairs agency to deal with affairs related to shareholders' meetings?</td><td>V</td><td></td><td>The Company has appointed "CTBC Bank Co., Ltd.", a professional stock affairs agency, to hold shareholders’ meetings and handle relevant affairs.</td><td>No significant deviation.</td></tr>
<tr><td>VII. Information disclosure
(I) Has the Company established a website to disclose information on financial operations and corporate governance?</td><td>V</td><td></td><td>(I) The Company has established a website to disclose information regarding the Company's financial, business, and corporate governance status.</td><td>No significant deviation.</td></tr>
<tr><td>(II) Has the Company adopted other information disclosure channels (e.g., establishing an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences, etc.)?</td><td>V</td><td></td><td>(II) The Company has set up an official website in the English language. The collection and disclosure of various information are handled by corresponding dedicated units. The Company has established a spokesperson and acting spokesperson system in accordance with regulations.</td><td>No significant deviation.</td></tr>
<tr><td>(III) Has the Company announced and declared the annual financial report within two months after the end of the fiscal year? Has it announced and declared the first, second, and third quarterly financial reports and operating conditions of each month as soon as possible before the prescribed period?</td><td></td><td>V</td><td>(III) The Company publishes and declares its annual financial report within two months after the end of a fiscal year, and publishes and declares its financial reports for the first, second, and third quarters as well as its monthly operating status before the specified deadline according to Article 36 of the Securities Exchange Act.</td><td>It is planned that annual financial reports will be announced and declared within the specified period as set out in the corporate governance evaluation indicators in the future.</td></tr>
<tr><td>VIII. Is there any other important information to facilitate a better understanding of the Company’s corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors’ and supervisors’ training records, implementation of risk management policies and risk evaluation measures,</td><td>V</td><td></td><td>1. Employees’ rights: The Company maintains a harmonious labor-capital relation, protects the legal rights and interests of employees according to the labor laws of the place where each site of the Company operates and provides employees with adequate education and training. The Company has not experienced any material labor-capital disputes and has never received penalties imposed by the competent authorities for material labor disputes or material violation of labor laws.</td><td>No significant deviation.</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>implementation of customer policies, and participation in liability insurance by Directors and supervisors)?</td><td></td><td></td><td>2. Employee care: The Company provides employees with reasonable remuneration and social insurance in accordance with the relevant regulations of the local government to ensure their benefits; both employer and employees have established a positive relationship characterized by mutual trust and mutual reliance.
3. Investor relations: The Company has set up a corporate website and a spokesperson system; relevant financial and business information and material information are disclosed on MOPS on a timely basis to ensure investors' rights and interests.
4. Supplier relations: The Company conducts fair business with suppliers based on ethical management and explicitly prohibits bribery from suppliers.
5. Stakeholders' rights and interests: Stakeholders may communicate with the Company and make suggestions through the channels provided by the Company in order to protect their legitimate rights and interests.
6. Continuing education for Directors and supervisors: The Directors of the Company complete the training hours as required and pay attention to corporate governance-related information at all times. The continuing education of the Company's Directors is summarized as follows:
<table>
<tr><th>Name</th><th>Training Institution</th><th>Program</th><th>Training Hours</th></tr>
<tr><td rowspan="2">Hsu, Ta-Chin</td><td>Cabinet buy center</td><td>2021 Cabinet Buy Sustainable Upgrade Online Forum"</td><td>4</td></tr>
<tr><td>The Chinese Association of Corporate Governance</td><td>Learn about related party transactions and unconventional transactions from practical cases</td><td>3</td></tr>
<tr><td rowspan="2">Lo, Lung-Shan</td><td>Cabinet buy center</td><td>2021 Cabinet Buy Sustainable Upgrade Online Forum"</td><td>4</td></tr>
<tr><td>The Chinese Association of Corporate Governance</td><td>Learn about related party transactions and unconventional transactions from practical cases</td><td>3</td></tr>
<tr><td rowspan="2">Hsu, Chen-Jung</td><td>Cabinet buy center</td><td>2021 Cabinet Buy Sustainable Upgrade Online Forum"</td><td>4</td></tr>
<tr><td>The Chinese Association of Corporate Governance</td><td>Learn about related party transactions and unconventional transactions from practical cases</td><td>3</td></tr>
<tr><td>Hsu, Wen-Chih</td><td>Cabinet buy center</td><td>2021 Cabinet Buy Sustainable Upgrade Online Forum"</td><td>4</td></tr>
</table></td><td></td></tr>
</table>

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	

	The Chinese Association of Corporate Governance	Learn about related party transactions and unconventional transactions from practical cases	3
Wu, Chung-Fern	Cabinet buy center	2021 Cabinet Buy Sustainable Upgrade Online Forum"	4
	Republic of China Securities and Futures Market Development Foundation	Intellectual property rights trade secrets	3
	The Chinese Association of Corporate Governance	Aspects of the Responsibilities of Directors and Supervisors - From the KY Case to Corporate Governance	3
	Cabinet buy center	2021 Cabinet Buy Sustainable Upgrade Online Forum"	4
Chang, An-Tso	Cabinet buy center	2021 Cabinet Buy Sustainable Upgrade Online Forum"	4
	The Chinese Association of Corporate Governance	Learn about related party transactions and unconventional transactions from practical cases	3
Huang, Po-Chia	Cabinet buy center	2021 Cabinet Buy Sustainable Upgrade Online Forum"	2
	The Chinese Association of Corporate Governance	Sharing key examples of the success or failure of digital transformation	3
	The Chinese Association of Corporate Governance	Aspects of the Responsibilities of Directors and Supervisors - From the KY Case to Corporate Governance	3

7. Implementation of risk management policies and risk measurement standards: The Company has established an internal control system and relevant management methods and implements them accordingly to reduce and prevent any possible risks.
8. Implementation of customer policies: The Company attaches great importance to customers' rights and interests, and has established a customer complaint mailbox with dedicated personnel to handle customers' issues.
9. Responsibility insurance purchased by the Company for Directors and supervisors:
   Responsibility insurance purchased by the Company for Directors is as

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<tr><td></td><td></td><td></td><td>follows:
<table><tr><th>Insure target</th><th>Insurance company</th><th>Insured amount</th><th>Insured period</th></tr><tr><td>All Directors</td><td>Nan Shan General Insurance</td><td>US$3 million</td><td>March 7, 2021 to March 7, 2022</td></tr><tr><td>All Directors</td><td>Nan Shan General Insurance</td><td>US$3 million</td><td>March 7, 2022 to March 7, 2023</td></tr></table></td><td></td></tr>
</table>

IX. Explanation on the improved status based on the results of the corporate governance evaluation announced by the Corporate Governance Center of TWSE:
The company conducts annual self-assessment in accordance with the corporate governance assessment project organized by the stock exchange, and reports the assessment results of the Securities and Foundation to the board of directors. In the 8th Corporate Governance Review in 2021, all listed companies will be ranked in the top 6%~20%

1. The company has disclosed internal rules on the company website in 2021, prohibiting insiders such as company directors and employees from profiting from information that cannot be obtained in the market, and uploading internal rules such as "Management Measures for Prevention of Insider Trading" and "Code of Ethics". Rules file.
2. The company has disclosed in the annual report and website in 2021 the implementation of the policy of diversity of board members by individual directors.
3. The company has disclosed the communication between independent directors, internal audit supervisors and accountants in the annual report and website in 2021.
4. The company has disclosed on its website in 2021 that the appointment and dismissal, evaluation, and remuneration of internal auditors have been submitted to the board of directors.
5. The company has disclosed the list of major shareholders on its website in 2021.
6. The company has disclosed financial, business and corporate governance related information on its website in 2021.
7. The company has disclosed financial, business and corporate governance related information in English on its website in 2021.
8. The company has disclosed the annual report of the shareholders' meeting, the notice of the meeting, the procedure manual and the minutes on the website in 2021.
9. The company has disclosed the integrity management policy approved by the board of directors on its website in 2021, specifying specific methods and plans to prevent dishonest behavior
10. The company has disclosed on its website in 2021 the reporting system of internal and external personnel for illegal (including corruption) and unethical behaviors

Improvements to be prioritized and measures:

Indicator	Question number and content of indicator	Improvements to be prioritized and measures
Strengthen the structure and operation of the board of directors	2.22 Does the company formulate risk management policies and procedures approved by the board of directors, disclose the scope of risk management, organizational structure and its operation, and report to the board of directors at least once a year?	The company plans to formulate risk management policies and procedures approved by the board of directors in 2022 to disclose the scope of risk management, organizational structure and its operation.

Note 2: The 2022 CPAs independence and competency evaluation chart

CPA: Name of CPAs: Kuan, Chun-Hsiu and Chang, Zhao Min-ru	Accounting Firm: KPMG Taiwan

Evaluation item	Rating	Independence Criteria
1. There is no direct or significant indirect financial interest between CPAs and the Company.	Nil	Yes
2. There is no significant and close business relationship between CPAs and the Company.	Nil	Yes
3. There is no potential employment relationship upon CPAs performing the audits for the Company.	Nil	Yes
4. There is no capital borrowing between CPAs and the Company.	Nil	Yes
5. CPAs had not accepted any gift or present with a great value exceeding general social etiquette standards from the Company and its Directors and managerial officers.	Nil	Yes
6. CPAs had not provided audit services for the Company for a consecutive seven years.	Nil	Yes
7. CPAs had not held any of the Company's share.	Nil	Yes
8. CPAs, their spouses or dependents, and their audit team were not the Company's Directors or managerial officers or held any positions that have significant effects on the audit project during the audit period or in the most recent two fiscal years, and are certain that they will not hold any of the mentioned positions in the future audit period.	Nil	Yes
9. Whether the CPAs had complied with the specifications of independence set out in Code of Professional Ethics No. 10, or the Company has obtained the "Independence Statement" issued by CPAs.	Nil	Yes

(IV) When the Company has established its Remuneration Committee, its composition, duties, and implementation status shall be disclosed:

1. Information on Members of the Remuneration Committee

condition / Name	Professional qualifications and experience	Independence situation	Number of independent directors of other public companies
Wu, Chung-Fern	5. Professor, Department of Accounting, National Taiwan University。 6. Possess a certificate of passing the National Examination for Accountants。 7. Independent Director, Everlight Chemical Industrial Corporation Independent Director, Chunghwa Precision Test Tech. Co., Ltd Independent Director, Taiwan Sugar Corporation Charity Director, Taiwan Stock Exchange。 8. None of the items in Article 30 of the Company Law。	12. Not employed by the Company or an affiliates. 13. Not a Director or supervisor of the Company or any of its affiliates. (However, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 14. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minors, or held by the person in the name of others, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in shareholdings. 15. Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship listed in (2) and (3). 16. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representatives to serve as a director or supervisor of the Company under Paragraph 1 or 2, Article 27 of the Company Act (however, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply).	3
Chang, An-Tso	6. Have more than 25 years of work experience required by the company's business. 7. National Taipei University of Education Cultural and Creative Industries Management - Part-time Associate Professor。 8. M-POWER Independent Director 9. President of BenQ Asia Pacific Corporation；VP and GM of Healthcare Business Group, BenQ Materials；Board Director, BenQ Medical Technology Corporation。 10. None of the items in Article 30 of the Company Law。	17. Not a director, supervisor, or employee of another company that the majority of its directors or the shares with voting rights are controlled by the same person (however, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 18. Not a director, supervisor, or employee of another company or an institution who is concurrently the Chairperson, President, or equivalent positions of the Company or a spouse thereof (however, if an Independent Director is engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 19. Not a director, supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company (however, if a specific company or institution holds more than 20% and no more than 50% of the total issued shares of the Company and if an Independent Director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations, this requirement shall not apply). 20. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the Company or any Affiliate of the Company for which the provider in the most recent two fiscal years has received cumulative compensation exceeding NT$500 thousand or a spouse thereof; provided. Provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, which exercises powers pursuant to the Security and Exchanges Act or the Business Mergers and Acquisitions Act or relevant laws or regulations. 21. Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company. 22. Where the person is not elected in the capacity of the government, a juristic person, or a representative thereof as provided in Article 27 of the Company Act.	1
Huang, Po-Chia	5. Have more than 10 years of work experience required by the company's business。 6. Served as Vice President of East Sun United Co., Ltd。 7. None of the items in Article 30 of the Company Law。		None

2. Responsibilities of the Remuneration Committee:

The Compensation Committee exercises the care as a prudent administrator, faithfully fulfills the following functions and powers, and submits suggestions to the Board of Directors for deliberation:

(1) Periodically evaluate the "Remuneration Committee Charter" and provide suggestions for amendment.

(2) Establish and periodically review the policies, system, standards, and structure of the annual and long-term performance evaluation and remuneration for Directors (including Independent Directors) and managerial officers.

(3) Periodically evaluate attainment status of performance goals of the Directors (including Independent Directors) and managerial officers; establish the content and amount of their individual remuneration.

3. Operations of the Remuneration Committee

(1) The Company's Remuneration Committee is composed of three members.

(2) The term of office of the current Remuneration Committee is from June 24, 2021 to June 23, 2023. A total of two (2) meetings of the Remuneration Committee were held in 2020, with the qualifications of members and attendance as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual Attendance Rate (%) (B/A)	Remarks
Independent Director (convener)	Wu, Chung-Fern	2	0	100	Re-appointed on June 24, 2020
Independent Director	Chang, An-Tso	2	0	100	Re-appointed on June 24, 2020
Independent Director	Huang, Po-Chia	2	0	100	Re-appointed on June 24, 2020

Other matters:

I. In the event the Board of Directors does not adopt or wishes to amend the proposals of the Remuneration Committee, please state the date and session of the Board meeting, the content of the proposals, resolutions results of the Board, and the Company's actions in response to opinions from the Remuneration Committee (e.g., if the salaries and remuneration approved by the Board were higher than the suggested amount from the Remuneration Committee, please state the differences and reasons): None.

II. For the decisions made by the Remuneration Committee, if there are documented records or declarations in writing of opinions from a member who vetoes or has reservations over the decisions, the date, session, content of proposals, all members' comments, and the measures for handling these comments shall be specified: None.

III. Content of proposals at the Remuneration Committee meetings in the most recent fiscal year, resolution results, and the Company's actions in response to opinions from the Remuneration Committee:

Remuneration Committee meeting	Proposal	Resolution results	The Company's actions in response to opinions from the Remuneration Committee
2th meeting of the 2st session 2021.03.16	1. Proposal of the 2020 remuneration to Directors and compensation to employees of the Company. 2. Proposal for the review of the 2020 remuneration to managerial officers. 3. Proposal for the 2021 managerial officers' remuneration policy and system. 4. Proposal for the review of the remuneration for the Chairperson and the Directors for 2020. 5. Proposal for amendments to the 2021 Directors' remuneration policy and system. 6. Amendment to the Company's "Remuneration Committee Charter."	All the members of the Committee voted in favor of the resolution.	All Directors present voted in favor of the resolution at the Board meeting.
The 3st	1. The Company's 2022 Annual	All the members of	All Directors present

meeting of the 2nd session 2021.12.29	Manager Salary and Remuneration Policy and System Proposal. 2. The Company's 2022 Director Salary and Remuneration Policy and System Proposal.	the Committee voted in favor of the resolution.	voted in favor of the resolution at the Board meeting.

3.Nomination Committee Member Information and Operational Information: Not Applicable

(V) The state of the company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance :

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>I . Whether the company has established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, and the board of directors authorizes the senior management to handle it, and reports the handling situation to the board of directors?</td><td>V</td><td></td><td>1. On December 29, 2021, the board of directors of the company appointed the director of corporate governance, and the corporate governance unit is responsible for promoting sustainable development.
2. The business unit, management unit, human resources unit, etc. promote the implementation of sustainable development related work, and the corporate governance unit is responsible for overall planning, and the corporate governance unit is subordinate to the board of directors.
3. Every year, the corporate governance unit will formulate work plans and goals for sustainable development issues: environmental sustainability, social welfare, labor rights, etc., and report the implementation status to the board of directors after the end of the year.
4. The board of directors has passed the "Code of Practice for Corporate Sustainability" to formulate the company's management policies, strategies and goals for sustainable development, and review the implementation results once a year.</td><td>No significant differences.</td></tr>
<tr><td>II. Whether the company conducts risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulates relevant risk management policies or strategies?</td><td>V</td><td></td><td>Considering the criticality of operations and the impact on major themes, the relevant risk assessment boundary is mainly based on the operating entity.
The company formulates relevant management strategies and specific implementation goals based on environmental, social and corporate governance issues related to operations
<table><tr><th>Major issues</th><th>Evaluate the content</th><th>Manage policies and execution goals</th></tr><tr><td>environment</td><td>Carbon reduction water resources castoff</td><td>1. Carbon reduction targets have been set, a greenhouse gas inventory has been established as an inventory of their emission reduction targets, and 2016 is a baseline year, and greenhouse gas emissions are planned to be reduced by 40% by 2025. Quantitative management targets are set for each greenhouse gas detail.</td></tr></table></td><td>No significant differences</td></tr>
</table>

Evaluation item	Implementation status					Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description			
					2. In terms of water resources management: water conservation, wastewater recycling, wastewater recycling and reuse part of each plant, the company launched a series of actions, including daily collection of wastewater data (RO system), installation of water meters (drainage pipe filters), analysis of water quality, installation of drainage pipes into the water supply system, preservation and summary of results. 3. Waste management: It is strictly forbidden to purchase or use raw materials and conflict minerals that are harmful to the human environment, and strengthen the recycling of chemical waste liquids, cooperate with qualified recycling manufacturers, continuously develop more environmentally friendly commodity raw materials, reduce pollutants and waste generation, and calculate the weight of waste every year to analyze the data to reduce waste production.	
			society	Customer security and privacy Supply chain management Social care Human rights at work Safe workplace	1. Ensure that the product complies with safety regulations. 2. Confidentiality agreements for customer privacy to protect stakeholders. 3. Suppliers are encouraged to fulfill their responsibilities for sustainable development in addition to their quality, technology and delivery capabilities. 4. Refer to international	

Evaluation item	Implementation status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			norms to develop our labor rights policy. 5. Insure employee accident insurance for the factory area. Corporate Governance / Corporate Governance Compliance: 1. Continue to deepen corporate governance policies 2. Grasp the revision of the decree to review the internal norms, comply with the provisions of the ordinance, and reduce the risk of non-compliance.	
III. Environmental Issues (I) Has the Company established a suitable environmental management system based on its industrial characteristics?	V		(I) The Company has established an appropriate environmental management system based on the characteristics of its industry, and set standards for various issues in accordance with the local environmental protection requirements, such as noise, dust in the air, and wastewater treatment. The Company also regularly engages a just third party to test relevant data; the testing results comply with standards required by customers and local regulations.	No significant differences.
(II) Has the Company committed to improving the efficiency of utilizing various resources and using recycled materials with low impacts on the environment?	V		(II) The Company is committed to improving the utilization efficiency of resources: 1. Build the solar roof to reduce carbon emission volume by using solar power. 2. Build sewage processing equipment. 3. Promote the e-system for document management to reduce paper-based operations. 4. Recycle and reuse the zinc-aluminum waste produced during the process with third parties. 5. Strictly prohibit the procurement or use of raw materials that are harmful to human bodies and the environment and reinforce the recycling and processing of chemical liquid waste; meanwhile, require major suppliers to cooperate with the policy of green manufacturing.	No significant differences.
(III) Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and	V		(III) The Company identifies potentials risks brought by climate change and performs evaluations based on the operating activities of the organization and the interactive relationships with the environment. After	No significant differences.

<table>
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<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>taken measures to respond to climate-related issues?</td><td></td><td></td><td>determining the risk, the Company then determines countermeasures and relevant management methods; for details of actual measures, please see the explanations under (IV) below.</td><td></td></tr>
<tr><td>(IV) Has the Company calculated its GHG emissions, water consumption, and total waste weight in the past two years, and formulated policies for energy conservation, reductions of carbon, GHG and water consumption, or other waste management?</td><td>V</td><td></td><td>(IV) The company strives to implement the policy of saving water and electricity, and formulates policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste management, sets carbon reduction targets, and regularly counts carbon emissions, water consumption and water consumption every year Waste discharge to review implementation effectiveness.
1. Greenhouse gas emissions: The company's main energy consumption comes from purchased electricity for production and manufacturing. The Company attaches great importance to global climate change and greenhouse gas (GHG) emissions, has established a greenhouse gas inventory as an inventory of its emission reduction targets, and plans to reduce greenhouse gas emissions by 40% by 2025 with 2016 as the base year. Quantitative management targets are set for each greenhouse gas detail. Implementation of plans and quantitative management targets for each year, GHG emissions for the past two years:
<table>
<tr><th rowspan="2">Source</th><th colspan="2">2020</th><th colspan="2">2021</th></tr>
<tr><th>Volume (ton Co2eq /Year)</th><th>%</th><th>Volume (ton Co2eq /Year)</th><th>%</th></tr>
<tr><td>Electricity</td><td>5,795.43</td><td>71.77</td><td>5918.765</td><td>70.31</td></tr>
<tr><td>LPG</td><td>2,271.46</td><td>28.13</td><td>2493.01</td><td>29.61</td></tr>
<tr><td>Refrigerants</td><td>2.64</td><td>0.03</td><td>0.982</td><td>0.01</td></tr>
<tr><td>Diesel</td><td>4.38</td><td>0.05</td><td>5</td><td>0.06</td></tr>
<tr><td>Gasoline</td><td>0.76</td><td>0.01</td><td>0.57</td><td>0.01</td></tr>
<tr><td>Total</td><td>8,075</td><td>100</td><td>8,418</td><td>100</td></tr>
</table>
The company 2021 GHG emissions were 8,418 tons, a reduction of 549 tons from the planned target, demonstrating the company's significant performance in carbon reduction policies. In addition, in 2021, the construction of solar roofs will be implemented to use alternative energy sources to protect the environment</td><td>No significant differences.</td></tr>
</table>

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<tr><td></td><td></td><td></td><td>and save electricity consumption and reduce carbon emissions, so as to reduce the impact of manufacturing on climate and environmental change.
Construction of the second phase of the solar roof began in 2021 and approximately THB 25 million has been invested as of FY2021
Installation of the second phase of solar panel roof, energy saving and carbon reduction performance:
Electricity used in 2020 totaled 2,145,799.5kWh;
Carbon emissions in 2020 were 1,201,647 mt
Reduced to 1,951,897.9kWh in 2021
Carbon emissions in 2021 will be 1,093,062 mt
2. Water resources: In view of the extreme climate in recent years, the global rainfall due to uneven rainfall caused by excessive concentration of rainfall, resulting in an increase in the probability of flooding and drought, The company is well aware of the importance of water resources, its policy:
(1) Each plant conserves water
(2) Wastewater recycling
For the wastewater reuse segment, The company launched a series of actions, including the daily collection of wastewater data (RO system), ... Install water meters (drainage filters), analyze water quality, install drainage pipes into water supply systems, save and summarize results, etc.
Water consumption in the past two years:
<table><tr><td></td><td>2020</td><td>2021</td></tr><tr><td>Volume (m3 / Year)</td><td>200,118</td><td>223,096</td></tr></table>
3. Waste: The company has been adhering to the purpose of green manufacturing, in 2014, it has obtained the thai government certification of green enterprises, it is strictly forbidden to purchase or use raw materials and conflict minerals harmful to the human environment, and strengthen the recycling of chemical waste liquids, cooperate with qualified recycling manufacturers, and</td><td></td></tr>
</table>

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<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td></td><td></td><td></td><td>continuously develop more environmentally friendly commodity raw materials to reduce pollutants and waste. Amount of waste in the last two years:
<table><tr><td></td><td>2020</td><td>2021</td></tr><tr><td>Kg/year</td><td>618,298</td><td>988,989</td></tr></table>
.</td><td></td></tr>
<tr><td>IV. Social Issues
(I) Has the Company formulated management policies and procedures following relevant regulations and international human rights treaties?</td><td>V</td><td></td><td>(V) The Company has formulated labor norms with reference to the spirit of international human rights laws such as the International Human Rights Convention and the International Labour Organization-Declaration on Fundamental Principles and Rights at Work, and has complied with local labor laws and regulations
<table><tr><th>project</th><th>scheme</th></tr><tr><td>Child labor is prohibited</td><td>The company explicitly prohibits child labor and gender discrimination, and implements various measures to promote equality at work.</td></tr><tr><td>Forced labor is prohibited</td><td>If the company has the necessary time to extend the working hours of the employees outside the normal working hours, after obtaining the consent of the employee himself, the working hours shall be extended, and the extended working hours shall be increased in accordance with the wage standards for the extension of the working hours in accordance with the local labor law. The company shall not force employees to perform unintended labor and set up channels for appeal.</td></tr><tr><td>Freedom of assembly and association of employees</td><td>The Company respects the right of employees to form associations or groups in any form. Participation in the negotiation process under non-violation of the law includes participation in legal procedures.</td></tr><tr><td>Equality of human rights</td><td>The company respects differences, treats employees equally, prohibits unfair benefits or deprives employees of their rights. Equal respect for race, religion, social status, gender, age, politics and marital status.</td></tr></table></td><td>No significant differences.</td></tr>
</table>

Evaluation item	Implementation status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(II) Has the Company formulated and implemented reasonable employee benefits measures (including compensation, days-off, and other benefits, etc.), and appropriately link the operating performance or results to employee compensation?	V		<table><tr><td>Oppose discrimination, bullying and harassment</td><td>The company has not violated major labor regulations and has no labor disputes.</td></tr><tr><td>Caring for vulnerable workers</td><td>Employ a certain percentage of disadvantaged employees.</td></tr></table>’“”’. (II) The Company has established reasonable employee benefit measures (including salaries, leaves, and other benefits) and reflected annual performance appraisal of employees in their salaries and bonuses, while complying with the local labor regulations and appropriating funds for labor insurance, pensions, and social welfare funds in accordance with the local regulations where it operates. The Company also appropriate labor insurance, retirement pension, and social welfare fund according to local requirements. The particular employee benefit measures are as follows 1.The Company holds a year-end party every year and organizes employee gathering events and employee travel from time to time. 2. Commuter’s bus. 3. Employee’s uniform. 4. Staff canteen. 5. Construction of employee dormitory. 6. Bonuses for perfect attendance. 7. Subsidies for weddings and funerals 8. Provide social insurance funds, provident funds, compensation funds and employee welfare funds to protect employee-related benefits according to law. (III) 1. The Company regularly tests the plant environment and fir-fighting safety and engages a fair third party to test the environment, noise, dust, Air Emission Detection. Noise detection: Once a year. Air Dust: Once a year. Air emissions testing: every two years. 2. Purchase accident insurance for employees working in the plant.	No significant differences

Evaluation item	Implementation status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(III) Has the Company provided a healthy and safe work environment, and has it organized health and safety training for its employees on a regular basis?	V		3. Hold employee safety week activities every year to promote safe operation and professional knowledge. 4. Hold employee health check every year. 5. Duly perform the safety and health management: for hardware equipment: Safety and health risk evaluations are performed by relevant units of process, plant affairs, IT, and general affairs. Establish construction safety control, chemical safety management, and safety audit systems. 5. Annual disaster prevention drills and occupational safety training. 6. A clinic is in place at the plant. (IV) According to the work objectives and functional needs of each department, the Human Resources Department assists the head of each department in arranging education and training courses, formulates promotion evaluation standards for each rank, and implements the goal plan of cultivating, retaining, and utilizing talents. In terms of human resources training, for new employees, the company provides pre-employment training according to their functions to help them adapt and be competent for their jobs. For on-the-job employees, various professional vocational training courses, such as internal and external, are implemented irregularly according to the work needs. 1. Internal training: It is divided into new recruit training, relocation training and current job update. For example, new employees on the production line watch the company's self-made teaching videos and the production line supervisor's explanation and guidance, so that new employees can enter the situation faster and shorten the learning curve. 2. External training: arrange different training courses according to each function: for example, in business, participate in product quality training courses organized by customers, customer specification training courses; production management level participates in friendly factory visits to exchange production management and manufacturing processes, and other Corporate governance and professional courses required by	No significant differences

<table>
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<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>(IV) Has the Company established effective career development and training plans for its employees?</td><td>V</td><td></td><td>competent authorities.
(V)
1. The company's product labeling is in compliance with relevant laws and regulations
2.Non-disclosure agreements were signed for customer privacy.
3. The Company passed ISO 9001, GSV, and SQP certifications.
4.The Company has established a stakeholder section on its website and provides complaint channels for investors, suppliers, and customers.
(VI)The Company regularly performs evaluations on suppliers.
The Company requires suppliers to sign non-disclosure agreements and letters of consent for issues of environmental protection, occupational safety and health, or labor human rights. The Company may terminate the cooperation when suppliers involve in violating CSR, environmental protection, and labor rights.
<table><tr><th>Supplier Policy</th><th>request</th><th>implement</th></tr><tr><td>environmental protection</td><td>1. Suppliers must comply with the relevant environmental protection laws and regulations of the local government such as air pollution control, water pollution control, waste and toxic substance management, etc., and if there is a violation of laws and regulations, they must submit improvement plans in a timely manner.
2. Ensure that its products do not contain internationally prohibited substances harmful to the environment, and ensure that the products meet the requirements of customers and relevant international laws and regulations.
3. Purchase non-conflicting</td><td>Suppliers are required to issue inspection certificates for important raw materials, and suppliers are required to provide declarations and inspection reports to prove that their products do not contain internationally prohibited substances harmful to the environment, and to ensure that products comply with the</td></tr></table></td><td>No significant differences</td></tr>
<tr><td>(V) Has the Company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing, and labeling, and formulated relevant consumer protection policies and grievance procedures?</td><td>V</td><td></td><td></td><td>No significant differences</td></tr>
<tr><td>(VI) Has the Company formulated a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety</td><td>V</td><td></td><td></td><td></td></tr>
</table>

Evaluation item	Implementation status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
and health, or labor rights? And, how well are those policies implemented?			raw materials / requirements of customers and relevant international laws and regulations.	
V. Has the Company, following internationally recognized principles or guidelines, prepared and published reports such as its sustainable development report to disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third-party accreditation institution?		V	The Company has not yet prepared a sustainable development report, but relevant information on corporate social responsibility has been disclosed in the Annual Report and on the Company’ s website.	The Company will evaluate whether to prepare the sustainable development report based on needs in the future.
VI. Where the Company has established the Corporate Social Responsibility Best Practice Principles based on the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies," please describe any deviation from the Principles and their implementation: The Company has formulated the Corporate Social Responsibility Best Practice Principles and continues to implement them in accordance with relevant regulations. There is no significant difference from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.				
VII. Other important information to facilitate a better understanding of the company's Corporate Social Responsibility practices: 1. Environmental Protection: (1) To save energy, the Company installed the solar roof for power generation. The phase I solar roof was completed and put into use in 2020, The second phase of the solar roof has started construction in 2021. As of 2021, about 25 million baht has been invested in the installation of the second phase of the solar panel roof. The achievements of energy saving and carbon reduction: In 2020, a total of 2,145,799.5kWh of electricity was used; 1,201,647mt of carbon emissions in 2020 Reduced to 1,951,897.9kWh in 2021 1,093,062mt of carbon emissions in 2021 . 2. Public Welfare: (1) Donated 50 medical mattresses, 10,000 masks and 300 drinking water to local hospitals in Thailand during the COVID-19 period, and mobilized 30 employees to assist in the placement of hospital beds and related materials. (2) Mobilized 50 person human resources and provided funds to assist local schools in Thailand in repairing their corridors and roof.				

Evaluation item	Implementation status			Deviations from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
(3) Donated 500 doses of rapid screening reagents to local schools in Thailand during the COVID-19 period. (4) Sponsored fruits to Taiwan and other baby social welfare associations, providing fresh fruits for disadvantaged children in nursery institutions; sponsoring the Happy Learning Association of the Republic of China to accompany disadvantaged children to learn and grow, and provide free after-school tutoring for economically disadvantaged elementary and middle school students. 3. Employee benefits: The company purchased the new crown pneumonia vaccine at its own expense about 2.5 million baht, and vaccinated all employees with two doses of the new crown pneumonia vaccine. 4.Care for the Vulnerable: The Company hires a certain percentage of people with disabilities as employees. 5. Company Certification: (1) Product Quality: ISO-9001 (2) Global Safe Supply Chain: GSV (3) Qualified Supplier Plant Inspection: SQP				

(VI) Compliance with ethical corporate management and deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof:

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Has the Company established the ethical corporate management policies approved by the Board and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board and senior management to rigorous and thoroughly implement such policies?	V		(I) The Company has formulated its "Ethical Corporate Management Best Practice Principles," the "Procedures for Ethical Management and Guidelines for Conduct," and "Codes of Ethical Conduct for Directors and Managerial Officers," which have been approved by the Board of Directors as the Company’s policy and guiding principles for ethical corporate management.	No significant differences.
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly, which shall at least include preventive measures against the behaviors as stipulated in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(II) The Procedures for Ethical Management and Guidelines for Conduct includes preventive measures against the behaviors as stipulated in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," and the Company has specified various operating methods for handling violations of ethical corporate management, rewards, and disciplinary actions, complaints, and records of disciplinary actions. If an employee receives a bribe or encounters an anti-bribery incident, his/her supervisor can submit a disciplinary action or reward immediately, and the relevant systems are implemented as required. It also stipulates that the Company’s personnel shall not, directly or indirectly, provide, promise, demand, or accept any improper benefits or conduct any conduct that violates integrity, legality, or fiduciary duty during the course of business behavior. It is included in the items for the annual audit.	No significant differences.
(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?	V		(III)In the Procedures for Ethical Management and Guidelines for Conduct, the Company has specified the operating procedures, conduct guidelines, disciplinary actions for violations, and complaint and grievance systems, and has reviewed them on a regular basis.	No significant differences.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
II. Fulfillment of Ethical Corporate Management (I) Has the Company evaluated business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	V		(I) Before conducting transactions with a counter-party, the Company will do its best to understand the status of its integrity management through proper inspection, bank information, and business registration inquiry. The Company also required suppliers to sign a declaration with content involving ethical management of environmental protection and labor safety.	No significant differences.
(II) Has the Company set up a dedicated unit under the Board to promote ethical corporate management and regularly (at least once every year) reported to the Board the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V		(II) In order to improve the management of integrity management, the corporate governance unit is responsible for the formulation and implementation of integrity management policies. Directors, managers, employees, employees and actual controllers are required to abide by laws and regulations when performing business, and should be based on the Integrity management principle, conduct business activities in a fair and transparent manner, prohibit bribery and accept bribes, prohibit illegal political donations, prohibit improper charitable donations or sponsorships, prohibit unreasonable gifts, entertainment or other illegitimate benefits, prohibit infringement of intellectual property rights , Prohibit engaging in unfair competition behaviors, prevent products or services from harming stakeholders and other inappropriate behaviors, and regularly evaluate and follow relevant business processes, submit reports to the audit committee and report to the board of directors on a regular basis. In order to promote honest management, the main duties of the corporate governance unit are as follows: 1. Assist in integrating ethics and moral values into the Company's business strategies, and formulate anti-fraud measures to ensure ethical management in compliance with the laws and regulations. 2. Regularly analyze and assess the risks of unethical conduct in the scope of business and adopt corresponding programs to prevent unethical conduct, as well as establish standard operating procedures and guidelines for conduct with respect to the Company's	No significant differences.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
			operations and business in each program. 3. Plan internal organization, structure, and allocation of responsibilities and establish check-and-balance mechanisms for mutual supervision of business activities within the Company's scope of business which may be at a higher risk of unethical conduct. 4. Promote and coordinate awareness and educational activities with respect to ethical policies. 5. Develop a whistle-blowing system and ensure its effective implementation. 6. Assist the Board of Directors and senior management in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical management are carried out effectively, and prepare reports on the regular assessment of compliance with ethical management in operating procedures. 7. Compile and keep documented information related to ethical management policies and statements of compliance, implementation of commitments, and status of implementation.	
(III)Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		(III)In the "Procedures for Ethical Management and Guidelines for Conduct," the Company has stipulated regulations on avoidance of conflicts of interest to prevent personnel from making decisions that are not in line with the Company's ethical principle. In case of any employee's violation of the relevant regulations, the relevant investigation department and decision-making supervisor will give the party involved an opportunity to fully state the case before the Company decides the formal disposal of the matter, and the complaint mailbox is also available on the Company's website.	No significant differences.
(V) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of the assessment of the risk of involvement in unethical conduct, devise relevant audit plans, and audit the compliance with the prevention programs accordingly or entrusted a CPA to	V		(IV) The Company has established relevant internal control systems to eliminate, as much as possible, opportunities to induce employees to commit mistakes. The audit unit performs necessary audits regularly. The audit office regularly and irregularly provides audits on the	No significant differences.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
conduct the audit?			company's operating results and inspects and evaluates the activities of the organization, and performs audit operations and audit reports. The relevant audit reports are regularly sent to independent directors for review. So far, there has been no corruption or fraud in the company.	
(V)Has the Company regularly organized internal and external educational training on ethical management?	V		(V) The Company's dedicated unit holds an internal promoting event once a year, and the Chairman, the President, or the senior management would convey the importance of integrity to Directors, employees, and appointees. The company regularly conducts education, training and publicity for directors, managers, employees, appointees and substantive controllers. The integrity management policy should be combined with employee performance appraisal and human resources policies, and a clear and effective reward and punishment system should be established.	No significant differences.
III. Status of enforcing whistle-blowing systems in the Company				
(I) Has the Company established specified whistleblowing and incentive systems and convenient whistleblowing channels? Are appropriate personnel assigned to the accused party?	V		(I) The Company specified its whistleblowing and incentive systems in the "Procedures for Ethical Management and Guidelines for Conduct" and announced the whistleblowing channels on the Company's website, where the audit unit is responsible for convening relevant personnel to collect all necessary evidence and report to the police and investigation authorities if necessary.	No significant differences.
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	V		(II)The Company established the standard operating procedures for the investigation of reported cases, subsequent measures to be adopted after the investigation, and relevant confidentiality systems in the "Procedures for Ethical Management and Guidelines for Conduct." In the case of discovery or receipt of reports of unethical conduct of the Company’s personnel, there are standard operating procedures in place with written statements that the identity of the whistleblower and the content of the reported case shall be kept confidential.	No significant differences.
(III)Has the Company provided protection to whistleblowers against	V		(III) The Company stated the responsibility for the confidentiality and protection of the whistleblowers in	No significant differences.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Description	
receiving improper treatment?			the "Procedures for Ethical Management and Guidelines for Conduct" to prevent them from being mistreated s as a result of the whistleblowing.	
IV. Enhanced disclosure information (I) Has the Company disclosed its Ethical Management Best Practice Principles and the results of its implementation on the Company's website and MOPS?	V		The Company has formulated its "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct," which are fully disclosed on MOPS.	No significant differences.
V. Where the Company has established its own Ethical Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies," please describe any derivation from the Principles and its operations: No material discrepancy.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management operations: (e.g., review and amend its Ethical Management Best Practice Principles) The Company' s business philosophy is to "uphold high standards of professional ethics based on the principle of integrity." In the employee handbook, all employees are required to clearly understand and comply with the code of ethics and personal integrity, and the "Code of Ethical Conduct for Directors and Managerial Officers" stipulates that the Directors of the Company shall perform their duties in good faith and comply with professional standards. Meanwhile, in order to establish a corporate culture of ethical management and sound development, and to establish a good business operation model, the Company has formulated the "Ethical Corporate Management Best Practice Principles." The Company stipulates the content and methods of unethical conduct prevention and the disciplinary actions for violations and clearly defines the complaint channels in the "Code of Business Conduct and Ethics." In addition, it offers employees education and training during the declaration of conflicts of interest each year to implement various regulations as required. The operation and execution contents of 2021 are as follows: 1.In March 2021, the company's "Code of Ethics and Conduct for Directors and Managers" was revised, specifying that the company should formulate a specific whistle-blowing system, allowing anonymous whistle-blowers, and letting employees know that the company will do its best to protect the safety of whistleblowers from retaliation. The amendments were approved by the board of directors and reported to the shareholders meeting. 2.To educate directors and managers. In 2021, we will carry out education and publicity on "Internal Material Handling Procedures", reminding that precautions should be taken before and after receiving major news to avoid violating laws and regulations, and insider trading should be the focus of publicity; arrange directors and managers to take a course on integrity management "From practical cases" Understand related party transactions and non-routine transactions", and avoid unfair interests when engaging in business activities. 3.Complete the supplier integrity transaction and sign the integrity commitment letter. 4.The reporting mailbox on the company's official website will have zero reporting events in 2021; the HR reporting mailbox will have zero reporting events in 2021. 5.In the internal audit process this year, no abnormality has been found in the following key items of the integrity management policy: the audit results have been reported to the board of directors:others provide benefits、Promise or offer facilitation payments to others . make political contributions、Make a charitable donation or sponsorship、Inquiry or disclosure of trade secrets or intellectual property.、fair trade、international compliance、Securities insider trading.、Contact object management				

(VII) The Company shall disclose the access to the Company's Corporate Governance Best Practice Principles and relevant rules and regulations:
The Company has established the Corporate Governance Best Practice Principles and relevant regulations, which are disclosed on MOPS.

(VIII) Other important information that is sufficient to enhance the understanding of the operation of corporate governance shall also be disclosed:
None.

(IX) The following matters related to the execution of the internal control system shall be disclosed:

1. Statement of Internal Control: Please see #page 56#.

2. The auditor's review report shall be disclosed for companies engaged CPAs to perform project audits on their internal control systems: Please see #page 57#.

(X) Where the Company or its any internal person was punished according to law, or the company punished its any internal person resulting from violations of internal control system by the person, in the most recent fiscal year and as of the publication date of the Annual Report, and the punishment result may have a significant impact on shareholders' equity or securities prices, please specify the contents of the punishment, the main deficiencies, and its correction: None.

Thai Kin Co., Ltd.
Statement of Internal Control System

Date: March 21, 2022

For the internal control system from January 1, 2021 to December 31, 2021, based on the results of self-evaluation, the Company hereby stated as follows:

I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board and managerial officers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance, and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.

II. The internal control system has innate limitations. No matter how robust and effective the internal control system, it can only provide reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, the internal control system of the Company has self-monitoring mechanisms in place, and the Company will adopt corrective actions against any defects identified.

III. The Company uses the assessment items specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. Based on the process of management, the assessment items specified in the "Regulations" divide the internal control system into five constituent elements: 1. control environment; 2. risk assessment; 3. control operations; 4. information and communication; and 5. monitoring operations. Each constituent element includes a certain number of items. Please refer to the "Regulations" for the aforesaid items.

IV. The Company has adopted the aforementioned Regulations to evaluate the effectiveness of its internal control system design and operating effectiveness.

V. Based on the above results of the evaluation, the Company considers that the internal control system from January 1, 2021 to December 31, 2021 (including the supervision and management of subsidiaries), including the understanding of the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective, and may reasonably assure the achievement of the above goals.

VI. In accordance with Article 25 of the "Regulations" and Article 8 of the "Taipei Exchange Operation Directions for the Administration of TPEx Primary Listed Companies, the Company," the Company appointed CPAs to conduct a project audit of the aforementioned internal control system with respect to external financial reporting and safeguarding of asset security (preventing unauthorized acquisition, use, and disposition of assets). The CPAs informed that the internal control systems are effectively designed and operating with neither material defects in the recording, handling, summarizing of financial information or reliability of the financial report nor material defects in protecting the asset security or unauthorized acquisition, use, and disposition of assets.

VII. The Statement will form an integral part of the Annual Report and the Prospectus of the Company and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VIII. The Statement was passed at the Board meeting on March 21, 2022. Hereby stated that zero of the seven attending Directors held a dissenting opinion and the remaining Directors agreed on the content of the Statement.

Thai Kin Co., Ltd.
Hsu,
Ta-Chin
Chairperson: (signed or sealed)
President: (signed or sealed)
Hsu,
Chen-Jung

Review Report on the Evaluation of the Internal Control System

Attached is the Statement of Internal Control System (ICS) issued by Thai Kin Co., Ltd. and its subsidiaries on March 16, 2021, which upon evaluation is relevant to its internal control over external financial reporting and safeguarding of assets. The statement on the ICS designed and implemented as of December 31, 2021 is effective in all material respects as reviewed by our certified public accountants (CPAs). Maintaining an effective internal control system and evaluating its effectiveness is the responsibility of the Company's management. The responsibility of our CPAs is to comment on its effectiveness based on evaluation, and of internal control system in listed companies.

Our CPAs have planned and performed the audit in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and the Generally Accepted Accounting Principles (GAAP) to ensure that the Company's internal control system is effective in all material aspects. This inspection includes an understanding of the Company's internal control system, evaluating the process of the management's assessment on its overall effectiveness, testing and evaluating the effectiveness of the design and practices of the internal management system, and other audit procedures as our CPAs see it fit. Our CPAs believe that this audit procedure will serve as a reasonable proof of assessment.

Any internal control system is subject to inherent limitations. Hence, the aforementioned ICS of Thai Kin Co., Ltd. and its subsidiaries may not prevent or detect error or fraud that has occurred. In addition, future environment may change, and compliance with the internal control system may also decrease; hence, a current effective internal control system may not be as effective in the future too.

Based on the assessment items for the effective ICS in accordance with “Regulations Governing Establishment of Internal Control Systems by Public Companies”, we give the opinion that Thai Kin Co., Ltd. and its subsidiaries maintained, in all material aspects, effective ICS over external financial reporting and safeguarding of assets in terms of design and implementation as of December 31, 2021. We evaluate that the ICS statement, which is issued by Thai Kin Co., Ltd. and its subsidiaries on March 21, 2022 and declares that the design and implementation of the ICS over external financial reporting and safeguarding of assets are effective in all material respects and are all presented fairly.

Review Report on the Evaluation of the Internal Control System

Thai Kin Co, Ltd. and its subsidiaries have complied with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and related regulations. Relevant operating procedures shall have been formulated for the acquisition or disposal of assets, the trading of derivatives, the management of fund lending to others, the management of endorsement or guarantee for others, the management of related party transactions, the management of financial statement preparation process, and the supervision and management of subsidiaries.

KPMG Taiwan

March 21, 2022

(XI) Major resolutions of shareholders' meeting and Board meetings in the most recent fiscal year and as of the publication date of the Annual Report:

Shareholders' meetings or boards of directors	date	Important resolution matters
2021 Annual General Meeting of Shareholders	2021/08/18	1.Acknowledgement of 2020 annual business reports and financial statements. Enforcement situation: The relevant forms have been required to go through the preparation and announcement declaration to the competent authorities in accordance with the law. 2.Recognition of the 2020 annual surplus distribution. Implementation: Assignment has been completed in accordance with the content of the resolution. 3. By amending the Articles of Association of the Company. Implementation: Effective after the resolution of the shareholders' meeting, the relevant handling procedures shall be implemented in accordance with the revised measures. 4. Adopt amendments to the rules of procedure of the shareholders' meeting of the Company. Implementation: Effective after the resolution of the shareholders' meeting, the relevant handling procedures shall be implemented in accordance with the revised measures. 5. Approved amendments to the Company's "Election Method for Directors". Implementation: Effective after the resolution of the shareholders' meeting, the relevant handling procedures shall be implemented in accordance with the revised measures. 6. Lift the non-compete restriction for new directors Implementation: The Public Information Observatory releases material information after the resolution of the shareholders' meeting.
The 3rd And 5th Board of Directors	2021/03/16	1. 2020 Annual Directors' Remuneration and Employee Remuneration Case. 2. 2020 annual business report and consolidated financial statements. 3. The Company's 2020 annual surplus distribution. 4. The Company's 2020 annual cash dividend case 5. Statement of the Company's internal control system for 2020. 6.. Review of the Company's 2020 Manager Remuneration Bill.

Shareholders' meetings or boards of directors	date	Important resolution matters
		7. The Company's 2021 Annual Manager Salary and Remuneration Policy and System. 8. Review of the Remuneration of the Chairman and Directors of the Company in 2020. 9. The Company's 2021 Directors' Remuneration Policy and System. 10. The Company provided an endorsement guarantee for its subsidiary, Royal Finishing, to apply to China Trust Commercial Bank for renewal of its short-term comprehensive financing facility. 11. The Taiwan branch of the British Cayman Islands Shangtaijin Investment Holdings Co., Ltd., a subsidiary of the Company, intends to apply to China Trust Commercial Bank for the renewal of the short-term financing line due for discussion. 12. The Company intends to apply to Shanghai Commercial And Savings Bank for the renewal of the short-term financing line due. 13. The Taiwan branch of the British Cayman Islands Shangtaijin Investment Holdings Co., Ltd., a subsidiary of the Company, intends to apply to Citi Commercial Bank for the renewal of the short-term comprehensive financing line due for discussion. 14. Evaluate the independence and competence of the Company's visa accountants in 2021. 15. Appointment and Remuneration of The Company's Financial Report visa accountant. 16. Lifting of the non-compete case against the current independent directors of the Company. 17. Amend the Articles of Association of the Company. 18. Amend the Rules of Procedure of the Board of Directors of the Company. 19. Amend the rules of procedure of the Shareholders' Meeting of the Company 20. Amendment to the Company's "Election Of Directors". 21. Amendments to the Organizational Procedures of the Audit Committee of the Company.

Shareholders' meetings or boards of directors	date	Important resolution matters
		22. Amendments to the Constitution of the Remuneration Committee of the Company. 23. Amended the Rules Governing the Scope of Duties of Independent Directors of the Company. 24. Amendment to the Company's Measures for Evaluating the Performance of Directors. 25. Passed amendments to the Company's Code of Ethical Conduct for Directors and Managers. 26. Stipulate the internal control operations related to the management of the operation of the Company's Salary and Remuneration Committee, the management of the deliberations of the Audit Committee, and the management of the management of the deliberations of the Board of Directors 27. Establish the Company's "Regulations Governing the Application of International Accounting Standards" 27. By convocation of the Company's 202 1Style of Shareholders' Meeting on Matters Related to the Case
The 3rd 6th Board of Directors	2021/05/11	1. The Company's capital loan to Thai subsidiary Royal Finishing Co., Ltd.
The 7th Board of Directors of the 3rd Term	2021/07/20	1. Postpone the convening of the 110-year ordinary meeting of shareholders of the Company.
The 3rd 8th Board of Directors	2021/08/24	1. Consolidated financial statements of the Company for the second quarter of 2021. 2. The Company re-signed with China Trust General Securities Co., Ltd. the "First Order on the First Coming of Shares to Taiwan Follow the Advisory Agreement". 3. The Company re-signed with China Trust General Securities Co., Ltd. the "Issuance of New Shares for Cash Capital Increase in 2020 and the First Unsecured Conversion of Corporate Bonds in the Republic of China to Follow the Agreement of Consultants".

Shareholders' meetings or boards of directors	date	Important resolution matters
The Ninth Board of Directors of the Third Term	2021/11/10	1. The Company's surplus distribution for the first half of 2021. 2. Mr. Xu Dajin, executive director of Royal Finishing, authorized subsidiary, to supervise and control the risks of the subsidiary's trading in derivatives. 3. Revise the Company's Measures for the Administration of The Financial Statement Preparation Process and related internal control operation processes.
The 3rd and 10th Board meeting	2021/12/29	1. The Company's2022 annual budget report. 2. Approved the Company's 2022 annual audit plan. 3. Through the Company's Thai subsidiary, Royal Finishing Co., Ltd., Ltd funds were lent to Thai subsidiary Paokin Co., Ltd. 4. Revise the "Computerized Information System Handling Procedures" and related internal control operation processes of the Company and its subsidiaries. 5. Appointment of the Company's Corporate Governance Supervisor. 6. Proposed to appoint external experts to perform the 2021 Performance Evaluation of the Board of Directors. 7. The Company's 2022nd year manager salary and remuneration policy and system case. 8. The Company's 20222nd Year Directors Remuneration Policy and System.
The 3rd 11th Board of Directors	2022/3/21	1. Passed the Company's2021 Annual Directors' Remuneration and Employee Remuneration Case. 2. Approved 20 21annual business report and consolidated financial statements 3. Passed the Company's 2021 annual surplus distribution bill 4. Through the Company's 2021 second half of the cash dividend case 5. Passed the Company's2021 Annual Internal Control System Statement 6. Approved a review of the Company's 2021 Year Manager Remuneration Case 7. Approved a review of the Remuneration of the Chairman and Directors of the Company for 2021

Shareholders' meetings or boards of directors	date	Important resolution matters
		8. Case of replacement of visa accountant due to internal work scheduling of an accounting firm. 9. Appointment and remuneration of the Company's 2022 financial report visa accountant. 10. The results of the 2022 independence and competence assessment of the company's visa accountants. 11. Lifting the non-compete case of the current independent directors of the Company. 12. Passed the amendment of the Articles of Association of the Company. 13. By amending the Company's "Procedures for Handling the Acquisition or Disposal of Assets". 14. By amending the Company's Code of Practice on Corporate Governance. 15. By amending the Company's Code of Practice for Corporate Social Responsibility 16. Adopt amendments to the rules of procedure of the Shareholders' Meeting of the Company 17. By convening the Company's 20222 Ordinary Meeting of Shareholders' Meeting related matters and shareholders' proposal rights

(XII) Where Directors have any dissenting opinions of any resolution adopted by the Board, which are recorded on documents or written statements, in the most recent fiscal year and as of the publication date of the Annual Report, the main content of the said resolutions: None.

(XIII) Resignation of Chairperson, President, head of accounting supervisor, head of finance, Chief Internal Auditor, corporate governance officer, and head of R&D in the most recent fiscal year and as of the publication date of the Annual Report: None

V. Information on CPA Professional Fees

(I) Where non-audit fees are paid to the CPAs, the CPAs' accounting firms, and their affiliates exceeding 25% of the audit fees, the dollar amount of audit, and non-audit fee, and services rendered for the non-audit fee shall be disclosed.

CPA firm	Name of CPAs		Audit period	Audit fee	Non-audit fee	Total	Remarks
KPMG, Taiwan	Kuan, Chun-Hsiu	Chang, Chun-I	From January 1, 2021 to December 31, 2021	4,350	1,540	5,890	non-audit services included NT$1,370 thousand for a project audit of the internal control system ;Tax: NT$50 thousand and NT$120 thousand for transfer pricing. Bond

(II) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons thereof shall be disclosed: None.

(III) Where the accounting fee paid for the year was 10% (or more) less than that of the previous fiscal year, the sum, proportion, and cause of the reduction shall be disclosed. The audit fee referred to in the first item means the fee paid by the Company to CPAs for auditing, review, and secondary review of financial reports, financial forecast review, and tax certification: None.

VI. Information on Replacement of CPAs: None.

VII. Information on the Company's Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters Having, during the Most Recent Fiscal Year, Held a Position at the Accounting Firm of Its CPA or an Affiliate of Such Accounting Firm: None.

VIII. Transfer or Pledge of Shares by the Directors, Managerial Officers, and Shareholders with More than 10% of the Shareholdings in the Most Recent Year and as of the Publication Date of this Annual Report:

(I) Changes in shares held by Directors, supervisors, managerial officers, and shareholders holding 10% or more of shares:

Unit: Share

Title	Name	2021		Financial Information As of April 30	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Chairperson	Hsu, Ta-Chin	33,000	-	-	-
Director and President	Hsu, Chen-Jung	-	-	-	-
Director and Vice President	Hsu, Wen-Chih	-	-	-	-
Director	Lo, Lung-Shan	-	-	-	-
Independent Director	Wu, Chung-Fern	-	-	-	-
Independent Director	Chang, An-Tso	-	-	-	-
Independent Director	Huang, Po-Chia	-	-	-	-
Vice President of the Management Department	Ku, Hsing-Hua	-	-	-	-
Chief Financial Officer	Huang, Cheng Hsiu	63,857 (36,000)	-	-	-
Chief Internal Auditor	Chang, Pei-Chi	(31,000)	-	-	-
Major shareholder	Triple Nine Co., Ltd.	-	-	-	-
Major shareholder	The Heritage Group Co., Ltd.	-	-	-	-

(II) Information on equity transfer with related parties: None.

(III) Information on equity pledged with related parties: None.

IX. Information on Relationship of Anyone Among Shareholders with Top Ten Shareholdings Being a Related Party to, or is the Spouse or a Relative within the Second Degree of Kinship of Another:

Unit: Share; %; April 19, 2022

NAME	SHAREHOLDING OF THE SHAREHOLDER		SPOUSE/MINOR SHAREHOLDING		SHAREHOLDING IN THE NAME OF OTHERS		TITLE OR NAME AND RELATIONSHIP OF SHAREHOLDERS WITH TOP TEN SHAREHOLDINGS WHO ARE RELATED PARTIES, SPOUSES, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relation	
Triple Nine Co., Ltd	10,752,197	30.11	-	-	-	-	The Heritage Group Co., Ltd Dazzle Co., Ltd Schnitzer Zinc Co., Ltd Brussels Co., Ltd	Representative is spouse Representative is relative within the first degree of kinship Representative is relative within the first degree of kinship Representative is relative within the first degree of kinship	
Representative: Hsu, Ta-Chin	283,385	0.79	-	-	10,752,197	30.11	-	-	
The Heritage Group Co., Ltd	10,002,735	28.01	-	-	-	-	Triple Nine Co., Ltd Dazzle Co., Ltd Schnitzer Zinc Co., Ltd Brussels Co., Ltd	Representative is spouse Representative is relative within the first degree of kinship Representative is relative within the first degree of kinship Representative is relative within the first degree of kinship	
Representative: Lin, Chiu-Hsia	-	-	283,385	0.79	10,002,735	28.01	-	-	
Cloud 15 Co., Ltd	2,090,124	5.85	-	-	-	-	-	-	-
Representative: Ku, Hsing-Hua	-	-	-	-	-	-	-	-	-

NAME	SHAREHOLDING OF THE SHAREHOLDER		SPOUSE/MINOR SHAREHOLDING		SHAREHOLDING IN THE NAME OF OTHERS		TITLE OR NAME AND RELATIONSHIP OF SHAREHOLDERS WITH TOP TEN SHAREHOLDINGS WHO ARE RELATED PARTIES, SPOUSES, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relation	
Dazzle Co., Ltd	1,791,535	5.02	-	-	-	-	Triple Nine Co., Ltd The Heritage Group Co., Ltd Schnitzer Zinc Co., Ltd	Representative is relative within the first degree of kinship Representative is relative within the first degree of kinship Representative is relative within the second degree of kinship	
Representative: Hsu, Chen-Jung	149,293	0.42	-	-	2,538,008	7.11	-	-	-
Schnitzer Zinc Co., Ltd	1,791,535	5.02	-	-	-	-	Triple Nine Co., Ltd The Heritage Group Co., Ltd Dazzle Co., Ltd Brussels Co., Ltd	Representative is relative within the first degree of kinship Representative is relative within the first degree of kinship Representative is relative within the second degree of kinship Representative is relative within the second degree of kinship	
Representative: Hsu, Wen-Chih	149,293	0.42	-	-	2,538,008	7.11	-	-	-
Oakland Manufacturing Co., Ltd	1,774,535	4.97	-	-	-	-	-	-	-
Representative: Lo, Ching-Nan	-	-	-	-	-	-	-	-	-

NAME	SHAREHOLDING OF THE SHAREHOLDER		SPOUSE/MINOR SHAREHOLDING		SHAREHOLDING IN THE NAME OF OTHERS		TITLE OR NAME AND RELATIONSHIP OF SHAREHOLDERS WITH TOP TEN SHAREHOLDINGS WHO ARE RELATED PARTIES, SPOUSES, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relation	
Brussels Co., Ltd	1,492,946	4.18	-	-	-	-	Triple Nine Co., Ltd The Heritage Group Co., Ltd Schnitzer Zinc Co., Ltd	Representative is relative within the first degree of kinship Representative is relative within the first degree of kinship Representative is relative within the second degree of kinship	-
Representative: Hsu, Chen-Jung	149,293	0.42	-	-	2,538,008	7.11	-	-	-
Dedicated investment account of Auckland Industry Co., Ltd., in the custody of CTBC Bank	621,000	1.74	-	-	-	-	-	-	-
Globe Union Industrial Corp.	600,000	1.68	-	-	-	-	-	-	-
Representative: Ou Yang, Xuan	-	-	-	-	-	-	-	-	-
Hsu, Ta-Chin	283,385	0.79	10,002,735	28.01	10,752,197	30.11	The Heritage Group Co., Ltd Dazzle Co., Ltd Schnitzer Zinc Co., Ltd Brussels Co., Ltd	Representative is spouse Representative is relative within the first degree of kinship Representative is relative within the first degree of kinship Representative is relative within the first degree of kinship	

X. Number of Shares Held by the Company, the Company’ s Directors, Managerial Officers, and Businesses Directly or Indirectly Controlled by the Company in the Same Investee Company and the Consolidated Shareholdings:

Shareholding in aggregate

March 31, 2022 Unit: Share; %

Investee companies (Note 1)	Invested by the Company		Invested by directors, supervisors, managerial officers, and companies directly or indirectly controlled by the Company		Total investment	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Royal Finishing	299,997	99.99	3	0.01	300,000	100
Paokin	307,582	99.22	2,418	0.78	310,000	100
Thai Kin (HK)	Note 2	100	-	-	Note 2	100
Mira Home	500	99.99			500	99.99
Angel Win Limited	Note 3	100	-	-	Note 3	100

Note 1: The investments under equity method adopted by the Company.

Note 2: Thai Kin (HK) is a limited liability company without shares issued.

Note 3: Angel Win Limited is a limited liability company without shares issued.

Chapter IV. Funding Status

I. Capital and Shares

(I) Sources of capital:

1. Type of shares

Unit: Share; April 19, 2022

Share category	Authorized capital			Remarks
	Issued shares	Unissued Shares	Total	
Registered ordinary shares	35,714,166	64,285,834	100,000,000	

2. Formation of share capital

Unit: shares/NTD

Year and month	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Sources of capital	Capital increase by assets other than cash	Other
2016.02	10	100,000	1,000,000	100,000	1,000,000	Capital stock at establishment	-	
2017.01	10	100,000,000	1,000,000,000	100,000	1,000,000	Increase of authorized capital	-	
2017.01	10	100,000,000	1,000,000,000	28,097,228	280,972,280	Conversion of capital	The Company issued 27,997,228 ordinary shares at par value of NT$10 in exchange for all ordinary shares of Royal Finishing held by Royal Finishing's shareholders.	
2017.01	10	100,000,000	1,000,000,000	28,129,523	281,295,230	Conversion of capital	The Company issued 32,295 ordinary shares at par value of NT$10 in exchange for all ordinary shares of Hardware Group held by Hardware Group's shareholders.	
2017.01	10	100,000,000	1,000,000,000	30,000,000	300,000,000	Cash capital increase	-	
2019.06	35.6	100,000,000	1,000,000,000	33,530,000	335,300,000	Cash capital increase	-	
2020.12	52	100,000,000	1,000,000,000	35,530,000	355,300,000	Cash capital increase	-	
2021.03	59.1	100,000,000	1,000,000,000	35,612,909	356,129,090	Conversion of convertible corporate bonds	-	
2021.06	55.3	100,000,000	1,000,000,000	35,620,142	356,201,420	Conversion of convertible corporate bonds	-	
2021.07	55.3	100,000,000	1,000,000,000	35,661,733	356,617,330	Conversion of convertible corporate bonds	-	
2022.01	53.4	100,000,000	1,000,000,000	35,714,166	357,141,660	Conversion of convertible corporate bonds	-	

3. Regulations on shelf registration: Not applicable.

(II) Shareholder structure

Unit: Person; share; April 19, 2022

Structure / Number	Governmental agencies	Financial institutions	Other corporate	Foreign institutions and foreign natural persons	Natural persons	Treasury share	Total
Number of shareholders	-	-	3	13	529	0	545
Number of shares held	-	-	633,000	30,441,764	4,639,402	0	35,714,166
Shareholding (%)	0.00%	0.00%	1.77%	85.24%	12.99%	0.00%	100.00%

(III) Shareholding dispersion status:

1. Ordinary shares

Unit: Person; share; April 19, 2022

Shareholding Range	Number of Shareholders	Number of shares held	Shareholding (%)
1 to 999	95	9,295	0.03%
1,000 to 5,000	314	605,954	1.70%
5,001 to 10,000	57	432,178	1.21%
10,001 to 15,000	17	208,018	0.58%
15,001 to 20,000	11	201,584	0.56%
20,001 to 30,000	10	251,838	0.71%
30,001 to 40,000	8	270,387	0.76%
40,001 to 50,000	3	143,382	0.40%
50,001 to 100,000	11	838,599	2.35%
100,001 to 200,000	7	1,106,965	3.10%
200,001 to 400,000	3	729,359	2.04%
400,001 to 600,000	1	600,000	1.68%
600,001 to 800,000	1	621,000	1.74%
800,001 to 1,000,000	0	0	0.00%
1,000,001 and above	7	29,695,607	83.14%
Total	545	35,714,166	100.00%

2. Preferred shares: The Company has not issued any preferred share.

(IV) List of major shareholders:

Unit: Share; April 19, 2022

Share / Name of major shareholders	Number of shares held	%
Triple Nine Co., Ltd	10,752,197	30.11
The Heritage Group Co., Ltd	10,002,735	28.01
Cloud 15 Co., Ltd	2,090,124	5.85
Dazzle Co., Ltd	1,791,535	5.02
Schnitzer Zinc Co., Ltd	1,791,535	5.02
Oakland Manufacturing Co., Ltd	1,774,535	4.97
Brussels Co., Ltd	1,492,946	4.18
Dedicated investment account of Auckland Industry Co., Ltd., in the custody of CTBC Bank	621,000	1.74
Globe Union Industrial Corp.	600,000	1.68
Hsu, Ta-Chin	283,385	0.79

(V) Market price, net value, earnings, dividends, and other information in the most recent two fiscal years:

Unit: NTD; thousand shares

Item \ Year			2020	2021	As of April 30, 2022 (Note 4)
Market price per share	Highest		78.70	78.50	61.20
	Lowest		39.60	53.60	55.40
	Average		56.72	63.78	59.03
Net value per share	Before distribution		25.42	23.61	24.92
	After distribution		20.93	22.61	24.92
Earnings	Weighted average number of shares		33,863	35,618	35,709
	Earnings Per Share		6.61	6.51	1.54
Dividend per Share	Cash dividends	Distribution of earnings	4.49	3.20	N/A
		Distribution of capital surplus	-	-	N/A
	issuance of bonus shares	Dividends from earnings	-	-	N/A
		Dividends from capital surplus	-	-	N/A
	Accumulated undistributed dividends (NT$ thousand)		-	-	N/A
Analysis on investment return	P/E ratio (Note 1)		8.58	9.80	N/A
	Price-to-dividend ratio (Note 2)		12.63	19.93	N/A
	Cash dividend yield (Note 3)		7.92%	5.02%	N/A

Note 1: P/E ratio = Average closing price per share for the year/Earnings per share.

Note 2: Price-dividend ratio = Average closing price per share for the year/Cash dividend per share.

Note 3: Cash dividend yield = Cash dividend per share/Average closing price per share for the year.

Note 4: For net value per share and earnings per share, the data was from the audited (reviewed) financial statements in the most recent quarter as of the date of the Annual Report. For all other columns, data was from the yearly data as of the date of the Annual Report.

(VI) The Company's dividend policy and implementation status:

1. Dividend policy as set out in the Articles of Association:

The Board may distribute dividends to shareholders in proportion to their respective shareholdings and the dividends may be distributed in cash, shares, or in whole or in part in various assets subject to the provisions of Article 14.2 of the Articles of Incorporation. The Company shall not pay interest on undistributed dividends.

In the absence of any violation of the applicable laws, the Company shall not issue dividends or distribute other dividends except for the realized or unrealized profits of

the Company, the premium account for the issuance of shares or the dividends paid or distributed by the surplus, reserve, or other funds allowed by the Companies Law of the Cayman Islands. All dividends and other allocations shall be calculated based on shareholders' shareholding ratios unless otherwise stated in the rights attached to shares. If the conditions for the issuance of shares require the calculation of dividends to start from a specific date, the dividends for such shares shall be calculated accordingly.

Except for distributing dividends after each fiscal year, the Company may also distribute interim dividends in the first half of the fiscal year. When the Board decided to distribute no interim dividend, the Board shall make a resolution to distribute no interim dividend after the first half of the fiscal year. The distribution of dividends after the end of a fiscal year shall be subject to the requirements and procedures stated in Article 14.4 to Article 14.8, Article 14.11, and Article 14.12 in the Articles; the distribution of dividends after the first half of a fiscal year shall be subject to the requirements and procedures stated in Article 14.4 and Article 14.9 to Article 14.12 in the Articles.

Subject to the provisions of the Companies Law of the Cayman Islands and this article or the rights or restrictions attached to any share, the Company may distribute dividends in accordance with the earnings distribution proposal. Such an earnings distribution proposal, in the case of distribution in cash, shall be resolved by a majority of the Directors with two-thirds of all Directors present. In the case of situations specified in Articles 12.3 (a) and 12.5 (issuance of new shares as stock dividends) of the Articles of Association, supermajority resolution shall apply. After the distribution of cash dividends has been resolved and adopted by the Board, the Board shall report such distribution at the upcoming annual shareholders' meeting.

For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, unless otherwise provided in the Companies Law of the Cayman, the rules for companies listed on TWSE or TPEx, or the Articles of Association, upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside no more than 5% of the profit as compensation to employees ("employees' compensation") and employees' compensation may be distributed to employees of the Company and its subsidiaries, who meet certain qualifications determined by the Board of the Company. The Company shall, from the surplus profit, set aside no more than 3% as remuneration for the Directors ("Directors' remuneration") (excluding Independent Directors). The distribution of employees' compensation and Directors' remuneration shall be determined by a majority of the Directors at a meeting attended by two-thirds, or more of the total number of Directors and such distribution shall be reported to the shareholders' meeting. However, when there are cumulative losses to the Company, it shall be retained to fill the amount, and then contributed for employees' compensation and directors' remunerations at the percentage mentioned above. The above "profit" refers to the net profit before tax of the Company. To eliminate doubt, net profit before tax refers to the amount before contribution to employees' compensation and Directors' remunerations.

In determining the Company's dividend policy, the Board of Directors recognizes that the Company is in the growth stage. In determining the amount, if any, of the dividend

or other distribution it recommends to shareholders for approval in any fiscal year, the Board:

(a) May take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook, and future prospects of the Company in the relevant financial year, so as to ensure the protection of Members' rights and interests; and

(b) Shall set aside out of the profits of the Company for each financial year in addition to the allocation in accordance with Article 14.5: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten percent as a general reserve ("statutory reserve") (unless the statutory reserve reserved in the past years has reached the total paid-in capital of the Company), and (iv) a special surplus reserve as required by the applicable securities authority under the rules for companies listed on TWSE or TPEx or a reserve as determined by the Board of Directors pursuant to Article 15.1.

For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, subject to compliance with the Companies Law of the Cayman and after setting aside the amounts for employees' compensation and Directors' remuneration in accordance with Article 14.4, and such amounts as the Board deems fit in accordance with the dividend policy set out in Article 14.5, the Board shall recommend to shareholders for approval to distribute no less than 10% of the earnings generated from the immediately preceding financial year (exclusive of those accumulated from previous years) out of the distributable amount as dividend to shareholders.

Dividends to shareholders and the employees' compensation may be distributed, at the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or shareholders, provided that, in the case of a distribution to shareholders, no less than 10% of the total amount of such dividend shall be paid in cash.

To distribute interim dividends, the proposal for the earning distribution or loss compensation for the first half of a fiscal year, together with the business report and financial statements (the financial statements shall be certified or reviewed by CPAs according to rules for companies listed on TWSE or TPEx), shall be submitted to the Audit Committee for resolution, and then submitted to the Board for resolution.

When distributing interim dividends, the Company shall (a) estimate and reserve a portion for taxation; (b) compensate losses; (c) estimate and reserve a portion for employee's compensation; and (d) appropriate statutory surplus reserve (however, such appropriations shall be exempted when the statutory surplus reserve has reached its total capital).

The Board shall fix any date as the record date for determining the Members entitled to receive any dividend or other distribution.

For the purpose of determining Members entitled to receive payment of any dividend or other distributions, the Board may provide that the member's registrar be closed for transfers for five days before the relevant record date or such other period consistent with the rules for companies listed on TWSE or TPEx and Companies Law of the Cayman Islands.

The Company shall not pay interest on undistributed dividends and remuneration.

2. Adopted dividend distribution for the current year:

In the first half of 2021, the board of directors of the company resolved to distribute a cash dividend of NT$2.2 per common share, totaling NT$78,455,813, which was distributed on January 20, 2022; the company allocated NT$35,714,166 in the second half of 2021 The board of directors authorizes the chairman of the board to handle matters related to the distribution of cash dividends based on the base date, closing date, and distribution date of ordinary shares of NT$1 per share.

(VII) Effect upon business performance and earnings per share of any bonus share distribution proposed or adopted at the shareholders' meeting:

Not applicable as there was no share dividend distributed during the year.

(VIII) Remuneration to employees, Directors, and supervisors (the Company has no supervisor):

1. Percentage or range of remuneration paid to employees and Directors and supervisors as set forth in the Company's Articles of Association:

For so long as the shares are traded on the ESM or listed on the TPEx or the TWSE in the ROC, unless otherwise provided in the Companies Law of the Cayman, the rules for companies listed on TWSE or TPEx, or the Articles of Association, upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside no more than 5% of the profit as compensation to employees ("employees' compensation") and employees' compensation may be distributed to employees of the Company and its subsidiaries, who meet certain qualifications determined by the Board of the Company. The Company shall, from the surplus profit, set aside no more than 3% as remuneration for the Directors ("Directors' remuneration") (excluding Independent Directors). The distribution of employees' compensation and Directors' remuneration shall be determined by a majority of the Directors at a meeting attended by two-thirds, or more of the total number of Directors and such distribution shall be reported to the shareholders' meeting. However, when there are cumulative losses to the Company, it shall be retained to fill the amount, and then contributed for employees' compensation and directors' remunerations at the percentage mentioned above. The above "profit" refers to the net profit before tax of the Company. To eliminate doubt, net profit before tax refers to the amount before contribution to employees' compensation and Directors' remunerations.

2.The basis for estimating the amount of employees, Directors, and supervisors' remuneration, for calculating the number of shares to be distributed as employees' compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

Where the Company makes a profit, no more than 5% of the profit for the year shall be distributed as employees' compensation, and no more than 3% of the profit shall be distributed as Directors' remuneration. The discrepancy between the amount distributed and the estimate, if any, shall be accounted for as changes in the accounting estimate and recognized as profit or loss for the following year. In addition, the Company has no supervisor.

3. Distribution of remuneration approved by the Board:

(1) The amount of remuneration distributed to employees, directors, and supervisors in cash or shares. If there is any difference between the above-mentioned amount and the estimated amount of recognized expenses for the current fiscal year, the amount and reasons of, as well as response to the said difference shall be disclosed:

The Company's Board resolved on March 21, 2022 that no employees' compensation and Director's remuneration shall be distributed, which was consistent with the estimate for 2021.

(2) The proportion of the amount of employees' compensation in the form of shares to the net income after taxes and the total amount of employee' compensation for the current fiscal year:

The Company's Board resolved on March 21, 2022 that no employees' compensation and Director's remuneration shall be distributed; thus, it is not applicable.

4. Actual distribution of remuneration for employees, directors, and supervisors (including the number of shares distributed, the amount, and the share price), and where there were discrepancies with the recognized remuneration for employees, directors, and supervisors, the amount, cause, and treatment of the discrepancy shall be described:

No employees' compensation and Director's remuneration were distributed for 2021; thus, it is not applicable.

(IX) The Company repurchases its shares: None.

II. Corporate bonds

Type of corporate bonds	1st domestic unsecured convertible corporate bonds in the Republic of China
Issuance date	October 22, 2020
Par value	NT$100 thousand
Location of issuance and trading	Taipei Exchange (TPEx)

Total Amount		Total issuance amount was NT$200 million only Amount raised was NT$215,757 thousand
Interest		0% coupon rate
Duration		Three years Due date: October 22, 2023
Guarantee institution		Nil
Trustee		Mega International Commercial Bank
Underwriters		CTBC Securities Co., Ltd. KGI Securities Co., Ltd. First Securities Inc. Grand Fortune Securities Co., Ltd
Lawyers		Lee And Li, Attorneys-At-Law
Independent auditor		KPMG Taiwan
Repayment method		During the issuance period of three years, except for conversion, resell, or redemption according to the conversion methods, the repayment shall be made in a lump sum according to the par value of the bonds
Outstanding principal		NT$200 million
Provision of redemption or early repayment		For details, please see Appendix XIII "Issuance and Conversion Methods" of the prospectus for the 2020 convertible corporate bonds.
Restrictions		Nil
Name of the credit rating institution, rating date, and results of the Company's debt rating		N/A
With other rights	Amount of converted ordinary shares, global depositary receipts, or other securities as of the date of publication of the Annual Report	The number of convertible bonds exercised was NT$10,400 thousand, and a total of 184,166 ordinary shares were converted.
	Issuance and conversion (exchange or subscription) methods	For details, please see Appendix XIII "Issuance and Conversion Methods" of the prospectus for the 2020 convertible corporate bonds.
Possibility of dilution of equity under the terms and conditions of the issuance and conversion, exchange, or subscription rules of the bond, and effect on shareholder equity		Based on the current conversion price of NT$53.4, if all the bonds were to be converted into ordinary shares, 3,550,562 shares will be issued, accounting for 9.94% of the total number of issued shares, representing limited impacts on shareholders.
Name of Exchange		Nil

Information on the convertible corporate bonds:

Type of corporate bonds		1st domestic unsecured convertible corporate bonds in the Republic of China	
Item \ Year		2021	As of April 30, 2022
Market price of the convertible corporate bonds	Highest	125	113
	Lowest	104	105.1
	Average	116.43	110
Conversion price		59.1	55.3
Conversion price on the issuance date and upon the issuance		October 22, 2020 59.8	
Perform the obligation of conversion		For details, please see Appendix XIII "Issuance and Conversion Methods" of the prospectus for the 2020 convertible corporate bonds.	

III. Preferred Shares: None.

IV. Global Depository Receipts (GDRs): None.

V. Employee Stock Option: None.

VI. Restricted Stock Awards: None.

VII. Issuance of New Shares in Connection with Mergers or Acquisitions of Shares of Other Companies: None.

VIII. Implementation of Capital Utilization Plan:

(I) Content of the plan

As of one quarter before the publication date of this annual report, no issuance or private placement of marketable securities that have not been completed, or that have been completed but are yet to record any benefit within the past three fiscal years.

(II) Implementation status: N/A.

Chapter 5 Operational Highlights

I. Business Activities

(I) Business scope

1. Main content of business

The Group is mainly engaged in the manufacture and sale of home decoration castings. It mainly produces metal castings made of zinc and aluminum materials, accounting for more than 90% of the total revenue. The products are used in cabinets, curtains, and sanitary ware parts and accessories.

2. Weight of business for main offerings

Unit: NT$1,000

Year / Item	2020		2021		Q1 2022	
	Amount of revenue	Weighting (%)	Amount of revenue	Weighting (%)	Amount of revenue	Weighting (%)
Zinc-aluminum castings	1,160,226	91.73	1,194,406	87.87	283,261	88.36
Other castings	104,589	8.27	164,815	12.13	37,304	11.64
Total	1,264,815	100	1,359,221	100	320,565	100

3. Current product items of the Company

Product Category	Main Purpose
Zinc-aluminum castings	Castings mainly made of zinc alloy and aluminum alloy, mainly used in cabinets, curtains, and sanitary ware.
Other castings	Castings not mainly made of zinc alloy and aluminum alloy, mainly used in cabinets, curtains, and sanitary ware.

4. Plans for New Product Development

Year	Future Research and Development Plan
2019	1. 13 series of sanitary ware projects. 2. Five series of window rod projects, eight series of window decoration peripheral accessories, and the development of window decoration c-shaped pipes. 3. Nine series of cabinet handle projects. 4. Three series of shelf supports.
2020	1. 34 series of cabinet handle projects. 2. 47 series of sanitary ware projects. 3. Continuous process improvement of production line.
2021	1. 246 series of sanitary ware items. 2. 1 series of cabinet handle item. 3. 52 series of window decoration casting items.
2022	1. 97 series of sanitary ware items. 2. 79 series of cabinet handle item. 3. 99 series of window decoration casting items.

(II) State of the industry

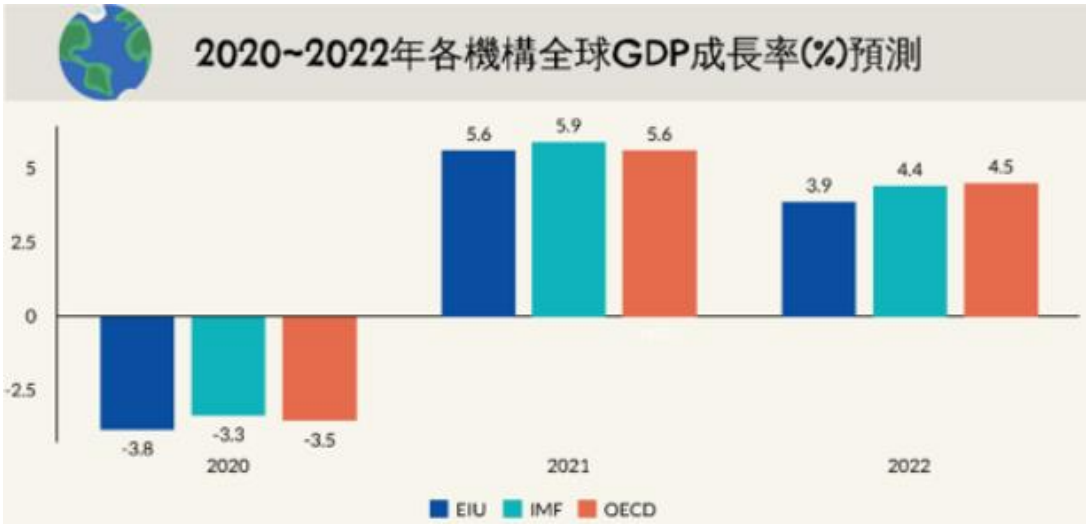
1. Development status of the industry

The Group is engaged in the furniture and home decoration industry and the consumer market can be divided into the residential, commercial, new housing, and decoration markets, which are therefore closely related to the real estate market and the overall economic environment. In addition to new housing that brings demand for furniture and home decoration products, the maintenance and renewal of old housing is also a source of market demand. However, because the new housing market is based on the business cycle, the maintenance market is relatively stable; thus, the furniture and home decoration industry is more significantly affected by the fluctuations in the new housing market. Details of the global economy, the overall housing market, and the furniture industry are as follows:

(1) General economic situation

In the Global Economic Overview section, the International Monetary Fund (IMF) estimated in the "World Economic Outlook" report that the global economy will grow by 4.9% in 2022, a slowdown from the 5.9% growth rate in 2021, but much higher than that in 2020. In 2022, it is expected to gradually return to reality. The Organization for Economic Cooperation and Development (OECD) estimates that the global economy will grow by 4.5% in 2022, slightly lower than the 5.6% growth rate in 2021.

Global GDP growth forecasts



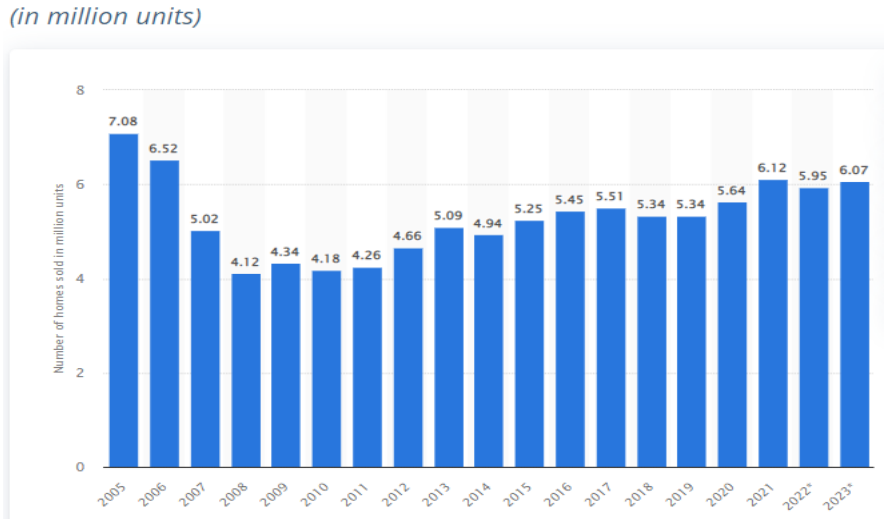
Source: EIU,IMF,OECD

(2) Overview of the housing market

According to the National Association of Realtors (NAR), there will be 6.1 million existing home sales in the U.S. in 2021, the highest number since 2006. However, with the U.S. Federal Reserve raising interest rates, market researcher statista expects existing housing to slow slightly in 2022 and increase again in 2023. Existing home sales in 2022 and 2023 are estimated at 5.95 million and 6.07 million, respectively.

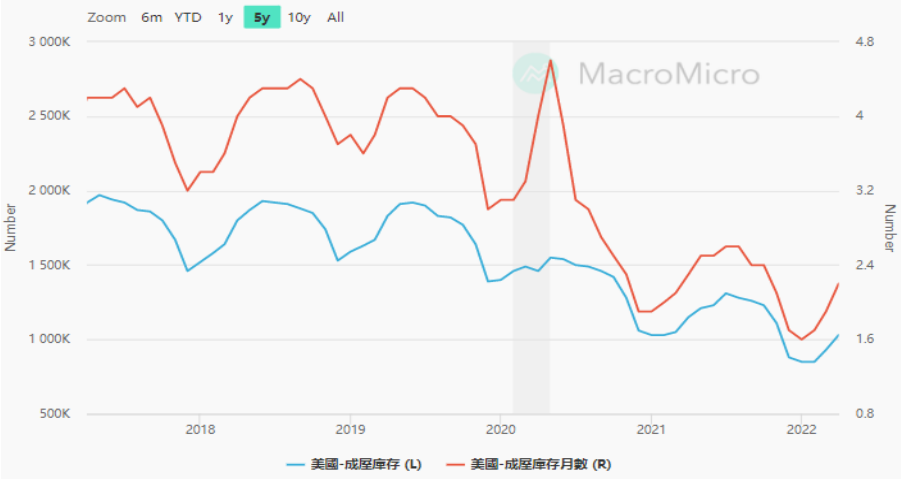
However, although the increase in mortgage interest rates has slowed down the demand for home purchases, the existing home inventory in the United States is still at a low water level. In April 2022, the existing home inventory was 1.03 million units, and the number of existing home inventory months was about 2.2 months, making the housing market transaction still in a seller's market. Therefore, on the supply side, we have not seen any adjustment with the slowdown in demand. In April 2022, 1.724 million new housing units were started in the United States, and the annualized absolute value remained at a new high since 2006, and the 1.819 million construction permits were also maintained at January 2021. The monthly high shows that on the supply side, although builders are also affected by the increase in long-term interest rates, they are still willing to continue to invest in the supply side of housing construction, showing that the U.S. housing market is still developing positively in the long run.

New Home Sales Statistics



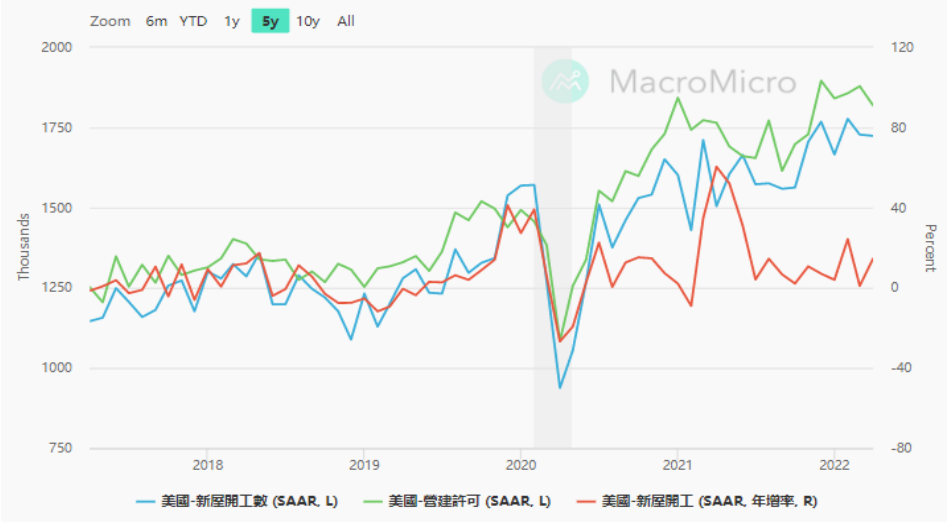
Source: statista

US Existing Home Inventory



Source: NAR

United States - Home Starts VS Building Permits



Source: NAR

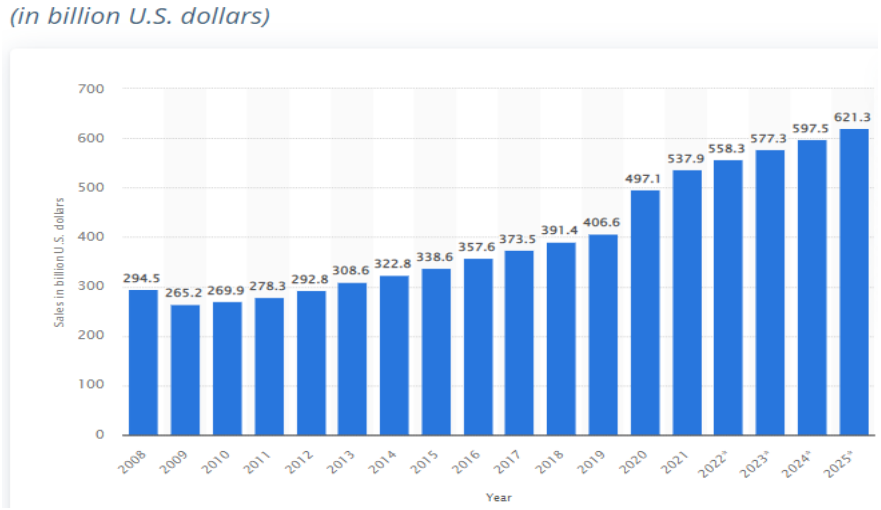
(3) Overview of the furniture industry

According to GMI, a research institute, the U.S. home improvement market will grow at a compound annual growth rate of 4.1% from 2021 to 2027. According to a survey by market research firm statista, U.S. home improvement sales will be about $538 billion in 2021 and are expected to exceed $620 billion by 2025. The growth drivers of the industry include: (1) The overall age of houses in the U.S. housing market continues to climb. According to public data in 2019, the median age of houses is 39 years, which helps support the demand for home decoration; (2) The post-build rental in the United States (Build-to-Rent) The growing market continues to drive the renovation demand for rental housing; (3) driven by the trend of energy saving and smart home; (4) the booming US housing market.

Under the positive development of the housing market, the growth of home decoration spending is still supported, and the rise in interest rates and high housing prices may also deter some first-time buyers and home changers, thus turning to the decoration of old houses. In 2021, the President of the United States proposed a $2.25 trillion infrastructure plan, which will renovate 4 million

buildings and 2 million family homes within five years, which will greatly boost the growth of the home improvement market in the United States. To sum up, The housing age in the housing market continues to rise, and housing prices are expected to remain high-end, so the long-term demand outlook for the home improvement industry remains healthy.

U.S. home improvement market



2. Relationships with suppliers in the industry's supply chain

The parts and accessories of furniture, such as cabinets, curtains, and sanitary wares produced by the Group are indispensable appearance and functional parts of home furniture products. They are part of the furniture industry. The upstream is mainly suppliers of materials, such as zinc, aluminum, and iron. The downstream is mainly the distribution channels of large-scale household goods chain stores and furniture distributors.

Upstream industry
Suppliers of raw materials, such as zinc ingots and aluminum ingots
⇩
Midstream industry—manufacturing and molding
die-casting, press forging, injection molding, and extrusion
⇩
Midstream industry—surface treatment
polishing, electroplating, and coating
⇩
Downstream industry—product applications
Ready-to-assemble furniture

industry, furniture retail/wholesale

3. Product development trends

At present, in the industry value chain division of labor system, European and US furniture brand manufacturers almost retain their own assembly production capacity, while the high value-added parts are mostly produced on their own or supplied by local manufacturers. However, the major European and US brands will accelerate the division of brand and manufacturing work for the following reasons:

(1) The cost of major European and American brand manufacturers is rising. In addition to the advantage of cost, major manufacturers have greatly improved their technology, quality, and services. The close cooperation between brands and high-quality manufacturers can help improve their own competitiveness.

(2) Emerging markets in Asia mainly have large demand, and huge markets have caused intense competition among brands. Based on long-term development strategies, brands need to expand and forge a close supply-and-demand relationship with manufacturers who have competitiveness, while relying on manufacturers' outstanding and flexible manufacturing capabilities, so as to advance the aspects of quality, cost, and global delivery.

The Company has now established a cooperative relationship with various brands. In response to the change in consumers' perceptions of furniture use and the rise of environmental awareness, it will actively improve the ability to provide complete manufacturing services, focus on product development and design, and enhance its R&D capabilities, so as to build a competitive advantage in manufacturing and get prepared for a great deal of OEM orders that will be released in the future.

4. Competition

The Company is engaged in the manufacturing and sale of home decoration castings. The main customers are well-known furniture brands in Europe and the US. From product design, development to sales, it directly engages with the brands and thus can directly keep abreast of their needs, and maintain the relationship with them. In addition, the Company has established a long-term development relationship with customers, and its products and manufacturing technologies have also been recognized and affirmed by them, with a certain degree of influence in the competition of the furniture casting industry.

(III) Overview of technology and R&D:

1. Technical level and research development of the operated business

The Company’s research and development team is divided into the mold development unit, the automation equipment unit, and the engineering unit, mainly to assist customers in developing products, improving production processes, and optimizing machinery and equipment. Through years of production experience, the Company will continue to adjust the processes of die-casting, processing, surface treatment, and packaging, to enhance automation of manufacturing processes and strengthen quality inspection, so as to accelerate production speed and improve the stability of quality.

2. R&D personnel and their academic experiences

Unit: Persons; %

Academic background \ Year		2020		2021		April 31, 2022	
		Number of shareholders	%	Number of shareholders	%	Number of shareholders	%
Education	Master's degree or above	1	3.33	1	3.33	1	3.22
	Bachelor (including junior college)	16	53.34	16	53.34	16	51.62
	Below high school	13	43.33	13	43.33	14	45.16
	Total	30	100	30	100	31	100
Average year of service (years)		4.34		5.16		5.84	

3. R&D expenses in the most recent year up to the publication date of this annual report

Unit: NT$1,000

Item	2020	2021	Q1 2022
R&D expenses	7,085	6,849	1,802
Net operating revenue	1,264,815	1,359,221	320,565
R&D expenses as a proportion of net operating revenue (%)	0.56%	0.50%	0.56%

4. Technologies or products successfully developed in the most recent year up to the publication date of this annual report:

Year	Technologies or products successfully developed and their achievements
2013	The automatic grinder process was improved, which significantly improved production efficiency and output.
	The electroplating process was improved, which increased the stability of the coating on substrates.
2014	The technical level of sanding, polishing, and surface treatment was improved, which could be applied to multiple curved surfaces products.
	Sanitary ware and curved-surface hangers were developed.
2015	The automatic grinder process was improved, which improved mold template quality and extend the useful life.
	The aluminium alloy pressing process was developed to further diversify products.
	Plastic injection molding was developed to diversify the combination of materials.
	The carbon steel/stainless steel stamping process was developed.
	More compact and exquisite products-cabinet handles were developed.
2016	Automatic sanding machines and automatic polishing machines were researched and developed.
	The surface treatment technologies: drawing, metal brushing, and distressed effect was improved.
	The new ring hangers with multiple curved surfaces and sanitary wares and accessories were developed.
	3D printing technology was introduced to stage of product development
	Peripheral home decoration accessories with aesthetic touch, including candle holders and decorative crafts, were developed.
2017	Automation equipment was connected and copied too reduce manual techniques and increase product quality and quantity stability.
	New commercial product—window decoration castings—was developed.

Year	Technologies or products successfully developed and their achievements
2018	Self-owned brand of window decoration products and die-casting molds were developed.
2019	1. 13 series of sanitary ware projects. 2. Five series of window rod projects, eight series of window decoration peripheral accessories, and the development of window decoration c-shaped pipes. 3. Nine series of cabinet handle projects. 4. Three series of shelf supports. 5. Process improvement of production line, increase in output and reduction of movement time of the work-in-process.
2020	1. 42series of cabinet handle projects. 2. 125series of sanitary ware projects. 3. Continuous process improvement of production line.
2021	1. 246 series of sanitary ware items. 2. 1 series of cabinet handle item. 3. 52 series of window decoration casting items.
2022	1. 97 series of sanitary ware items. 2. 79series of cabinet handle item. 3. 99 series of window decoration casting items.

(IV) Short- and Long-Term Business Development Plans:

1. Short-term business development plan:
   (1) Develop more diversified products and expand into other home decoration castings business.
   (2) Actively promote other products to existing customers.
   (3) Develop new customers and establish new cooperation opportunities.
2. Long-term business development plan:
   (1) Improve internal governance, improve operating performance, and achieve sustainable operation.
   (2) Create the maximum interests for employees, shareholders, and partners and contribute to the society.
   (3) Attract outstanding talents to join the team.
   (4) Enhance the Group’s image and reputation and strengthen its competitiveness.
   (5) Increase fund raising channels to facilitate business expansion.
   (6) Establish a self-own brand, seek new distributors, and develop a diversified sales model.
   (7) Seek business cooperation opportunities.

II. Market and Sales and Marketing Overview:

(I) Market analysis

1. Sales regions of major products

Amount and ratio in major product sales regions in the last two years

Unit: NT$1,000

Annual sales regions	2020		2021	
	Amount	%	Amount	%
Europe	263,065	20.80	255,604	18.81
America	994,239	78.61	1,096,892	80.70
Asia	7,511	0.59	6,725	0.49
Total	1,264,815	100	1,359,221	100

2. Market share

The metal casting parts of furniture cabinet handles and bathroom metal hangers produced by the Group are mainly sold in Europe and the US. However, the Group is in the upstream and mid-stream components manufacturing section of the furniture industry, and the proportion of casting parts in the overall furniture industry is quite low; therefore, the Company's share in the furniture supply chain market cannot be clearly obtained.

However, according to the Thailand Trade Bureau statistics on exports, the export of furniture and furniture parts in 2020 was in the amount of US$1,546.02 million. The Group's net sales in 2020 accounted for 2.92% of Thailand's furniture and furniture parts exports.

The main customers of the Group are well-known European and US furniture brand retailers. The largest customer is the leader of the European and the US furniture markets, and the business performance from the customer is showing a stable growth trend. As the long-term development relationship has been developed with customers and the Group's product and the manufacturing technology have also been recognized and affirmed by customers, after evaluation of the development of customers, the Company should have a certain degree of influence in terms of competition in the furniture casting industry.

3. Future supply and demand of the market and its growth

The products produced by the Group are mainly sold in Europe and the US and European markets. According to the National Association of Realtors (NAR), there will be 6.1 million existing home sales in the U.S. in 2021, the highest number since 2006. However, with the U.S. Federal Reserve raising interest rates, market researcher statista expects existing housing to slow slightly in 2022 and increase again in 2023. Existing home sales in 2022 and 2023 are estimated to be 5.95 million and 6.07 million, respectively .

However, although the increase in mortgage interest rates has slowed down the demand for home purchases, the existing home inventory in the United States is still at a low water level. In April 2022, the existing home inventory was 1.03 million units, and the number of existing home inventory months was about 2.2 months,

making the housing market transaction still in a seller's market. Therefore, on the supply side, we have not seen any adjustment with the slowdown in demand. In April 2022, 1.724 million new housing units were started in the United States, and the annualized absolute value remained at a new high since 2006, and the 1.819 million construction permits were also maintained at January 2021. The monthly high shows that on the supply side, although builders are also affected by the increase in long-term interest rates, they are still willing to continue to invest in the supply side of housing construction, indicating that the US housing market is still developing positively in the long run. In terms of the European housing market, the European Central Bank (ECB) released its semi-annual report in 2021, pointing out that the increase in household savings during the epidemic and the trend of working from home have fueled housing demand and made housing market transactions hot .

In the U.S. furniture industry, the furniture industry is closely related to U.S. real estate and the overall economy. According to the forecast of GMI, a research institute, the U.S. home improvement market will grow at a compound annual growth rate of 4.1% from 2021 to 2027. In addition, according to a survey by market research agency statista, US home improvement sales in 2021 will be about 538 billion US dollars, and by 2025, it is expected to exceed 620 billion US dollars .

Under the positive development of the housing market, the growth of home decoration spending is still supported, and the rise in interest rates and high housing prices may also deter some first-time buyers and home changers, thus turning to the decoration of old houses. In 2021, the President of the United States proposed a $2.25 trillion infrastructure plan, which will renovate 4 million buildings and 2 million family homes within five years, which will greatly boost the growth of the home improvement market in the United States. To sum up, The housing age in the housing market continues to rise, and housing prices are expected to remain high-end, so the long-term demand outlook for the home improvement industry remains healthy. In terms of the European furniture market, the furniture consumption in the overall European market mainly comes from Germany, the United Kingdom, France and Italy, and 90% of the consumption is concentrated in Western Europe. According to the "Ready to Assemble (RTA) Furniture Market in Europe 2020- 2024" report, the European assembled furniture industry will show a compound annual growth rate of 4.4% from 2020 to 2024.

On the supply side, affected by factors such as the global division of labor, the transfer of the world's manufacturing system, and the vigorous growth of emerging markets, major brands are also seeking the most favorable way to divide labor in the global value chain. In addition to retaining the core design department in the headquarters of international furniture brand manufacturers, other parts manufacturing and assembly are purchased from outside. In addition to China, major furniture manufacturers in Asia also have emerging markets such as Thailand and Vietnam. On the other hand, the U.S. furniture market is fragmented and the competition is fierce. The furniture industry has produced a structural change in

which small and medium-sized players are gradually declining, and large-scale players have continued to grow. Furniture manufacturers who respond quickly to the needs of retailers will be favored by retailers.

To sum up, the overall value chain division of the furniture market has moved the manufacturing end to low-cost Southeast Asian countries. The main sales market has obviously been integrated with well-known large-scale players, and the demand side has been steadily recovering and growing. The overall furniture market supply and demand has shown a stable and upward trend.

4. Competitive advantages

(1) One-stop comprehensive services to meet customers' needs

The Group provides customers with a one-stop complete services through the vertically integrated production process, from product design, mold development, metal die casting and stamping, polishing, surface treatment to final packaging process. Raw materials and manufacturing costs can be effectively controlled, and meanwhile, the process time is highly controlled, which is an efficient production model.

(2) Keep abreast of core manufacturing technology to provide highly customized process

The Group has core manufacturing technologies, such as mold development, electroplating, and surface treatment. It can respond quickly to different customers' needs and provide them with the products they need with a highly customized production process to raise entry barriers of this industry.

(3) Long-term and stable customer relationship

The Group has established a long-term and stable relationship with major sales customers. The interaction and coordination are positive. The customers have high overall satisfaction with the Company. Since becoming a qualified supplier for the current major customers in 2013, it has been selected as a potential prioritized supplier within a short period of time. It has also forged a strategic partnership with brand customers in the US; through the strategic partnership between the two parties, the time for customers to put products on the shelf has been shortened, while the Company's product design, development, and production technology capabilities have been enhanced, creating a mutually beneficial and win-win cooperation model.

(4) Diversified products with a wide variety of choices for customers

In addition to the commonly used raw materials of zinc and aluminum alloy, the Group has developed different materials, such as copper, plastic, and marble, for home decoration casting products, to provide customers with more choices. The product applications range from cabinets, sanitary wares, curtains to hangers, which can solve the customers' demand for product diversification.

5. Favorable and unfavorable factors and responding strategies for prospects of development

(1) Favorable factors:

A. Globalization and effect of market consolidation

As the wave of globalization continues to rise, large European and US factories have moved their production and procurement bases to Asia to reduce production costs, particularly in Southeast Asia where furniture production and exports have grown the most in recent years. The European

and US furniture markets have also demonstrated a trend of integration in recent years. Small furniture businesses are gradually being merged or crowded out by large brand retailers. The adjustment of the market structure will facilitate the sales of the Company's downstream furniture brands.

B. Consumers' pursuit of high quality

The Group's manufacturing technology is excellent, particularly the sophisticated and well-developed surface treatment technology. The products have a sense of workmanship and can meet consumers' demand for aesthetic furniture. Moreover, as the Group's brand customers' greatest attraction and selling points are affordability for regular consumers; thus, the Company's products are very price competitive with high customer satisfaction.

C. Global attention to environmental issues

With increasing global concern over environmental protection issues, the Group's main sales targets are renowned European and US brand retailers, and its products from raw materials to packaging all meet the requirements of advanced countries, such as Europe and the US, for resource recycling, free of pollution, free of chemicals, non-toxicity, environmental protection, health, and safety. This is beneficial to the Company to develop more business opportunities on the basis of existing customers.

(2) Unfavorable factors and response measures:

A. Impact of housing business cycle on product demand

The European and US regions as the main markets for the global furniture and home decoration industry, so the changes of business cycle in the European and US regions affect consumers' willingness to consume, and the number of housing transactions and the number of housing units newly built directly affect the development of the furniture market and repair market, which in turn affects the Company's sales of home decoration castings.

Response measures:

The Company will keeps abreast of customers' needs and update market information, review and assess industrial development on a regular basis, and maintain close cooperation relationship with existing customers by improving its service quality, research and development capabilities, stable delivery time, and stringent cost control. In addition to the existing customers, the Group will actively develop new customers, expand sales channels, step into other home decoration industries, and seek business cooperation opportunities to reduce the impact of business fluctuations on the Company.

B. Volatility of international raw material prices

The raw materials of the Group's products account for about 60% of the total cost. The main raw materials are metals, including zinc alloys and aluminum alloys. Therefore, changes in international metal prices have a considerable impact on the Company's costs and profits.

Response measures:

In order to keep abreast of the changes in prices of main raw materials, the Group will adjust and control the inventory of raw materials in line with production needs, and purchase more materials at low prices to reduce the pressure of price fluctuation. Furthermore, in response to customers' environmental protection requirements, the use of green recycled materials is increased, the proportion of aluminum used is gradually increased, and new materials are developed to reduce the demand for single metals and reduce the impact of raw material price fluctuations on costs and profits.

C. Price competition in the same industry

Facing the fierce competition in the global furniture market, large chain stores and retailers have attracted consumers with low-price strategies, which has led to a price war in the furniture market. As a result, home decoration casting manufacturers are also facing customers' requirement for price reduction and the price competition with the peers in the same industry. The Company is committed to providing customers with high-quality products as its primary objective, so as to become a long-term reliable and trusted partner for customers.

Response measures:

The Group provides customers with one-stop services from product design, development, production to shipment and highly customized processes through process improvement, streamlined manufacturing processes, and increased product automation. It can avoid being involved in the war of price competition in the same industry and thus circumvent the adverse impact on the Company's business.

D. The gradual shortening of life cycle of end products and shortening of the development timeline of new products

With the "fast fashion" trend and changes in consumer consumption habits, the life cycle of home decoration casting products has gradually shortened. Therefore, shortening the product development timeline and responding to customers' needs and market changes in a timely manner have a certain degree of impact on business development.

Response measures:

In order to accelerate the timeline from product design to release, the Group will actively invest in R&D equipment and quality control equipment, while adopting 3D printing technology to develop new products; along with self-developed molds required for production, the Group can effectively shorten the product development time to meet customers' needs.

(II) Usage and manufacturing processes for the Company's main products:

1. Main uses of major products:

The Group mainly provides customers with the design, development, and manufacturing of various types of home decoration and furniture castings. The products are used for various types of furniture handles, hangers, and decorative pieces.

2. Production process of main products:

Mold development	Die casting	Forming process	Surface treatment	Assembly and packaging

(1) Mold development: Design and develop molds according to specifications required by customers.

(2) Die casting: Various die casting technologies, such as stamping, zinc alloy and aluminum alloy die casting, and plastic injection molding.

(3) Forming process: Processing of blanks after die casting, such as burr/flash removal or screw tapping, and various polishing techniques.

(4) Surface treatment: The best effect of surface treatment through different electroplating processes and surface coating technologies.

(5) Assembly and packaging: Manufacturing of various types of packaging materials to meet customers' needs according to customers' packaging specifications. After products are shipped, customers can put them on the shelf immediately.

(III) Supply status of main raw materials:

Main material	Major suppliers	State of supply
Zinc alloy	Company A, Company B, Company C	Excellent

(IV) Name and total trade amount of major suppliers/customers who have accounted for at least 10% of sales/procurement in either of the past two years, the percentage against total sales/procurement and reasons for change:

1. The names, amounts and the percentages of suppliers accounting for 10% or more of total purchases for any of the last two years, and the reason for changes in such figures:

Units: NT$ Thousand; %

	2020				2021			
Item	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
1	Company A	93,903	15.71	Nil	Company A	111,561	15.83	Nil
2	Company B	95,098	15.91	Nil	Company B	248	0.04	Nil
3.	Company C	-	-	-	Company C	185,331	26.29	
Other		408,775	68.38		Other	407,769	57.85	
Net purchase		597,776	100		Net purchase	704,909	100	

Company A, Company B and Company C are the important raw material zinc suppliers of the Company. In 2020, due to the growth of revenue, the overall purchase amount of zinc will increase. Company C is a new supplier of zinc alloy in 2021, and the company will increase the purchase of zinc alloy from Company C. , reduce the purchase volume of Company B.

2. Customers accounted for at least 10% of sales in the most recent two years and respective amount and percentage, and the reasons for the changes

Units: NT$ Thousand; %

	2020				2021			
Item	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer
1	Client A	173,886	13.75	Nil	Client A	162,169	11.93	Nil
2	Client B	253,293	20.03	Nil	Client B	212,269	15.62	Nil
3	Client C	372,333	29.44	Nil	Client C	343,835	25.30	Nil
4	Client D	148,128	11.71	Nil	Client D	180,402	13.27	Nil
Other		317,175	25.07		Other	460,546	33.88	-
Net sales		1,264,815	100.00		Net sales	1,359,221	100.00	-

A, B, and C customers have decreased overall shipment amount due to the reduction of customer terminals; D customer is a new customer in 2019 and began to ship in 2020, resulting in an increase in shipment amount year by year.

V.Production volume and value in the most recent two years:

Unit: NT$1,000/thousand PCS

Year / Production volume value / Primary products	2020			2021		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Zinc casting	50,000	32,213	857,346	55,000	35,110	932,191
Other casting		2,567	68,313		3,003	79,728
Total	50,000	34,780	925,659	55,000	38,113	1,011,919

(V) Sales volume and value in the most recent two years:

Unit: NT$1,000/thousand PCS

Year / Sales volume value / Primary products	2020				2021			
	Internal sales		External sales		Internal sales		External sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Zinc casting	96	2,430	32,547	1,157,796	1	62	34,491	1,194,344
Other casting	32	2,835	2,569	101,754	19	1,661	2,931	163,154
Total	128	5,265	35,116	1,259,550	20	1,723	37,422	1,357,498

III. Number of Employees Employed during the Most Recent Two Years and Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels

Unit: Persons; %

Year		2020	2021	As of April 30, 2022
No. of employees	Managerial officer	10	10	10
	Production line personnel	1,426	1,315	1,272
	General employees	79	79	75
	Total	1,515	1,404	1,357
Average age		31.12	31.12	32.06
Average year of services		1.74	1.74	2.47
Academic distribution ratio	Master and P.H.D.	0.20	0.21	0.21
	Universities and colleges	6.47	6.84	7.07
	Senior High School or less	93.33	92.95	92.72

IV. Environmental Protection Expenditure

Any Losses Suffered by the Company in the Most Recent Fiscal Year and up to the Annual Report Publication Date due to Environmental Pollution Incidents (Including Any Compensation Paid and Any Violations of Environmental Protection Laws or Regulations Found in Environmental Inspection, Specifying the Disposition Dates, Disposition Reference Numbers, the Articles of Law Violated, and the Content of the Dispositions), and Disclosing an Estimate of Possible Expenses that Could be Incurred Currently and in the Future and Measures Being or to be Taken. If a Reasonable Estimate Cannot be Made, an Explanation of the Facts of Why It Cannot be Made Shall be Provided: None.

V. Labor Relations

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee welfare measures

(1) Staff uniforms.

(2) Hold year-end party and lottery activities.

(3) Wedding and funeral celebration subsidies.

(4) Provide social insurance funds, provident funds, compensation funds and employee welfare funds in accordance with the law to guarantee employee-related benefits.

(5) Shuttle bus to and from get off work.

(6) Construction of staff dormitories.

(7) The employees have regular meals together.

(8) Full attendance bonus.

2. Continuing education and training

According to the work objectives and functional needs of each department, the Human Resources Department assists the head of each department in arranging

education and training courses, formulates promotion evaluation standards for each rank, and implements the goal plan of cultivating, retaining, and utilizing talents.

In terms of human resources training, for new employees, the company provides pre-employment training according to their functions to help them adapt and be competent for their jobs. For on-the-job employees, various professional vocational training courses, such as internal and external, are implemented irregularly according to the work needs.

(1) Internal training: It is divided into new recruit training, department transfer training and current job update. For example, new employees on the production line watch the company's self-made teaching videos and the production line supervisor's explanation and guidance, so that new employees can enter the situation faster and shorten the learning curve.

(2) External training: arrange different training courses according to each function: for example, in business, participate in product quality training courses organized by customers, customer specification training courses; production management level participates in friendly factory visits to exchange production management and manufacturing processes with each other, and Other corporate governance and professional courses required by competent authorities.

3. Retire system and implementation situation

Thailand: In accordance with Section 118 of Chapter 11 of the Thai Labor Protection Act, local employees are provided with retirement pension protection, which is a definite payment plan. Employees who meet the retirement conditions can receive the corresponding number of days of retirement pension according to their seniority. The company has set aside NT$12,232,000 as employee retirement reserves, and the liabilities have been recognized in the financial statements based on the actuarial report issued by a qualified actuary.

Taiwan: All employees in Taiwan are subject to the Labor Pension Regulations. All employees in Taiwan adopt the new pension system. According to the law, 6% of the monthly salary is allocated as a pension to the individual pension account of the Bureau of Labor Insurance. ; For those who voluntarily contribute to the retirement pension, the voluntary contribution rate will be deducted from the employee's monthly salary to the individual retirement pension account of the Labor Insurance Bureau .

The Taiwan employees of the company are subject to the following applicable regulations in accordance with the Labor Pension Act:

1. Voluntary retirement: A worker may voluntarily retire under one of the following circumstances: (For those who choose to apply the Labour Pension Regulations, the same regulations apply)

(1) Those who have worked for more than 15 years and have reached the age of 55.

(2) Those who have worked for more than 25 years.

(3) Those who have worked for more than ten years and have reached the age of sixty.

2. Compulsory retirement: The company shall not force an employee to retire unless he or she falls under any of the following circumstances:

(1) Those who have reached the age of 65.

(2) The mentally or physically disabled is unfit for work. The age specified in Subparagraph 1 of the preceding paragraph may be adjusted to the central competent authority for approval if the company is employed as a worker with special characteristics such as danger and strong physical strength. But not less than fifty-five years old.

3. Retirement payment standard:

(1) The seniority before and after the application of the Labor Standards Act and the choice to continue to apply the pension provisions of the "Labor Standards Act" or retain the seniority before the application of the Labor Pension Ordinance in accordance with the Labor Pension Act, the pension payment standard shall be based on labor The payment shall be calculated according to Articles 84-2 and 55 of the Standard Law.

(2) For employees who have the above-mentioned years of service and are forced to retire in accordance with the provisions of Paragraph 1, Subparagraph 2 of Article 35, if their mental or physical disability is caused by the performance of their duties, they shall be subject to Article 55 of the Labor Standards Act. Twenty percent shall be added as stipulated in the second paragraph of Paragraph 1.

(3) For employees who are subject to the pension provisions of the Labor Pension Act, the company shall pay 6% of their wages to the individual pension account of the laborer on a monthly basis. 4. Retirement benefits: The company shall pay the retirement benefits to the employees within 30 days from the date of retirement.

4. Measures for safeguarding labor-management agreements and employee rights and interests

The Group has always attached importance to the rights and interests of employees and harmonious labor-management relations. In addition, the Group values the opinions of employees and establishes the following methods as bridges for communication with employees:

(1) Suggestion mailbox: employees can use the company's suggestion mailbox to send various suggestions and reflect to the management.

(2) Regular departmental meetings: use various departmental discussion meetings to encourage employees to reflect their opinions.

(3) Personnel Management Department: The company's human resources supervisor will regularly reflect employee opinions to the management.

The company maintains labor-management harmony through the above methods, and so far no major labor-management disputes have occurred.

5. Work environment and employee personal safety protection measures:

Employees are the company's greatest asset. Taijin pays great attention to the physical and mental health of employees and the workplace environment. Each plant must pass the certification of the occupational safety and health management system. Taijin provides employees with a high-quality working environment, strictly controls the environmental safety of the work site, provides various employee benefits, and helps employees to balance work and life development. The following are the company's labor safety measures for employees:

(1) The company regularly inspects the factory environment and fire safety, and asks an impartial third party to inspect the environment, noise, air dust, air emissions, etc.

Noise detection: Once a year.

Air Dust: Once a year.

Air emissions testing: every two years.

(2) Insure employee accident insurance for the factory area.

(3) Hold employee safety week activities every year to promote safe operation and professional knowledge.

(4) Hold employee health check every year.

(5) Do a good job in the safety and health management of hardware facilities: the company's process, factory affairs, information and general affairs departments and other relevant units will conduct safety and health risk assessments. Establish construction safety control, chemical safety management and safety audit systems.

(6) Disaster prevention drills and occupational safety training are held every year.

(II) The factory has a medical room List any loss sustained as a result of labor disputes in the recent two years, and during the current year up to the date of publication of the annual report, disclose an estimate of losses incurred to date or likely to be incurred In the future, and indicate mitigation measures being or to be taken. If the loss cannot be reasonably estimated, the facts that cannot be reasonably estimated shall be stated: no such situation.

(VI) Cyber security management

(1) Information communication security risk management structure: the information department is responsible for the information communication security risk management unit of the company, and there is a full-time unit under it to be responsible for the information environment security of Netcom. Evaluate and formulate relevant work procedures such as information environment hardware construction, computer use specifications, information security system management, and internal training and publicity. The audit unit makes supervision and suggestions according to the audit plan, and regularly prepares audit reports to report to the board of directors. The information environment is also audited by accountants for information operations every year

(2) Information security policy: The information department first conducts a risk assessment for possible hazards, and formulates relevant policies and work procedures for employees and external visitors to follow according to the risks that need to be controlled. Policies and system specifications can be mainly divided into: computer use specifications, Netcom environmental management methods, backup and rescue management methods, etc.

(3) Specific management plan: establish an appropriate firewall to record and control network access, gateways, shared folders, application software and other actions. For specific environments, such as specific production areas, different levels of security specifications are set. Irregularly entrust external agencies to give suggestions as a reference for improvement. Provide education, training and publicity for internal employees to enhance information security awareness. Provide information security news from time to time to inform all colleagues to prevent information security loopholes.

(4) Investing resources in the safety management of Zitong: Continue to invest in relevant software and hardware equipment for new work and production areas. For old work areas, check traffic flow and inspection point requirements every year, and continuously improve equipment specifications and safety levels to meet the needs of The need for continuous growth and evolution. Firewall and related software construction, outsourced from time to time to provide consulting and suggestions, and upgrade related software to improve the security level. Invest in human resources and educational equipment resources for employee education and training.

(5) In the most recent year and as of the publication date of the annual report, if the losses, possible impacts and countermeasures of major information security incidents cannot be reasonably estimated, the fact that they cannot be reasonably estimated shall be stated: no such situation

VI. Important Contracts

Nature of contract	Counterparty	Term	Major contents	Restrictions
Short-term Loan Contract	Lender: Mega International Commercial Bank Co., Ltd., Chunwuli Branch Borrower: Royal Finishing Co., Ltd.	2020/5/17~ 2022/4/15	1. Loan line: 240 million baht 2. Revolving loan	Nil
Short-term Loan Contract	Lender: LH Bank Borrower: Royal Finishing Co., Ltd.	2021/9/18~ 2022/3/18	1. Loan line: 200 million baht 2. Revolving loan	Nil
Medium-term Loan Contract	Lender: Kasikorn Bank Borrower: Royal Finishing Co., Ltd.	2018/12/19 ~2023/12/19	1. Loan line: 58,520 thousand baht 2. Solar power panels and equipment as guarantee	Nil
Medium-term Loan Contract	Lender: Kasikorn Bank Borrower: Royal Finishing Co., Ltd.	2020/06/24~ 2022/06/23	1. Loan amount in Thai baht 25,000 thousand yuan 2. Guaranteed loans for land and buildings	

Nature of contract	Counterparty	Term	Major contents	Restrictions
Medium-term Loan Contract	Lender: Mega Bank Borrower: Royal Finishing Co., Ltd.	2020/5/21 ~2022/5/20	3. Loan amount in Thai baht 27,000 thousand yua	

Chapter 6 Financial Information

I. Condensed Balance Sheets and Statements of Comprehensive Income for the Past Five Fiscal Years

(I) Condensed Balance Sheet and Statement of Comprehensive Income

1. Condensed Balance Sheet

Unit: NT$1,000

Item \ Year		Most Recent Five-Year Financial Information (Note 1)					March 31, 2022
		2017	2018	2019	2020	2021	
Current assets		517,057	546,472	672,747	1,112,569	1,005,389	983,105
Property, plant and equipment		382,902	409,462	469,430	551,125	496,758	510,625
Investment property		28,935	30,055	31,840	30,131	26,319	27,277
Intangible assets		-	-	-	-	-	-
Other assets		14,962	23,469	26,560	19,771	17,553	17,777
Total asset value		943,856	1,009,458	1,200,577	1,713,596	1,546,019	1,538,784
Current liabilities	Before distribution	469,594	310,483	446,302	503,672	673,291	619,405
	After distribution	559,594	355,483	550,245	663,557	709,005	619,405
Non-current liabilities		15,961	241,225	54,738	306,512	30,539	29,308
Total liabilities	Before distribution	485,555	551,708	501,040	810,184	703,830	648,713
	After distribution	575,555	596,708	604,983	970,069	739,544	648,713
Equity attributable to shareholders of the parent		458,048	457,520	699,350	903,189	842,005	889,882
Share capital		300,000	300,000	335,300	355,300	356,617	357,142
Capital surplus		48,483	48,483	143,602	234,071	255,738	257,915
Retained earnings	Before distribution	105,871	89,971	184,579	301,942	300,103	319,435
	After distribution	15,871	44,971	80,636	142,057	264,389	319,435
Other equity interest		3,694	19,066	35,869	11,876	(70,453)	(44,610)
Treasury stock		-	-	-	-	-	-
Non-controlling interest		253	230	187	223	184	189
Total equity	Before distribution	458,301	457,750	699,537	903,412	842,189	890,071
	After distribution	368,301	412,755	595,594	743,527	806,475	890,071

Data source: the prepared pro forma consolidated financial report after the CPA's auditing and certification in 2017, the prepared consolidated financial report after the CPA's auditing and certification in 2017, the consolidated financial report reviewed by the CPA in 2018-2021, and the figures reviewed by the CPA in the first quarter of 2022.

Note 1: After the Company completed its reorganization in January 2017, in order to apply as the first holding company seeking listing on TPEx in Taiwan, the Consolidated Financial Statements were prepared with CPA's auditing and certification as required by the securities agency of the competent jurisdiction in Taiwan.

2. Condensed Consolidated Statement of Profit or Loss

Unit: NT$1,000

Year / Item	Most Recent Five-Year Financial Information (Note 1)					Q1 2022
	2017	2018	2019	2020	2021	
Operating revenue	937,646	894,377	1,005,820	1,264,815	1,359,221	320,565
Gross profit	199,770	171,046	234,067	338,147	371,941	74,019
Operating profit (loss)	144,557	79,264	140,103	242,827	284,553	52,322
Non-operating income and expenses	24,943	10,406	16,011	13,117	(12,249)	13,502
Net income before tax	169,500	89,670	156,114	255,944	272,304	65,824
Net income from continuing operations	126,528	73,926	140,392	223,644	231,709	55,044
Loss from discontinued operations	-	-	-	-	-	-
Net income (loss)	126,528	73,926	140,392	223,644	231,709	55,044
Other comprehensive income (loss) in this period (net value after tax)	1,668	15,523	15,976	(26,206)	(77,575)	25,850
Total comprehensive income	128,196	89,449	156,368	197,438	154,134	80,894
Net income attributable to shareholders of the parent	126,565	73,958	140,441	223,682	231,721	55,046
Net income attributable to non-controlling interests	(37)	(32)	(49)	(38)	(12)	(2)
Total comprehensive income attributable to owners of the parent	128,228	89,472	156,411	197,402	154,173	80,889
Total comprehensive income attributable to non-controlling interests	(32)	(23)	(43)	36	(39)	5
Earnings per share	4.22	2.47	4.38	6.61	6.51	1.54

Data source: the prepared pro forma consolidated financial report after the CPA's auditing and certification in 2017, the prepared consolidated financial report after the CPA's auditing and certification in 2017, the consolidated financial report reviewed by the CPA in 2018-2021, and the figures reviewed by the CPA in the first quarter of 2022.

Note 1: After the Company completed its reorganization in January 2017, in order to apply as the first holding company seeking listing on TPEx in Taiwan, the Consolidated Financial Statements were prepared with CPA's auditing and certification as required by the securities agency of the competent jurisdiction in Taiwan.

(II) The Names of CPAs and their Opinions for the Past Five Fiscal Years

Year (Note 1)	Company name	Independent auditor	Audit opinion
2017	KPMG Taiwan	Chun-Xiu, Guan, Chun-Yi, Zhang	Unqualified opinion
2018	KPMG Taiwan	Chun-Xiu, Guan, Chun-Yi, Zhang	Unqualified opinion
2019	KPMG Taiwan	Chun-Xiu, Guan, Chun-Yi, Zhang	Unqualified opinion
2020	KPMG Taiwan	Chun-Xiu, Guan, Chun-Yi, Zhang	Unqualified opinion
2021	KPMG Taiwan	Chun-Xiu, Guan, Chun-Yi, Zhang	Unqualified opinion

Note 1: After the Company completed its reorganization in January 2017, in order to apply as

the first holding company seeking listing on TPEx in Taiwan, the Consolidated Financial Statements were prepared with CPA's auditing and certification as required by the securities agency of the competent jurisdiction in Taiwan.

II. Most Recent 5-Year Financial Anslysis

(I) Financial analysis

Item analyzed (Note 5) \ Year (Note 1)		Financial analysis for the most recent five years					March 31, 2022
		2017	2018	2019	2020	2021	
Financial structure %	Ratio of liabilities to assets	51.44	54.65	41.73	47.28	45.53	42.16
	Ratio of long-term capital to property, plant and equipment	123.86	170.71	160.64	219.50	175.65	180.05
Debt service ability (%)	Current ratio	110.11	176.01	150.74	220.89	149.32	158.72
	Quick ratio	66.41	91.43	77.51	165.5	102.08	94.59
	Interest coverage ratio	34.95	16.01	16.50	29.26	27.90	33.20
Operation performance	Receivables Turnover Ratio (Times)	6.42	5.80	5.87	5.81	6.19	5.88
	Average collection days	57	63	62	63	59	62
	Inventory turnover ratio (Times)	4.41	3.25	2.58	3.38	3.38	2.81
	Payables Turnover Ratio (Times)	23.53	14.17	16.39	14.88	14.43	15.12
	Average days for sale of goods	83	112	141	108	108	130
	Turnover ratio for property, plant and equipment (times)	2.53	2.26	2.29	2.48	2.59	2.55
	Total Assets Turnover Ratio (Times)	1.09	0.89	0.91	0.87	0.83	0.83
Profitability	Return on assets (%)	15.10	8.06	13.46	15.89	14.75	14.71
	Return on equity (%)	31.53	16.15	24.27	27.91	26.55	25.42
	Ratio of Net Profit before Tax to Paid-in Capital (%)	56.50	24.65	60.54	72.04	76.36	73.72
	Net profit margin (%)	13.49	8.27	13.96	17.68	17.05	17.17
	Earnings per share (NT$)	4.22	2.47	4.38	6.61	6.51	1.54
Cash flow	Cash Flow Ratio (%)	35.99	27.40	9.45	70.8	39.30	(7.91)
	Cash flow adequacy ratio	註 3	註 3	146.52	83.01	99.90	129.2
	Cash Re-investment Ratio (%)	25.04	7.37	-8.99	16.81	8.87	(0.98)
Leverage	Operating leverage	2.98	1.46	2.96	2.30	2.11	2.47
	Financial leverage	1.04	1.08	1.08	1.04	1.04	1.04

The increase or decrease of each financial ratio in the last two years has reached 20%. Please explain the reasons for the change of each financial ratio:

1. Ratio of long-term funds to real estate, plant and equipment: mainly due to the reclassification of corporate bonds payable in 2021 from non-current liabilities to current liabilities.
2. Current ratio and quick ratio: Mainly due to the reclassification of corporate bonds payable in 2021 from non-current liabilities to current liabilities.
3. Analysis of current flow ratio: Mainly due to the reclassification of corporate bonds payable in 2021 from non-current liabilities to current liabilities.
4. Analysis of fair cash flow ratio: mainly due to the decrease in the amount of cash dividends.
5. Analysis of cash reinvestment ratio: mainly due to the low net cash flow from operating activities in 2021.

Note 1: After the Company completed its reorganization in January 2017, in order to apply as the first holding company seeking listing on the TPEx in Taiwan, the Consolidated Financial Statements were prepared for the most recent two years with CPA auditing and certification as required by the securities agency of the competent jurisdiction in Taiwan.

Note 2: The calculations are based on use of the 2015 - 2016 CPA audited pro forma Consolidated Financial Report, 2017 CPA audited Consolidated Financial Reports, and 2018 Second Quarter CPA reviewed Financial Report.

Note 3: There is no information such as net cash flow of operating activities and capital expenditure in the last five years, so it will not be calculated.

Note 4: The cash reinvestment ratio is calculated as a negative figure, which is not significant for analysis, so it will not be listed.

Note 5: The calculation formulas are as follows:

1. Financial structure
   (1) Liability to asset ratio = Total liabilities/Total assets.
   (2) Ratio of long-term capital to property, plant, and equipment = (total equity + non-current liabilities)/net amount of property, plant, and equipment.
2. Debt-paying capability
   (1) Current ratio = Current assets/Current liabilities
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenditures)/Current liabilities.
   (3) Interest coverage ratio = Income before income tax and interest expenditure/ Interest expenditures for this period.
3. Business capability
   (1) Accounts receivable (including accounts receivable and notes receivable resulting from operation) turnover = Net sales/balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation).
   (2) Average collection days = 365/Receivables turnover ratio.
   (3) Inventory turnover = Sales expense/Average inventory value.
   (4) Payables turnover ratio (including bills payable resulting from accounts payable and business operations) = Cost of sales/Average accounts payable in various periods (including bills payable resulting from accounts payable and business operations).
   (5) Average sales days = 365/Inventory turnover ratio.
   (6) PP&E turnover ratio = Net sale/Average PP&E value.
   (7) Total asset turnover ratio = Net sales/Average total PP&E value.
4. Profitability
   (1) Return on assets (ROA) = [Net income after income tax + Interest expenses * (1 - tax rate)]/Average total assets.
   (2) Return on equity = Net profit (loss) after tax/Average total equity value.
   (3) Net profit margin = Net profit (loss) after tax/Net sales.
   (4) Earnings Per Share (EPS) = (Profit (loss) attributable to the owner of the parent company - Dividend for preferred shares)/Weighted average of issued shares
5. Cash flow
   (1) Cash flow ratio = Net cash from operating activities/Current liabilities.
   (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the last 5 years/(Capital expenses + Additional inventory sum + Cash dividend) for the past 5 fiscal years.
   (3) Cash re-investment ratio = (Net cash flow from operating activities - Cash dividend)/(Gross amount of PP&E + Long-term investments + Other non-current assets + operating capital).
6. Leverage
   (1) Operating Leverage＝(Net sales－variable operating cost and expense)／Operating income
   (2) Degree of Financial Leverage (DFL) = Operating profit/(Operating profit - Interest expenditures).

III. Audit Committee's Review Report for the Financial Statements of the Most Recent Year

Thai Kin Co., Ltd.
Audit Committee's Review Report

The Board of Directors has prepared the Company's business report, financial statements, and the earnings distribution proposal for 2021, in which the consolidated financial statements have been audited by the CPAs Chun-Hsiu Kuan and Chun-Yi Chang of KPMG Taiwan entrusted by the Board of Directors, with the audit report issued. The above business report, consolidated financial statements, and earnings distribution proposal have been verified by the Audit Committee and deemed as appropriate and reported as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for approval.

Sincerely,

The Company's 2022 General Shareholders' Meeting

Thai Kin Co., Ltd.

Convener of the Audit Committee:

Wu, Chung-Fern

March 21, 2022

IV. Consolidated Financial Statements Audited by Independent Auditors for the Most Recent Year, Including an Independent Auditor's Report, Two-year Comparative Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, and Notes or Schedules: Please refer to Appendix I.

Parent Company Only Financial Statements Audited and Certified by CPAs for the Most Recent Year But excluding the detailed statement of important accounting items: Not applicable.

V. Financial Difficulties Occurred to the Company and Its Affiliated Enterprises in the Most Recent Year and as of the Publication Date of this Annual Report: None.

Chapter 7 Review and Analysis of Financial Position and Financial Performance, and Risk Management

I. Financial Position

Unit: NT$1,000

Item \ Year	2020	2021	Difference	
			Amount	%
Current assets	1,112,569	1,005,389	-107,180	-10.66%
Property, plant and equipment	551,125	496,758	-54,367	-10.94%
Intangible assets	-	-	-	-
Other assets	49,902	43,872	-6,030	-13.74%
Total asset value	1,713,596	1,546,019	-167,577	-10.84%
Current liabilities	503,672	673,291	169,619	25.19%
Non-current liabilities	306,512	30,539	-275,973	-903.67%
Total liabilities	810,184	703,830	-106,354	-15.11%
Share capital	355,300	356,617	1,317	0.37%
Capital surplus	234,071	255,738	21,667	8.47%
Retained earnings	301,942	300,103	-1,839	-0.61%
Other equity interest	11,876	-70,453	-82,329	116.86%
Non-controlling interest	223	184	-39	-21.20%
Total shareholder equity	903,412	842,189	-61,223	-7.27%

The main reason for the change of more than 20% and the change amount of NT$10,000,000

1. Increase in current liabilities: mainly due to the reclassification of non-current liabilities to current liabilities by issuing convertible bonds.
2. Decrease in non-current liabilities: mainly due to the reclassification of non-current liabilities to current liabilities by issuing convertible bonds.
3. Decrease in other equity: mainly due to fluctuations in the exchange rate of the Thai baht against the US dollar in 2021

II. Financial Performance

(I) Financial performance comparison/analysis table

Unit: NT$1,000

Item \ Year	2020	2021	Difference	
			Amount	%
Net operating revenue	1,264,815	1,359,221	94,406	6.95%
Operating costs	926,668	987,280	60,612	6.14%
Gross profit	338,147	371,941	33,794	9.09%
Operating expenses	95,320	87,388	-7,932	-9.08%
Net operating profit	242,827	284,553	41,726	14.66%
Non-operating income (expenses)	13,117	(12,249)	-25,366	207.09%
Net income before tax	255,944	272,304	16,360	6.01%
Income tax expenses	32,300	40,595	8,295	20.43%
Net profit for this period	223,644	231,709	8,065	3.48%

The main reason for the change of more than 20% and the change amount of NT$10,000,000
(1) Non-operating income and expenses: mainly due to the loss of Yuanhui evaluation in 2021 and the non-operating income due to fire in 2020.
(2) Income tax expenses: mainly due to the increase in operating interests

(II) Forecast sales volume and basis thereof

The Company formulates the annual budget according to the overall housing market and furniture market environment, customers' expected orders and production capacity planning. In addition to maintaining a stable and long-term relationship with our customers, we will continue to expand our revenue through regular development of new products and new customers and new markets.

(III) Possible impact on the Company's financial operations and response plans

The Company will improve its mastery of the changes in the main original price, adjust the stock of raw materials in accordance with production needs, and purchase more when the price is low to reduce the pressure of price fluctuation. At the same time, through improving process technology and production services and with highly customized products and close relationship with customers, we will ensure the stable growth of business in the future.

III. Cash Flow

(I) Analysis of cash flow changes of the most recent year

Unit: NT$1,000

Item	2020	2021	Difference	
			Amount	%
Net Cash Generated from (Used in) Operating Activities	356,584	264,574	-92,010	-34.78%
Net Cash Generated from (Used in) Investing Activities	(169,768)	(72,061)	97,707	-135.59%
Net cash inflow (outflow) from financing activities	282,043	(272,661)	-554,704	203.44%
1. Cash from operating activities: The decrease in cash inflow from operating activities in 2021 is mainly due to the increase in inventories and the concentration of accounts payable on manufacturers with shorter days. 2. Cash from investing activities: The decrease in cash outflow from investing activities in 2021 is mainly due to the decrease in the purchase of machinery and equipment. 3. Cash from financing activities: The decrease in cash inflow from financing activities in 2021 is mainly due to the issuance of convertible bonds and cash capital increase in 2020.				

(II) Improvement plans for liquidity shortage

The operating cash flow of the company in the last two years has all been inflow, so there is no shortage of liquidity.

(III) Cash liquidity analysis for the following year

The cash balance of the company at the beginning of 2022 is 463,270. It is expected that the net cash flow from operating activities will maintain a net inflow in 2022, and the company has a good relationship with banks, and the bank has sufficient financing. The net cash inflow from operating activities should be able to cover investment and financing activities Therefore, there is no doubt of insufficient cash liquidity.

IV. Material Expenditure over the Past Year and Its Impact on the Company's Finances and Operations:

The company did not have significant capital expenditures in the most recent year that had an impact on the financial business.

V. Investment Policy for the Most Recent Year, Main Reasons for Profit or Loss, Improvement Plan and Investment Plan for the Next Year:

(I) Policies for investment in the most recent year, main reasons for profit or loss, improvement plans:

1. Investment policy of the Company

The Company's investment policy is to make long-term investment with the investment target related to the Company's business, and not to engage in other non business investment. The Company's management of invested enterprises shall be carried out in accordance with the "investment cycle", "measures for the supervision and management of subsidiaries" and "measures for the operation of financial and business transactions of group enterprises and specific companies", which shall be adopted by the board of directors.

2. Main reasons for gains or losses in the most recent year's investment business and improvement plans:

Unit: NT$ 1,000

Investee	Business item	Percentage (%)	Amount of investment	Investment profit and loss recognized in the latest year	Reason for profits or losses	Improvement plan
Royal Finishing Co., Ltd.	Manufacturing and sales of cabinet, bathroom and curtain casting parts and accessories	99.99	328,122	138,515	Continue to develop new products and expand channels, so the profit is still stable.	Nil
Paokin Co., Ltd.	Manufacture of bathroom casting parts and accessories	98.50	34,489	(3,127)	It has not been operated, and only incurs daily management and other expenses.	Nil
Thai Kin Company Limited	Sales of cabinet, bathroom and curtain casting parts and accessories	100.00	4	33,863	Continue to develop new customer, so the profit is still stable.	Nil
Mira Home	Sales of cabinet, bathroom and curtain casting parts and accessories	100.00	154	1,068	At the initial stage of investment, only daily management and other expenses are incurred	Nil

3. Investment plans for the following year: None.

VI. Risk Analysis and Assessment in the Most Recent Year up to the Publication Date of this Annual Report:

(I) Impacts on interest rate, fluctuation in exchange and inflation on corporate profits and losses and future countermeasures:

1. Effect of Interest Rate Fluctuations on the Company's Profit or Loss and Response Measures to Be Taken in the Future:

The Company's interest income mainly comes from bank deposit interest, while the interest expense mainly comes from loan interest expense. The interest income, interest expense and their respective proportion in consolidated operating income in the last two years are as follows:

Unit: NT$1,000

Item \ Year	2020	2021
Interest income	788	545
Interest income/consolidated operating income (%)	0.06	0.04
Interest expense	9,057	10,123
Interest expense/consolidated operating income (%)	0.72	0.74

Data source: financial statements of the Company audited, certified or reviewed by CPA.

The interest income of the Company in 2020 and 2021 was NT$ 788,000 and NT$ 545,000, respectively, accounting for 0.06% and 0.04% of the consolidated operating income for each year, respectively. The interest expenses in 2020 and 2021 were NT$ 9,057,000 and NT$ 10,123,000, respectively. , accounting for 0.72% and 0.74% of the consolidated operating income for each year, respectively. Interest income and interest expenses in the last two years accounted for less than 1% of the consolidated operating income, so changes in interest rates have little impact on the company's profit and loss.

Proactive measures:

(1) The Company pays attention to interest rate fluctuations at any time and adjusts the utilization of funds in a timely manner to control potential financial risks arising from interest rate fluctuations.

(2) Maintain good relationship with banks on an ongoing basis.

(3) Increase the source of funds to meet the needs for future growth with lower cost financing.

2. Effect of Exchange Rate Fluctuations on the Company's Profit or Loss and Response Measures to Be Taken in the Future

The Company's sales are mainly in US dollars and baht as the collection currency, while the purchase is in US dollars as the main payment currency, followed by baht. The related exchange rate risk comes from future business transactions, listed assets and liabilities, and net investment in foreign operations. The exchange gain and loss and proportion in consolidated operating income in the last two years are as follows:

Unit: NT$1,000

Item \ Year	2020	2021
Net gain (loss) from foreign currency exchange	(17,604)	7,105
Foreign exchange gains (losses) / consolidated operating income (%)	(1.39)	0.52

The company's sales and purchase transactions are mainly denominated in New Taiwan dollars, US dollars and Thai baht. Therefore, by receiving and paying in New Taiwan dollars, US dollars and Thai baht, a natural hedging effect is generated. The foreign currency exchange gains and losses in 2020 and 2021 are respectively It was (17,604) thousand yuan and 7,105 thousand yuan, accounting for (1.39)% and 0.52% of the consolidated operating income for each year, respectively. Foreign exchange gains and losses were mainly attributable to long-term payables denominated in US dollars and foreign currency borrowings in the accounts of the subsidiary Royal Finishing, which were caused by fluctuations in the exchange rate between Thai baht and US dollars. Limited revenue and profit impact.

Proactive measures:

(1) Keep close contact with the dealing banks, fully grasp the change of foreign exchange market, and provide relevant personnel as the basis for product quotation and raw material purchase, so as to timely reflect the change of exchange rate.

(2) When quoting with foreign customers, the business department shall consider the impact of exchange rate fluctuation on sales price to mitigate the impact of exchange rate fluctuation on revenue and profit.

(3) According to the future trend of the exchange rate, the financial personnel should maintain the appropriate foreign exchange position at the right time to provide the operation needs of the subsidiaries within the Group to reduce the impact of exchange rate changes on the Company's profits.

(4) Where necessary, forward foreign exchange transactions shall be conducted in accordance with the "procedures for the acquisition or disposal of assets" in accordance with the foreign currency position and exchange rate changes, and the net foreign currency position after natural hedging shall be used as a hedge to reduce the exchange rate risk arising from the Company's business operations.

3. Effect of Inflation on the Company's Profit or Loss and Response Measures to Be Taken in the Future

Inflation/deflation will mainly cause unreasonable fluctuations in the price of materials of the Group, which will have a certain impact on the profit and loss of the Group. The ratio of raw materials to manufacturing costs in 2020 and 2021 is approximately 75%~79%, and the cost of goods sold to revenue The proportion is about 73%. The main commodities purchased are zinc alloy, aluminum alloy, nickel and copper, etc. Therefore, in order to minimize the impact of material price changes on the company's profit and loss, the Group has taken the following countermeasures:

(1) Develop new process technologies to reduce the amount of materials used.

(2) Strengthen waste recycling and reuse of materials.

(3) Develop equipment for automated production of products to reduce the proportion of wastage during production.

(4) Vertical integration of production process to control the production process and reduce waste of materials.

(II) Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives trading, are the main reasons for the profits or losses generated thereby, and future response measures to be undertaken.

1. Policies on high risk, highly leveraged investments, main reasons for the profits or losses generated thereby, and future response measures to be undertaken

The Group focuses on its principal business operations and does not engage in other high-risk industries. The Group’s financial policies are prudent and conservative and do not involve highly leveraged investments, so the risk is limited.

2. The policy of engaging in loaning funds to others, the main reasons for profit or loss, and future countermeasures:

The Company has established "procedures for loan of funds to others". As of the latest year and as of the date of printing this annual report, there are only loan of funds to subsidiaries Royal Finishing and Paokin, and the risks are limited.

3. Policy of endorsement and guarantee, main reasons for profit or loss and future countermeasures:

The Company has established "procedures for endorsement and guarantee". As of the latest year and the date of printing this annual report, the Company has only provided endorsement and guarantee for its subsidiary Royal Finishing, so the risk is still limited.

4. Policies on derivatives trading, major reasons for profits or losses as well as future response measures

The company has established the "Acquisition or Disposal of Assets Handling Procedures". In the most recent year and up to the date of publication of this annual report, in order to reduce the exposure to fluctuations in the exchange rate of the Thai baht against the US dollar, the forward foreign exchange contract transactions carried out by the company have controlled the transaction amount. In the net foreign currency position, the derivative loss caused by the fluctuation of exchange rate indirectly affected by the change of the epidemic in Thailand has no significant impact on the company's financial business after the consolidated foreign currency position exchange profit and loss assessment. Contracted position and follow-up risk control.

(III) Future R&D projects and R&D expenditure to be invested:

1. Cabinet handle items 79 series.
2. 97 series of bathroom items.
3. Curtain series 99 series.

(IV) The Impacts of changes of the important domestic and foreign policies and laws on the Company’s finance and business, and the countermeasures:

The countries where the Group is registered and its main operations are respectively the British Cayman Islands, Thailand and Taiwan. The implementation of the Group's business is conducted in accordance with the local important policies and laws, and the Group pays attention to the development trend of local important policies and changes in laws at any time, and takes appropriate countermeasures in response to changes in the market environment. During the most recent year and up to the date of printing this annual report, the Group has not had any significant impact on the Company's financial business due to significant policy and legal changes in the British Cayman Islands, Thailand and Taiwan.

(IV) Effects and countermeasures of changes in technology and industry on the Company's financial operations:

The Group always pays attention to the changes of relevant technology and product demand in its industry, grasps the latest market trend, and evaluates its impact on the Company's operation. As of the latest year and the date of printing this annual report, the Group has no significant impact on the Company's financial business caused by major technology changes or industrial changes.

(V) Effects and countermeasures of changes of corporate image on the Company's crisis management:

The business philosophy of the Group is to adhere to the product quality and become a reliable strategic partner of customers, and adhere to the principle of ethical corporate management, while maintaining a harmonious labor and local relations, and maintaining a good corporate image. As of the latest year and the date of printing this annual report, the Group has no significant impact on the Company's financial business due to the change of corporate image.

(VI) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

(VII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(VIII) Risks faced by purchase or sales concentration and corresponding measures:

1. Risks from purchase concentration and response measures:

The largest suppliers of the Group accounted for 15.91% and 26.29% of the annual purchase amount in 2020 and 2021, and there are many suppliers to choose from for main raw materials, so as to increase the bargaining space and reduce the risk of material shortage. Therefore, the purchase is not concentrated on a single supplier.

2. Risks from sales concentration and response measures:

In 2020 and 2021, the Group's revenue from its largest customers accounted for 29.44% and 25.30% of its revenue, where the proportion of revenue is high. The main reason is that the Group has accumulated years of mutual trust and cooperation with customers, and has close and in-depth cooperation in product and mold development. Therefore, product quality and price are highly recognized by customers, and have been certified as qualified suppliers by many customers, and have long-term cooperation with each other. As a result, when the Company focuses on serving important customers, there will be concentrated sales. In addition to continuously strengthening and solidifying the cooperative relationship between the two parties, the Group will also actively develop new customers and diversify the source of orders to reduce the risks arising from the concentration of sales.

(IX) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(X) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(XI) Where the Company, its directors, supervisors, general managers, substantial principals, major shareholders with a shareholding ratio of more than 10% and subordinate companies have been decided for judgement or are still in the process of major litigation, non litigation or administrative litigation, the result of which may have a significant impact on shareholders' equity or securities prices: None.

(XII) Other Material risks and response measures:

1. Risk of changes in demand for home decoration products

Europe and America are the main markets of furniture and home decoration industry in the world. Therefore, the changes of business cycle in Europe and America affect consumers' consumption intention, and the volume of house transactions and the number of new built houses have a more direct impact on the development of furniture market and repair market, thus affecting the sales of the Group's home decoration castings.

Proactive measures:

(1) Keep up-to-date with customers' needs, update market information, regularly review and evaluate the industry development situation, and maintain close cooperation with existing customers by improving service quality, R&D capability, stable delivery time and strict cost control.

(2) In addition to the existing customers, the Group also actively develops new customers and sales channels. In order to improve product diversification, the Group continues to develop new casting materials such as plastic, stainless steel, wood and acrylic to reduce the impact of business fluctuation on the Group.

2. Fluctuations in raw material prices

The important raw materials of the Group's products are zinc alloy, aluminum alloy, plastic, copper, nickel and other materials. The average raw materials in the last three years account for 59% ~ 62% of the cost structure, which is easily affected by the price fluctuation of raw materials.

Proactive measures:

(1) Develop multiple raw material suppliers and strengthen the purchasing bargaining power.

(2) Actively develop alternative materials to improve product gross margin.

(3) Pay attention to the trend of international raw materials and adjust the stock of raw materials in time.

(4) Work closely with major suppliers, establish long-term and good cooperation relationship with each other to avoid supply shortage.

3. Intensified market competition

In the face of fierce competition in the global furniture market, large chain channels and retailers attract consumers with low price strategy, which leads to price war in the furniture market. As a result, home decoration casting manufacturers are also faced with customer requirement for price reduction and existing competitors adopt price reduction competition strategy to increase market share, which makes the Group face the pressure of customer requirement for price reduction.

Proactive measures:

(1) Develop products with customers to consolidate orders and reduce price competition for mature products.

(2) Continue to invest in semi-automatic equipment, improve production efficiency, and improve price competitiveness.

(3) Establish long-term relationship with customers, consolidate existing customers, and strengthen the development of new customers.

4. Protection of shareholders' rights and interests

There are many differences between the laws of the Cayman Islands, where the Company is registered, and those of the Republic of China. Although the Company has amended its articles of incorporation in accordance with the "checklist for the protection of shareholders' rights and interests in the place of registration of foreign issuers" stipulated by the TPEx, which does not conflict with the laws of the Cayman Islands, there are still many differences between the laws of the two countries in the regulation of the operation of the Company. Investors cannot apply the legal rights protection view of investing in companies in the Republic of China, as applied to the invested Cayman Islands company. Investors should understand and consult with experts about the scope of protection of shareholders' rights and interests for

investment in Cayman Islands companies. For details of the differences between the articles of incorporation and the checklist of shareholders' rights and interests protection, please refer to the statement of significant differences between the annual report XXX and the provisions of Taiwan's rights and interests protection.

Risks Stated in the Annual Report

(1) Facts and statistics

Certain information and statistics of the Annual Report are from different publications and may be inaccurate, incomplete or not up to date. The Company does not make any declaration relating to the truth or accuracy of such statements. Investors should not rely excessively on such information when making any judgments.

(2) The forward-looking statements contained in this annual report and the risks and uncertainties

This report contains information on the Company and affiliated companies with a number of forward-looking statements and information. Such statements and information are based on the Company's management beliefs, assumptions, and present information. In this prospectus, when statement of "is expected to", "believes", "can", "expected", "future", "intends to", "may","must","plans", "estimates", "sought", "should", "will", "may", "is expected to" are used by the Company or the Company's management, it's a forward looking statement. Such statements reflect Company's management's viewpoint for future events, operations, liquidity and sources of funding. Some views may not be realized or are likely to change. The statement is affected by risks, uncertainties, and assumptions, including the other risk factors described in this annual report. Investors should carefully consider that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The Company faces such risks and uncertainties can affect the accuracy of forward-looking statements, including but not limited to the following:

A. Description of Chapter 5, Operational Highlights of this annual report.

B. Price, quantity, operating, profit trend, overall market trends, risk management, and several statements in the exchange rate in this report.

Annual report does not update due to forward-looking statements or future events or information. In light of these risks, uncertainties and assumptions, this annual report's forward-looking statements may not occur according to expectation, or may not occur at all. Therefore, investors should not rely on any forward-looking statement.

6. Risks of overall economy, political and economic environment, foreign exchange, and laws

The Company is registered in the Cayman Islands while major business operations take place in Thailand and Taiwan. The macro economy, changes in political environment as well as foreign exchange fluctuations of the country where the

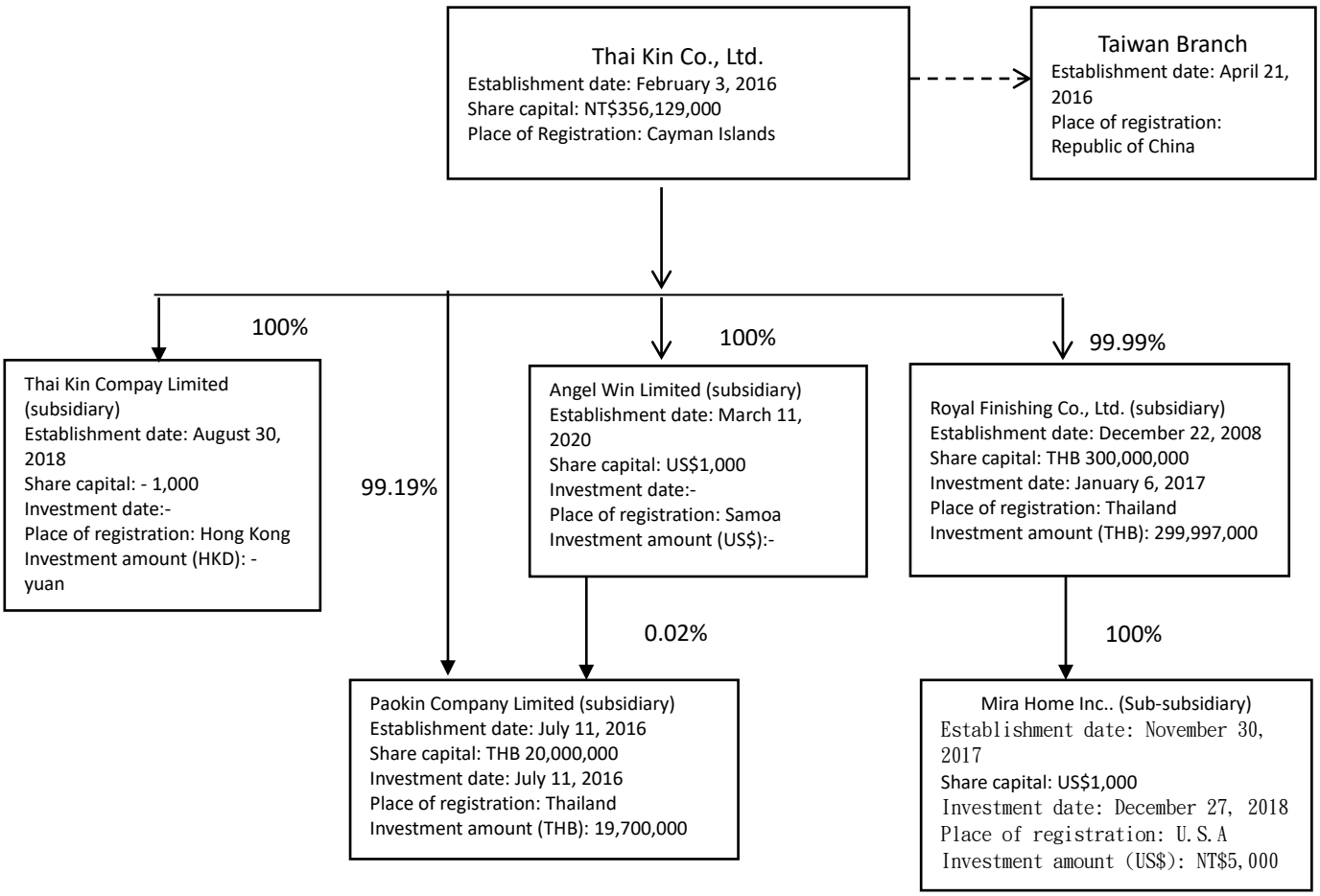
Company was registered and countries where it has its main operation activities will affect the operations of the Company.

VII. Other Important Matters: None.

Chapter 8 Special Disclosure

I. Affiliated Comapnies

(I) Corporate organization chart



(II) Basic Information of Affiliated Companies:

Name	Date of incorporation	Address	Actual paid-in capital	Main business
Thai Kin Compay Limited	2018.08.30	RM 1701, 9 Chong Yip ST,Kwun Tong, KLN,Hong Kong	HK$1,000	Sales of cabinet, bathroom and curtain casting parts and accessories
Angel Win Limited	2020.03.11	Maystar Chambers, P.O. Box 3269, Apia, Samoa	-	Investment holding
Royal Finishing Co., Ltd	2008.12.22	999 Moo 10 Tumbol Nong-e -roon Ampher Ban Bueng Chouburi 20220. Thailand	THB 300,000,000	Manufacturing and sales of cabinet, bathroom and curtain casting parts and accessories
Paokin Company Limited	2016.07.11	999/4 Moo Tumbol Nong-e-roon Ampher Ban-bueng Chonburi 20220. Thailand	THB 20,000,000	Manufacturing and sales of cabinet, bathroom and curtain casting parts and accessories
Mira Home Inc	2017.11.30	1005 N Commons Dr.Aurora,IL 60504-4100 USA	US$5,000	Sales of cabinet, bathroom and curtain casting parts and accessories

(III) Shareholders in Common of the Company and Its Subsidiaries with Deemed Control and Subordination: None.

(IV) Information on directors, supervisors, and general manager of affiliated companies:

Name	Title	Name	Number of Shares Held	%
Thai Kin Compay Limited	Chairman	Chen-Jung, Hsu	Co., Ltd. N/A	-
Angel Win Limited	Chairman	Chen-Jung, Hsu	Co., Ltd. N/A	-
Royal Finishing Co., Ltd	Chairman Directors Directors	Ta-Chin, Hsu Chen-Jung, Hsu Wen-Chih, Hsu	1 1 1	0.00% 0.00% 0.00%
Paokin Company Limited	Chairman Directors Directors	Ta-Chin, Hsu Chen-Jung, Hsu Wen-Chih, Hsu	752 833 833	0.24% 0.27% 0.27%
Mira Home Inc	Chairman	Chen-Jung, Hsu	-	-

(V) Operational highlight of affiliated companies:

December 31, 2021; Unit: Thousand foreign currency

Name	Actual paid-in capital		Total asset		Total liabilities		Net worth		Operating revenue		Operating profit		Net profit for this period	
Thai Kin Compay Limited	USD	29	USD	3,156	USD	790	USD	2,366	USD	6,720	USD	1,209	USD	1,209
Angel Win Limited	USD	-	USD	-	USD	-	USD	-	USD	-	USD	-	USD	-
Royal Finishing Co., Ltd	THB	300,000	THB	1,421,508	THB	674,629	THB	746,879	THB	1,378,150	THB	172,493	THB	157,009
Paokin Company Limited	THB	20,000	THB	23,234	THB	5,139	THB	18,095	THB	-	THB	(3,707)	THB	(3,573)
Mira Home Inc	USD	5	USD	298	USD	336	USD	(38)	USD	82	USD	17	USD	17

(VI) For Consolidated Financial Statement of Affiliated Companies: please see Attachment 1.

(VII) Affiliation report: None.

II. Private Placement of Securities in the Most Recent Year up to the Publication Date Publication of this Annual Report: None.

III. Holding or Disposal of the Company Shares by Its Subsidiaries in the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report: None.

IV. Other Necessary Supplements: None.

V. For the Most Recent Year and up the Publication Date of this Annual Report, in the Event of any Matter that has a Material Impact on Shareholders' Equity or on Securities Prices as Stipulated in Article 36, Paragraph 2, Subparagraph 2 of the Securities Exchange Act: None.

VI. Major Differences from the Domestic Protective Provisions for Shareholders' Interests: None.

The Company modified the articles of incorporation in accordance with the important matters of shareholders' rights protection listed in the "checklist of shareholders' rights protection in the registered place of foreign issuers" revised by the TPEx on May 31, 2021. Please refer to the procedures manual of the shareholders' meeting in 2022 for the revised contents. The Cayman company law does not prohibit the Cayman company to include in its articles of incorporation the articles of incorporation made by the issuing company in accordance with the "checklist of shareholders' rights protection in the registered place of foreign issuers":

Important Matters Related to Protection of Shareholders' Equity	**Provisions and reasons for differences in the memorandum and articles of incorporation of the issuing company**
1. Shareholders' meetings shall be convened within the territory of the Republic of China. If a shareholders' meeting is convened outside the territory of the Republic of China, it shall be resolved by the Board of Directors or permitted by the regulator and then reported to the TPEx for approval within two days. 2. Shareholders who have been continuously holding 3% of the total number of the outstanding shares for a period of one year or longer may request the Board of Directors to convene an extraordinary shareholders' meeting in writing, specifying the proposal and the reason. If the Board of Directors fails to send a notice of an extraordinary shareholders' meeting within 15 days after the request is made, the shareholders may convene the extraordinary shareholders' meeting with the regulator's permission.	Article 19.6 of the Company's articles of incorporation does not regulate that shareholders shall report to the competent authority for approval before convening an interim shareholders' meeting on their own due to the fact that there is no special provision in the Cayman Islands Company Law for shareholders to convene shareholders' meeting. In addition, if the shareholders convene their own shareholders' meeting outside the Republic of China, article 19.6 of the Company's articles of incorporation only stipulates that the TPEx or the TWSE (as the case may be) shall be reported for approval in advance, rather than "report to the TPEx for approval within two days after the shareholder obtains the permission from the competent authority to convene" as required by the checklist of shareholders' rights and interests protection, as the shareholders are not required to obtain permission of the local authority of the Cayman Islands to convene an interim meeting. This part shall have no material impact on the shareholders' rights and interests of the Republic of China.
1. The articles of incorporation shall specify that electronic means shall be listed as one of the channels to exercise voting rights. When a shareholders'	In relation to shareholder exercising voting rights in writing or by electronic means, the Companies Law of Cayman Islands made no mention whether a shareholder, who exercises his/her voting rights in

Important Matters Related to Protection of Shareholders' Equity	Provisions and reasons for differences in the memorandum and articles of incorporation of the issuing company
meeting is held, the shareholders may exercise their voting rights in written or electronic form; when a company holds a shareholders' meeting outside the Republic of China, the shareholders shall be provided with the possibility to exercise their voting rights in written or electronic form. 2. A company whose shareholders may exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting shall describe in the shareholders' meeting notice the method of exercising their voting power. A shareholder exercising voting rights by correspondence or electronic means shall be regarded as having personally attended the meeting. However, the shareholder shall be regarded as having forfeited voting rights for extraordinary motions or amendments to the original motion.	writing or by electronic means, could be deemed to have attended the meeting in person. Moreover, the attorney in Cayman Islands has not found any relevant cases. In order to make other arrangements, article 25.4 of the Company's articles of incorporation stipulates that "when a shareholder exercises his/her voting right at the shareholders' meeting by written voting or electronic means in accordance with the above provisions, it shall be deemed that the chairman of the meeting is entrusted as his/her proxy to exercise his/her voting right at the shareholders' meeting in accordance with the direction of the written or electronic documents. The chairman of the shareholders meeting as proxy shall not have the power to exercise the voting rights of such Members with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said shareholders meeting. For the purpose of clarification, such shareholders voting in such manner shall be deemed to have waived their voting rights with respect to any temporary motions and/or amendment to resolution(s) proposed at the shareholders meeting. In addition, article 26.3 of the Company's Articles of Incorporation stipulates that such a voting right which the chairperson of the shareholders' meeting has on behalf of the shareholder shall not be subject to the provision that the number of voting power represented shall not exceed 3% of the voting rights of the total shares issued. Due to the fact that the above difference is caused by different regulations provided by the Companies Law of Cayman Islands, the impact on the shareholders' equity of the Republic of China should be limited, in relation to this part.
For the following motions that relate to key rights of the shareholders, the motion may be adopted by a majority vote at a shareholders' meeting, wherein the meeting is attended by shareholders representing two-thirds or more of the total number of its outstanding shares. In the event the total number of shares represented by the shareholders present at a shareholders' meeting of the Company is less than the percentage of the total shareholdings	According to the Companies Law of the Cayman Islands, the following matters shall be passed by a special resolution: (1) Alteration of the Articles of Incorporation According to the law of the Cayman Islands, the special resolution stipulated in the Company Law of the Cayman Islands shall be adopted for the change of the articles of incorporation. Therefore, article 12.1 of the Company's articles of incorporation does not change the resolution threshold of the change of the articles of incorporation into a supermajority resolution

Important Matters Related to Protection of Shareholders' Equity	Provisions and reasons for differences in the memorandum and articles of incorporation of the issuing company
required in the preceding paragraph, the resolution may be adopted by at least two-thirds of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company. 1. 1. To form, change or terminate contracts related to leasing of the entire operation, commissioning others to manage, or forming of a long term joint management with others; Transfer the whole or principal part of the business or property; To accept the whole business or property given by others, which causing a significant influence over the operations of the Company 2. Amending the Articles of Incorporation 3. Where amendments to the Articles of Incorporation will damage the rights of shareholders holding preferred shares, a resolution of the preferred shareholders' meeting must be convened 4. New shares issuance shall be used to allocate the whole or part of share dividends or bonuses 5. Resolutions for corporate dissolution, merger, or demerger 6. Issuance of new restricted employee shares	under the law of Taiwan in accordance with the requirements of the checklist of shareholders' rights and interests protection. In addition, according to Article 13 of the Company's articles of incorporation, if any modification or change of the articles of incorporation will damage the priority of any kind of shares, the relevant modification or change shall be approved by a special resolution, and shall be approved by a special resolution of the shareholders' meeting held separately by the shareholders of such damaged shares. (2) Dissolution In accordance with the laws of the Cayman Islands, if the company resolves to voluntarily liquidate and dissolve due to its inability to pay off its debts when due, the dissolution shall be made by the ordinary resolution of the shareholders' meeting; however, if the company voluntarily liquidates and dissolves due to other reasons than the above, the dissolution shall be made by the special resolution stipulated in the company law of the Cayman Islands. Therefore, article 12.4 of the Company's articles of incorporation does not change the resolution threshold of liquidation and dissolution of the Company into a supermajority resolution under the Taiwan law in accordance with the requirements of the checklist for shareholders' rights and interests protection. (3) Merger Due to the fact that the Companies Law of Cayman Islands imposes mandatory provisions for methods of resolution when conducting a "merger as defined by the laws of the Cayman Islands", therefore Subparagraph (b), Article 12.3 of the Company's Articles of Incorporation provides that a merger shall be resolved by supermajority resolution, except for an acquisition and/or merger as defined by the Companies Law of Cayman Islands, which only requires a Special Resolution. The difference between the above-mentioned items and the check list of shareholders' rights and interests protection items is that the important items of shareholders' rights and interests protection should be regulated by supermajority resolution items and special resolution items respectively in the articles of incorporation. Because these differences are caused by

Important Matters Related to Protection of Shareholders' Equity	Provisions and reasons for differences in the memorandum and articles of incorporation of the issuing company
	the laws of the Cayman Islands, and the articles of incorporation has listed the supermajority resolutions and special resolutions in the articles of incorporation of the Company on the important matters for the protection of shareholders' rights and interests, the impact of the articles of incorporation on shareholders' rights and interests shall be limited.
1. Supervisors of a company shall be elected by a shareholders' meeting, among them at least one supervisor shall have a domicile within the territory of the Republic of China. 2. The term of office of a supervisor shall not exceed three years. However, a supervisor may be eligible for re-election. 3. In case all supervisors of a company are discharged, the Board of Directors shall, within 60 days, convene an extraordinary shareholders' meeting to elect new supervisors. 4. Supervisors shall supervise the business execution of the Company and may investigate the Company's business and financial conditions at any time, and check, record, or copy the Company's records and documents, and may request the Board of Directors or managers to submit reports. 5. Supervisors shall audit the various statements and record prepared for submission to a shareholders' meeting by the Board of Directors, and shall make a report of their findings and opinions at the shareholders' meeting. 6. In performing their functional duties, supervisors may appoint, on behalf of the company, a practicing lawyer and a certified public accountant to conduct the examination. 7. Supervisors may attend Board of Directors meetings to express opinion. In case the Board of Directors or any director commits any act, in carrying out the business operations of the	There is no concept of "supervisor" in the company law of the Cayman Islands, and the foreign issuer has set up an audit committee and no supervisor, so there is no relevant provision on supervisor in the articles of incorporation.

Important Matters Related to Protection of Shareholders' Equity	Provisions and reasons for differences in the memorandum and articles of incorporation of the issuing company
company, in a manner in violation of the laws, regulations, the Articles of Incorporation or the resolutions of the shareholders' meeting, the supervisors shall forthwith advise, by a notice, to the board of directors or the director, as the case may be, to cease such act. 8. Supervisor may each exercise the supervision power individually. 9. A supervisor shall not be concurrently a director, a managerial officer or an employee of the company.	
1. A shareholder who has held more than three percent (3%) of outstanding shares of the company may submit a written request to a supervisor to initiate litigation against a director on behalf of the company. The court of first instance shall be the Taiwan Taipei District Court. 2. 2. Within thirty (30) days after the shareholder has submitted his/her request, if the Supervisors do not initiate legal proceedings, the shareholder may initiate legal proceedings on behalf of the Company, and the Taiwan Taipei District Court may serve as the court to file the lawsuit.	The Companies Law of the Cayman Islands does not have the concept of supervisors. The Company has set up the Audit Committee; as a result, the Articles of Incorporation does not have any provisions relating to supervisors. However, with reference to Article 214 of the Company Act of the Republic of China on provisions concerning minority shareholders' request for litigation against directors, Article 48.3 of the Articles of Incorporation stipulates that "within the scope permitted by the Cayman Islands law, shareholders who hold more than 3% of the total issued shares of the company for more than one year may: (a) request in writing the board of directors to authorize the independent directors of the audit committee to file a lawsuit against the directors of the company." The court of first instance shall be the Taipei District Court of Taiwan; or (b) request independent directors of the audit committee in writing to file lawsuits against the directors for the company, and use the Taipei District Court in Taiwan as the court of first instance jurisdiction; within 30 days after the request is made in accordance with subparagraph (a) or (b), if (i) the requested board of directors does not authorize the audit committee in accordance with subparagraph (a) or if the independent director of the audit committee authorized by the board of directors fails to file a lawsuit in accordance with subparagraph (a); or (ii) the independent director of the requested audit committee fails to file a lawsuit in accordance with subparagraph (b), within the scope permitted by the Cayman Islands law, the shareholder may file a lawsuit for the Company against the director, and the Taipei District Court of Taiwan may be the court of jurisdiction.

Important Matters Related to Protection of Shareholders' Equity	Provisions and reasons for differences in the memorandum and articles of incorporation of the issuing company
	However, with regards to the above clauses, the attorneys in Cayman Islands have provided the following reminders in accordance with the laws of the Cayman Islands: The Companies Law of Cayman Islands does not stipulate regulations that allow derivative suit proceedings brought by minority shareholder against Directors at a court in the Cayman Islands. The Articles of Incorporation is not a contract between shareholders and directors, but is an agreement between shareholders and companies. Therefore, even if minority shareholders are allowed to bring derivative actions against directors in the articles of incorporation, Cayman Islands lawyers believe that this content will not restrain the directors. However, under common law, all shareholders (including minority shareholders) have the right to initiate derivative actions (including litigation against directors) regardless of their shareholding percentage or shareholding period. Once the shareholder sues, the Cayman Islands court will decide whether the shareholder can proceed with the lawsuit. It is stated that even if the company's articles of incorporation stipulates that minority shareholders (or shareholders with the required shareholding ratio or shareholding period) can bring a lawsuit against the directors on behalf of the company, but whether the lawsuit can continue is ultimately determined by the Cayman Islands court's decision. According to the relevant judgment made by the Cayman Islands Grand Court, when the court of Cayman Islands decides whether to approve the continuation of derivative action, the applicable criterion is whether the court of Cayman Islands believes and accepts that the plaintiff's request on behalf of the company is material on the surface, the illegal act claimed is committed by the person who can control the company, and such controller can enable the company not to sue. The court of the Cayman Islands will decide on the facts of the case (although the court may refer to the articles of incorporation, this is not a decisive factor). Under Cayman Islands law, the board of directors shall decide on behalf of the company as a whole (not as an individual director). Therefore, the directors shall, in accordance with the articles of incorporation, authorize any director by resolution of the board of directors to

Important Matters Related to Protection of Shareholders' Equity	Provisions and reasons for differences in the memorandum and articles of incorporation of the issuing company
	file a lawsuit on behalf of the company against other directors. The Cayman Islands company law does not provide shareholders with a clear standard for requesting directors to convene a board of directors to resolve specific matters. However, the company law of the Cayman Islands does not prohibit the company from making provisions in the articles of incorporation relating to the proceedings of the board of directors (including the provisions on the convening of the board of directors).
1. A company director shall act diligently and take due care of the company as a good administrator in conducting the business operation of the company; if he/she has acted contrary to this provision, shall be liable for the damages sustained by the company there-from. If the said act is implemented by the director himself or herself, or another party, the board of shareholders may resolve and consider an earning received from the said act as an earning of the company. 2. If a Director of the Company, in the course of performing his/her duties of the Company, has violated the law and thereby resulting in damages to others, he/she shall bear joint and several liabilities with the Company in compensating others. 3. A managerial officer and a supervisor shall bear, when performing a functional duty, the same liabilities as a company director when causing damages.	Article 48.4 of the Articles of Incorporation stipulates that "without prejudice and subject to the general directors' duties that a Director owe to the company and the Members under common law principals and the laws of the Cayman Islands, a Director shall perform his fiduciary duties of loyalty and due care of a good administrator in the course of conducting the company's business, and shall indemnify the company, to the maximum extent legally permissible, from any loss incurred or suffered by the company arising from breach of his fiduciary duties. If a Director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the company shall, if so resolved by the Members by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such relevant Director. If a Director has, in the course of conducting the company's business, violated any laws or regulations that causes the company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the company and if any reason such Director is not made jointly and severally liable with the company, such Director shall indemnify the company for any loss incurred or suffered by the company caused by a breach of duties by such Director. The Officers, in the course of performing their duties to the company, shall assume such duties and obligations to indemnify the company in the same manner as if they are Directors. However, with regards to the above clauses, the attorneys in Cayman Islands have provided the following reminders in accordance with the laws of the

Important Matters Related to Protection of Shareholders' Equity	Provisions and reasons for differences in the memorandum and articles of incorporation of the issuing company
	Cayman Islands: The directors' liability to the company under the laws of the Cayman Islands can be divided into the liability under the common law (i.e. the duty of professional competence, care and diligence) and the duty of loyalty. However, the directors still have legal obligations in accordance with various laws, and in certain circumstances, they also have obligations to the third party (such as creditors). If the company is unable to pay off or is in danger of being unable to pay off, the directors shall examine the interests of creditors when performing their duties. As the Articles of Incorporation is an agreement between shareholders and the Company, where Directors are not subjects to the Articles of Incorporation, hence, all compensatory rights pertaining to claims of a Director's violation of his/her obligations, shall be regulated under provisions of his/her service contract. Under Cayman Islands law, generally speaking, managers or supervisors do not have the same responsibilities to the company or shareholders as directors of the company. However, if a manager or supervisor is authorized to act on behalf of a senior executive, he or she will have the same obligations as a director of the company. For the avoidance of doubt, Cayman Islands companies generally regulate their responsibilities and obligations to the company and its shareholders in their service contracts with managers or supervisors. Similarly, as the Articles of Incorporation is an agreement between shareholders and the Company, where managerial officers and Supervisors are not subjects to the Articles of Incorporation, hence, all compensatory rights pertaining to claims of a managerial officer's or Supervisor's violation of his/her obligations, shall be regulated under provisions of his/her service contract. In addition, as for the provision that directors' interests are regarded as corporate income, Cayman Islands lawyers believe that such provision is uncertain and too general, so they have doubts about its enforceability. For example, whether a director's breach of duty is finally determined by the court and how to define the interest (and the period during which the interest is received). In the opinion of the Cayman Islands

Important Matters Related to Protection of Shareholders' Equity	Provisions and reasons for differences in the memorandum and articles of incorporation of the issuing company
	lawyers, this article does not limit the directors' liability, and the directors shall still have all kinds of legal liabilities, common law liabilities and faithful obligations under the laws of the Cayman Islands.

After investigation, the Company plans to adopt the amendment to the articles of incorporation at the general shareholders' meeting this year, so as to amend the articles of incorporation in accordance with the protection of shareholders' rights and interests listed in the checklist of protection of shareholders' rights and interests; as for some differences, due to the stricter regulations than Taiwan's regulation or the substantive content not violating the content of the checklist of protection of shareholders' rights and interests, therefore, they shall not have adverse impact on the shareholders' rights and interests of the Company.

Stock Code:6629

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

Address: 4F., No. 287, Sec. 3, Nanjing E. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)
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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Thai Kin Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Thai Kin Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgments, the key audit matters that should be disclosed in this audit report is Revenue recognition.

Please refer to note 4(m) "Recognition of Revenue" for accounting policy related to revenue recognition, and note 6(r) for the information related to revenue of the consolidated financial statements.

Description of key audit matter

The Group entered into agreements or sales orders with its major customers, which contain different terms and conditions and increase the complexity of identifying the timing of revenue recognition and transferring control of the products. Therefore, the revenue recognition was considered one of the key audit matters in our audit.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

How the matter was addressed in our audit:

Our audit procedures included:

- Assessing and testing the design, and the effectiveness of the internal controls over revenue recognition.
- Performing trend analysis on operating income generated from each top ten customer in current period versus that in latest quarter and last year to assess the occurrence of any significant variation and the rationale for the variation.
- Performing test-of-details on transactions to assess the existence of the transactions and the accuracy of the recognized sales as well as the timing of the recognition.
- Performing sales cut-off test over a period prior and post to the balance sheet date by vouching relevant documents of sales transactions to determine whether the revenue have been recognized in proper period.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.

As part of an audit in accordance with 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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 consolidated 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.

The engagement partners on the audit resulting in this independent auditors' report are Chun-Hsiu Kuang and Chung-I Chang.

KPMG

Taipei, Taiwan (Republic of China)
March 21, 2022

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(expressed in thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 463,270	30	602,166	35
1110	Financial assets at fair value through profit or loss－current (note 6(b))	634	-	-	-
1170	Trade receivables, net (notes 6(c) and (r))	216,646	14	222,293	13
1200	Other receivables (note 6(d))	6,669	-	9,039	1
130x	Inventories (notes 6(e) and 10))	312,392	21	271,406	16
1470	Other current assets (note 6(i))	5,778	-	7,665	-
	Total current assets	1,005,389	65	1,112,569	65
15xx	**Non-current assets:**				
1600	Property, plant and equipment (notes 6(f), (j), (k), 8, 9 and 10)	496,758	32	551,125	32
1755	Right-of-use assets (notes 6(g) and 7)	1,682	-	1,071	-
1760	Investment property, net (notes 6(h), (j), (k) and 8)	26,319	2	30,131	2
1840	Deferred tax assets (note 6(o))	10,881	1	10,712	1
1900	Other non-current assets (notes 6(f), (i), 8 and 9)	4,990	-	7,988	-
	Total non-current assets	540,630	35	601,027	35
1xxx	**Total assets**	**$ 1,546,019**	**100**	**1,713,596**	**100**

		December 31, 2021		December 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term borrowings (notes 6(f), (h), (j), 7 and 8)	$ 213,742	14	346,607	21
2120	Financial liabilities at fair value through profit or loss－current (notes 6(b) and (m))	4,709	-	-	-
2150	Notes payable	2,504	-	1,902	-
2170	Trade payables	61,795	4	70,645	4
2219	Other payable (note 7)	30,131	2	36,772	2
2213	Payables for machinery and equipment	3,016	-	6,289	-
2216	Dividends payable (note 6(p))	78,456	5	-	-
2230	Current tax liabilities	34,219	3	19,468	1
2280	Current lease liabilities (notes 6(l) and 7)	841	-	865	-
2321	Current portion of bonds payable (note 6(m))	185,373	12	-	-
2322	Current portion of long-term borrowings (notes 6(f), (h), (k), 7 and 8)	57,519	4	20,379	1
2399	Other current liabilities	986	-	745	-
	Total current liabilities	673,291	44	503,672	29
25xx	**Non-current liabilities:**				
2500	Financial liabilities at fair value through profit or loss－non-current (notes 6(b) and (m))	-	-	480	-
2530	Bonds payable (notes 6(b) and (m))	-	-	204,454	12
2540	Long-term borrowings (notes 6(f), (h), (k), 7 and 8)	13,407	1	80,011	5
2570	Deferred tax liabilities (note 6(o))	4,052	-	4,615	-
2580	Non-current lease liabilities (notes 6(l) and 7)	848	-	216	-
2640	Defined benefit liabilities－non-current (note 6(n))	12,232	1	16,736	1
	Total non-current liabilities	30,539	2	306,512	18
2xxx	**Total liabilities**	703,830	46	810,184	47
31xx	**Equity attributable to owners of the Company (notes 6(m), (n), (o) and (p)):**				
3100	Common stock	356,617	23	355,300	21
3200	Capital surplus	255,738	17	234,071	14
33xx	**Retained earnings:**				
3310	Legal reserve	55,915	4	21,440	1
3350	Unappropriated retained earnings	244,188	15	280,502	16
	Total retained earnings	300,103	19	301,942	17
34xx	**Other equity:**				
3410	Exchange differences on translation of foreign financial statements	(70,453)	(5)	11,876	1
	Total equity attributable to owners of the Company	842,005	54	903,189	53
36xx	**Non-controlling interests**	184	-	223	-
3xxx	**Total equity**	842,189	54	903,412	53
2-3xxx	**Total liabilities and equity**	**$ 1,546,019**	**100**	**1,713,596**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(expressed in thousands of New Taiwan Dollars, except earnings per share)

		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenues (note 6(r))**	$ 1,359,221	100	1,264,815	100
5000	**Operating costs (notes 6(e), (f), (g), (n), 7 and 12)**	987,280	73	926,668	73
5900	**Gross profit from operations**	371,941	27	338,147	27
6000	**Operating expenses (notes 6(f), (g), (n), 7 and 12):**				
6100	Selling expenses	32,431	2	35,965	3
6200	Administrative expenses	48,108	4	52,270	4
6300	Research and development expenses	6,849	-	7,085	1
	Total operating expenses	87,388	6	95,320	8
6900	**Net operating income**	284,553	21	242,827	19
7000	**Non-operating income and expenses (notes 6(b), (e), (f), (l), (m), (t), (u), (v), (w) and 10):**				
7100	Interest income	545	-	788	-
7010	Other income	75	-	79,312	6
7020	Other gains and losses	(2,746)	-	(57,926)	(4)
7050	Finance costs	(10,123)	(1)	(9,057)	(1)
	Total non-operating income and expenses	(12,249)	(1)	13,117	1
7900	**Profit before income tax**	272,304	20	255,944	20
7950	**Less: income tax expenses (note 6(o))**	40,595	3	32,300	2
8200	**Net profit**	231,709	17	223,644	18
8300	**Other comprehensive income:**				
8310	**Items that will not be reclassified subsequently to profit or loss (notes 6(n) and (o))**				
8311	Gains (losses) on remeasurements of defined benefit plans	5,976	-	(2,860)	-
8349	Less: income tax related to items that may not be reclassified subsequently to profit or loss	1,195	-	(573)	-
	Total items that will not be reclassified subsequently to profit or loss	4,781	-	(2,287)	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(82,356)	(6)	(23,919)	(2)
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(82,356)	(6)	(23,919)	(2)
8300	**Other comprehensive income**	(77,575)	(6)	(26,206)	(2)
8500	**Total comprehensive income**	**$ 154,134**	**11**	**197,438**	**16**
8700	**Profit (loss), attributable to:**				
8610	Owners of the Company	$ 231,721	17	223,682	18
8620	Non-controlling interests	(12)	-	(38)	-
		$ 231,709	**17**	**223,644**	**18**
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 154,173	11	197,402	16
8720	Non-controlling interests	(39)	-	36	-
		$ 154,134	**11**	**197,438**	**16**
	Earnings per share (NT dollars) (note 6(q))				
9750	Basic earnings per share	**$ 6.51**		**6.61**	
9850	Diluted earnings per share	**$ 6.01**		**6.50**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of the Company								
			Retained earnings						
	Common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 335,300	143,602	7,396	177,183	184,579	35,869	699,350	187	699,537
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	14,044	(14,044)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(103,943)	(103,943)	-	(103,943)	-	(103,943)
Equity component of convertible bonds issued	-	8,469	-	-	-	-	8,469	-	8,469
Changes in ownership interest in subsidiaries	-	-	-	(89)	(89)	-	(89)	-	(89)
Profit (loss) for the year ended December 31,2020	-	-	-	223,682	223,682	-	223,682	(38)	223,644
Other comprehensive income	-	-	-	(2,287)	(2,287)	(23,993)	(26,280)	74	(26,206)
Total comprehensive income	-	-	-	221,395	221,395	(23,993)	197,402	36	197,438
Issuance of shares	20,000	82,000	-	-	-	-	102,000	-	102,000
Balance at December 31, 2020	355,300	234,071	21,440	280,502	301,942	11,876	903,189	223	903,412
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	34,475	(34,475)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(238,341)	(238,341)	-	(238,341)	-	(238,341)
Profit (loss) for the year ended December 31,2021	-	-	-	231,721	231,721	-	231,721	(12)	231,709
Other comprehensive income	-	-	-	4,781	4,781	(82,329)	(77,548)	(27)	(77,575)
Total comprehensive income	-	-	-	236,502	236,502	(82,329)	154,173	(39)	154,134
Conversion of convertible bonds	1,317	21,667	-	-	-	-	22,984	-	22,984
Balance at December 31, 2021	**$ 356,617**	**255,738**	**55,915**	**244,188**	**300,103**	**(70,453)**	**842,005**	**184**	**842,189**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(expressed in thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Profit before income tax	$ 272,304	255,944
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expenses	55,828	51,684
Net losses (gains) on financial assets and liabilities at fair value through profit or loss	3,827	(80)
Interest expenses	10,123	9,057
Interest revenues	(545)	(788)
Losses on disposal of property, plant and equipment	-	7,536
Losses from disaster	-	31,427
Total adjustments to reconcile profit	69,233	98,836
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Trade receivables	5,647	(9,054)
Other receivables	2,317	10,782
Inventories	(40,986)	(17,145)
Other current assets	1,887	3,661
Total net changes in operating assets	(31,135)	(11,756)
Net changes in operating liabilities:		
Notes payable	602	538
Trade payables	(8,850)	29,897
Other payables	(5,767)	8,747
Other current liabilities	241	426
Net defined benefit liabilities	1,472	2,352
Total net changes in operating liabilities	(12,302)	41,960
Net changes in operating assets and liabilities	(43,437)	30,204
Total adjustments	25,796	129,040
Cash inflow generated from operations	298,100	384,984
Interests received	598	763
Interests paid	(7,101)	(8,973)
Income taxes paid	(27,023)	(20,190)
Net cash flows from operating activities	264,574	356,584
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(74,731)	(168,164)
Proceeds from disposal of property, plant and equipment	2,963	44
Increase in prepayments for equipment	(277)	(2,655)
Decrease (increase) in restricted deposits	(16)	1,007
Net cash flows used in investing activities	(72,061)	(169,768)
Cash flows from financing activities:		
Proceeds from short-term borrowings	376,453	618,345
Repayments of short-term borrowings	(470,660)	(608,589)
Proceeds from bonds issuance	-	212,715
Proceeds from long-term borrowings	-	74,449
Repayments of long-term borrowings	(17,718)	(11,991)
Payment of lease liabilities	(851)	(854)
Cash dividends paid	(159,885)	(103,943)
Proceeds from issuance of shares	-	102,000
Change in non-controlling interests	-	(89)
Net cash flows from (used in) financing activities	(272,661)	282,043
Effect of exchange rate changes on cash and cash equivalents	(58,748)	(17,654)
Net increase (decrease) in cash and cash equivalents	(138,896)	451,205
Cash and cash equivalents at beginning of period	602,166	150,961
Cash and cash equivalents at end of period	**$ 463,270**	**602,166**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

THAI KIN CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(expressed in thousands of New Taiwan Dollars, unless otherwise specified)

(1) Company history

Thai Kin Co., Ltd. (the "Company") was established in the Cayman Islands in February 2016. The main purpose of the establishment was to restructure its group entities for application to list on the Taipei Exchange ("TPEx") in the Republic of China. The Company became the holding company of Royal Finishing Co., Ltd. ("Royal Finishing") and Hardware Group Limited ("Hardware") in January 2017 by using share swaps with previous shareholders of those companies to restructure the group. The Company's shares have been listed and traded on the TPEx since June 6, 2019. The main business activities of Royal Finishing and Hardware are manufacturing and selling of furniture casting, with the main products of home decoration and hardware parts.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 21, 2022.

(3) New standards, amendments and interpretations adopted:

(a) The impact on adopting the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from April 1, 2021:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment－Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts－Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020

(Continued)

- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	The key amendments to IAS 1 include: ● requiring companies to disclose their material accounting policies rather than their significant accounting policies; ● clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and ● clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.	January 1, 2023

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(4) Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as "the IFRSs endorsed by the FSC").

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis.

1) Financial asset and liability at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(n).

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

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THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the Company.

(ii) List of subsidiaries in the consolidated financial statements

List of subsidiaries in the consolidated financial statements is as follows:

Name of investor	Name of subsidiary	Principal activity	Shareholding (%) December 31, 2021	Shareholding (%) December 31, 2020	Remark
The Company	Royal Finishing	Manufacturing and selling of home decoration and functional parts	99.99 %	99.99 %	
The Company	Paokin Co., Ltd. ("Paokin")	Manufacturing and selling of home decoration and functional parts	99.19 %	99.19 %	
The Company	Thai Kin Company Limited	Selling of home decoration and functional parts	100.00 %	100.00 %	
The Company	Angel Win Limited	Offshore holding company	100.00 %	100.00 %	(Note)
Royal Finishing	Mira Home, Inc.	Selling of home decoration and functional parts	100.00 %	100.00 %	

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Note : Angel Win Limited, a fully-owned subsidiary of the Company, was established in Samoa Islands on March 11, 2020, having 10,000 registered shares, with a par value of USD$1 per share, wherein its capital has yet to be injected as of December 31, 2021. In addition, the Board of Directors approved on June 17, 2020 for the Company to invest in Paokin with Globe Union Industrial Corp. via Angel Win Limited for the amount of USD$13,764 thousands. However, the Company and Global Union Industrial Corp. agreed to terminate the aforementioned investment project in April 2021.

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of transaction.

Exchange differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations, are translated into the presentation currency at the average exchange rate in the reporting period. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange difference arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(Continued)

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes are recognized as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (except for a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issuance of the financial asset or financial liability. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized using settlement date accounting on a consistent basis.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

On initial recognition, a financial asset is classified as measured at amortized cost or fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any impairment. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

All financial assets not classified as amortized cost are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

3) Impairment of financial assets

The Group recognizes impairment for expected credit losses ("ECL") on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables, other receivable, refundable deposits and restricted time deposits).

Impairment for bank deposits, other receivables, refundable deposits, and restricted time deposits are measured by 12-month ECL for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Impairment for trade receivables is always measured at an amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days from the posting date.

The Group considers a financial asset to be in default when the financial asset is more than 365 days from the posting date, or the debtor is unlikely to pay its credit obligations to the Group in full.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 365 days from the posting date;
- the Group, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession that the Group would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Impairment for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

(Continued)

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirely or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When the Group transfers a financial asset while retains either all or substantially all of the risks and rewards of the transferred asset, the Group shall continue to recognize the financial asset in its balance sheet.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument.

2) Equity instrument

An equity instruments is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in NTD that can be converted to ordinary shares at the option of the holder. The number of shares to be issued at conversion is fixed and does not vary with changes in fair value of the shares.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

(Continued)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured. Convertible option is measured at fair value using Binomial Trees Model. Changes in fair value therein are recognized in profit or loss.

Interest expense related to the financial liability is recognized in profit or loss. Upon conversion, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation is discharged or cancelled, or expire. A substantial modification of the terms and cash flows of an existing financial liability shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability at the modified terms.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts, and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Inventories

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing the inventories to their present location and condition. Variable production overheads are allocated to each unit of production, including work in progress and finished goods, on the basis of the actual use of the production facilities. The allocation of fixed production overheads is based on the normal capacity of the production facilities. Unallocated fixed overheads resulting from the consequence of low production or idle plant are recognized as costs of goods sold in the period in which they are incurred. In the period of abnormally high production, the differences are recorded as deductions to costs of goods sold.

The subsequent measurement of inventories is based on the lower of cost or net realizable value for each item. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories are written down to net realizable value when their costs are higher than net realizable value and the amounts are recorded in costs of goods sold. Subsequent increase in the net realizable value would lead to a reversal of write-down with a limit not exceeding that previous write-down, which is recorded as a deduction to costs of goods sold.

(i) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings	5～20 years
2)	Machinery	10 years
3)	Office equipment	3～5 years
4)	Leasehold improvement	4 years
5)	Transportation equipment	5 years
6)	Other equipment	2～10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases－as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group' s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments; including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option which will change the non-cancellable period of a lease; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item respectively in the balance sheet.

(l) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGUs").

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

(m) Recognition of Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good to a customer.

(Continued)

The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are modified or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
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(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserved, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) The Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

(Continued)

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(p) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. The basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as convertible bonds.

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of discrete financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgments made in applying accounting policies that have significant effects on the amounts recognized in the consolidated financial statements.

For the assumptions and estimation uncertainties, there were no significant risk resulting in a material adjustment within the next financial year.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash	$ 273	103
Checking and demand deposits	360,295	473,251
Time deposits	102,702	128,812
Cash and cash equivalents in the consolidated statement of cash flows	**$ 463,270**	**602,166**

Please refer to note 6(x) for the disclosure of interest rate risks of the financial assets and liabilities of the Group.

(b) Financial assets and liabilities at fair value through profit or loss

(i) Financial assets at fair value through profit or loss－current

	December 31, 2021	December 31, 2020
Derivative instruments not for hedging－forward exchange contracts	**$ 634**	**-**

(ii) Financial liabilities at fair value through profit or loss－current

	December 31, 2021	December 31, 2020
Derivative instruments not for hedging－forward exchange contracts	$ 4,593	-
Call and put options of corporate bonds payable	116	-
Total	**$ 4,709**	**-**

(iii) Financial liabilities at fair value through profit or loss－non-current

	December 31, 2021	December 31, 2020
Call and put options of corporate bonds payable	**$ -**	**480**

(Continued)

The Group uses derivative financial instruments to hedge certain foreign exchange risk the Group is exposed to arising from its operating. As these transactions did not qualify for hedge accounting, the Group recorded the following derivative financial instruments as financial assets (liabilities) at fair value through profit or loss as of December 31, 2021.

Forward exchange contracts:

	December 31, 2021			
	Amount (in thousands)	Currency	Maturity dates	Fair value of assets (liabilities)
Forward exchange sold	$ 2,500	THB(Buy)/USD(Sell)	2022.1.5~2022.3.16	$ 634
Forward exchange sold	$ 7,600	THB(Buy)/USD(Sell)	2022.3.22~2022.5.25	$ (4,593)

Please refer to note 6(v) for the amounts recognized in the income statements that resulted from remeasurement of the above contracts at fair value.

Please refer to note 6(m) for the liability components of the unsecured convertible bonds issued by the Group and reported as financial liabilities at fair value through profit or loss.

(c) Trade receivables

	December 31, 2021	December 31, 2020
Trade receivables	$ 216,646	222,293
Less: Impairment provision	-	-
	$ 216,646	222,293

The Group applies the simplified approach to assess its expected credit losses, i.e. the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomics and relevant industry information.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
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The Group's analyses on the expected credit loss of its trade receivables were as follows:

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate (%)	Impairment provision
Current	$ 183,749	-	-
1~30 days past due	22,109	-	-
61~90 days past due	7,338	-	-
91~120 days past due	55	-	-
121~180 days past due	153	-	-
181~270 days past due	2,418	-	-
271~365 days past due	720	-	-
Past due over 366 days	104	-	-
	$ 216,646		**-**

	December 31, 2020		
	Gross carrying amount	Weighted average loss rate (%)	Impairment provision
Current	$ 175,820	-	-
1~30 days past due	31,544	-	-
31~60 days past due	6,098	-	-
61~90 days past due	192	-	-
91~120 days past due	6,099	-	-
181~270 days past due	2,540	-	-
	$ 222,293		**-**

The Group did not pledged the above financial assets as collateral for short-term borrowings and credit facilities.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
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(d) Other receivables

	December 31, 2021	December 31, 2020
Other receivables	$ 6,669	9,039
Less: impairment provision	-	-
	$ 6,669	**9,039**

The Group did not have any past due other receivables as of December 31, 2021 and 2020.

For further credit risk information, please refer to note 6(x).

(e) Inventories

	December 31, 2021		
	Cost	Provision for obsolescence and decline in market value	Net realizable value
Raw materials	$ 164,708	8,755	155,953
Work in process	88,892	5,775	83,117
Finished goods	89,269	15,947	73,322
Total	**$ 342,869**	**30,477**	**312,392**

	December 31, 2020		
	Cost	Provision for obsolescence and decline in market value	Net realizable value
Raw materials	$ 145,480	7,708	137,772
Work in process	76,687	7,243	69,444
Finished goods	79,791	15,601	64,190
Total	**$ 301,958**	**30,552**	**271,406**

The changes in the inventory provision for the years ended December 31, 2021 and 2020, were as follows:

	2021	2020
Balance at January 1	$ 30,552	38,253
Impairment losses (reversal gain)	4,005	(5,612)
Effect of movements in exchange rates	(4,080)	(2,089)
Balance at December 31	**$ 30,477**	**30,552**

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
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For the years ended December 31, 2021 and 2020, the Group's operating costs consist of the following components:

	2021	2020
Costs of goods sold	$ 1,002,441	949,303
Loss on inventory obsolescence and decline in market value (reversal gain)	4,005	(5,612)
Revenue from sale of scrap	(22,213)	(21,489)
Physical count variance	3,047	4,466
	$ 987,280	**926,668**

A fire incident broke out in the electroplating factory of Royal Finishing, the subsidiary of the Company, on March 23, 2020, wherein the Group recognized the impairment losses on inventory of $23,164 thousand as other gains and losses. Please refer to note 10 for further information.

The Group did not pledge its inventories as collateral for short-term borrowings and other credit facilities.

(f) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2021 and 2020, were as follows:

	Land	Buildings	Machinery	Office equipment	Leasehold improvement	Transportation equipment	Other equipment	Construction in progress	Total
Cost or deemed cost:									
Balance on January 1, 2021	$ 48,085	328,633	283,896	14,815	1,016	13,703	125,708	28,414	844,270
Additions	-	-	23,765	703	-	888	3,467	44,428	73,251
Disposal (note 1)	-	-	-	(77)	-	-	(804)	(3,952)	(4,833)
Reclassification (note 2)	2,823	669	28,397	-	-	-	14,080	(43,314)	2,655
Effect of movements in exchange rates	(6,236)	(41,614)	(38,732)	(1,870)	-	(1,782)	(16,790)	(3,442)	(110,466)
Balance on December 31, 2021	**$ 44,672**	**287,688**	**297,326**	**13,571**	**1,016**	**12,809**	**125,661**	**22,134**	**804,877**
Balance on January 1, 2020	$ 24,557	294,242	237,493	14,382	1,016	10,818	116,677	48,039	747,224
Additions	-	271	21,274	1,181	-	3,873	14,174	131,577	172,350
Disposal	-	-	(30,476)	-	-	(430)	(5,718)	-	(36,624)
Reclassification (note 2)	24,690	49,599	67,984	-	-	-	6,736	(148,505)	504
Effect of movements in exchange rates	(1,162)	(15,479)	(12,379)	(748)	-	(558)	(6,161)	(2,697)	(39,184)
Balance on December 31, 2020	**$ 48,085**	**328,633**	**283,896**	**14,815**	**1,016**	**13,703**	**125,708**	**28,414**	**844,270**
Depreciation and impairment loss									
Balance on January 1, 2021	$ -	97,293	85,338	10,752	559	8,380	90,823	-	293,145
Depreciation	-	17,573	26,012	1,790	203	1,175	8,227	-	54,980
Disposals	-	-	-	(77)	-	-	-	-	(77)
Effect of movements in exchange rates	-	(13,257)	(12,201)	(1,429)	-	(1,124)	(11,918)	-	(39,929)
Balance on December 31, 2021	**$ -**	**101,609**	**99,149**	**11,036**	**762**	**8,431**	**87,132**	**-**	**308,119**

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THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings	Machinery	Office equipment	Leasehold improvement	Transportation equipment	Other equipment	Construction in progress	Total
Balance on January 1, 2020	$ -	87,282	83,023	9,239	355	8,383	89,512	-	277,794
Depreciation	-	14,604	22,815	1,991	204	831	10,384	-	50,829
Disposal	-	-	(16,082)	-	-	(387)	(4,312)	-	(20,781)
Effect of movements in exchange rates	-	(4,593)	(4,418)	(478)	-	(447)	(4,761)	-	(14,697)
Balance on December 31, 2020	**$ -**	**97,293**	**85,338**	**10,752**	**559**	**8,380**	**90,823**	**-**	**293,145**
Carrying amounts:									
Balance on December 31, 2021	**$ 44,672**	**186,079**	**198,177**	**2,535**	**254**	**4,378**	**38,529**	**22,134**	**496,758**
Balance on December 31, 2020	**$ 48,085**	**231,340**	**198,558**	**4,063**	**457**	**5,323**	**34,885**	**28,414**	**551,125**

Note 1: Including the additional refund for other equipment and construction in progress amounting to $4,756 thousands in the previous year; as well as the final payments of payables for machinery and equipment amounting to $1,793 thousands which was offset against the refund mentioned above.

Note 2: The amount was reclassified from other current assets to this account.

A fire incident broke out in the electroplating factory of Royal Finishing, the subsidiary of the Company, on March 23, 2020, wherein the Group recognized the disposal losses on property, plant and equipment of $8,263 thousand as other gains and losses. Please refer to note 10 for further information.

Please refer to note 8 for the disclosure of property, plant and equipment pledged as collateral for bank loans and credit facilities as of December 31, 2021 and 2020.

(g) Right-of-use assets

The Group leases office buildings. Information about leases for which the Group as a lessee was presented below:

	Buildings
Cost:	
Balance at January 1, 2021	$ 2,783
Additions	1,487
Effect of movements in exchange rates	(63)
Balance at December 31, 2021	**$ 4,207**
Balance at January 1, 2020	$ 2,810
Effect of movements in exchange rates	(27)
Balance at December 31, 2020	**$ 2,783**
Accumulated depreciation:	
Balance at January 1, 2021	$ 1,712
Depreciation for the year	848
Effect of movements in exchange rates	(35)
Balance at December 31, 2021	**$ 2,525**
Balance at January 1, 2020	$ 862
Depreciation for the year	855
Effect of movements in exchange rates	(5)
Balance at December 31, 2020	**$ 1,712**

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Buildings
Carrying amount:	
Balance at December 31, 2021	**$ 1,682**
Balance at December 31, 2020	**$ 1,071**

(h) Investment property

The changes in the investment property were as follows:

	Land
Cost:	
Balance at January 1, 2021	$ 30,131
Effect of movements in exchange rates	(3,812)
Balance at December 31, 2021	**$ 26,319**
Balance at January 1, 2020	$ 31,840
Effect of movements in exchange rates	(1,709)
Balance at December 31, 2020	**$ 30,131**
Carrying amount:	
Balance at December 31, 2021	**$ 26,319**
Balance at December 31, 2020	**$ 30,131**
Fair value:	
Balance at December 31, 2021	**$ 255,601**
Balance at December 31, 2020	**$ 280,538**

The management adopted the land development analysis approach to measure the fair value of the property for the years ended December 31, 2021 and 2020, wherein the inputs utilized to determine the fair value had been classified as level 3 of the fair value hierarchy. The relevant information is summarized as follows:

Items	December 31, 2021	December 31, 2020
Estimated revenue	$ 316,673 (THB379,386 thousand)	345,277 (THB361,320 thousand)
Gross margin	10%	10%
Overall capital interest rate	2.3%	2.5%
Appraised by external independent appraiser or self-appraisal	Self-appraisal	Self-appraisal
Appraisal date	December 31, 2021	December 31, 2019
Fair value by self-appraisal	$ 255,601 (THB306,219 thousand)	280,538 (THB293,573 thousand)

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THAI KIN CO., LTD. AND SUBSIDIARIES
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The Group pledged the investment property as collateral for long and short-term borrowings as of December 31, 2021 and 2020. The detail of the collateral please refer to note 8.

(i) Other current assets and other non-current assets

The other current assets and other non-current assets of the Group were as follows:

	December 31, 2021	December 31, 2020
Other current assets:		
Temporary payments	$ 98	56
Prepayments	5,680	7,609
	5,778	7,665
Other non-current assets:		
Restricted time deposits	4,369	4,984
Refundable deposits	344	349
Prepayments for equipment	277	2,655
	4,990	7,988
	$ 10,768	**15,653**

The restricted time deposits were pledged for electricity guarantee. Please refer to note 8.

(j) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2021	December 31, 2020
Secured bank loans	**$ 213,742**	**346,607**
Unused short-term credit lines	**$ 917,127**	**945,808**
Range of interest rates (%)	**1.00~2.25**	**1.23~2.25**

Please refer to note 8 for the disclosure of assets pledged as collateral for short-term borrowing.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Long-term borrowings

The Group's long-term borrowings were as follows:

	December 31, 2021		
	Interest rate (%)	**Year of expiration**	**Carrying amount**
Unsecured bank loans			
Bangkok Bank	2.00	2022	$ 6,677
Secured bank loans			
Kasikorn Bank	2.00~2.50	2022~2023	41,712
Mega Bank	2.00	2022	22,537
			70,926
Less: current portion			57,519
Total			**$ 13,407**
Unused long-term credit lines			**$ -**

	December 31, 2020		
	Interest rate (%)	**Year of expiration**	**Carrying amount**
Unsecured bank loans			
Bankok Bank	2.00	2022	$ 11,467
Secured bank loans			
Kasikorn Bank	2.00~2.50	2022~2023	63,122
Mega Bank	2.00	2022	25,801
			100,390
Less: current portion			20,379
Total			**$ 80,011**
Unused long-term credit lines			**$ -**

(i) Collateral for bank loans

Please refer to note 8 for the disclosure of assets pledged as collateral for long-term borrowings.

(Continued)

(ii) Debt covenant

The Group entered into an agreement with Kasikorn Bank (hereinafter referred to as Kasikorn) on August 29, 2018, with the total credit line of THB58,520 thousand (NTD48,847 thousand).

According to the agreement with Kasikorn, the borrower needs to meet the following debt covenants within the duration of the loan:

1) Debt service coverage ratio (DSCR) shall not be less than 2 times. DSCR is calculated as the sum of operating income, depreciation and amortization, and interest expenses, divided by the sum of current portion of long-term borrowings and interest expenses.

2) Debt to equity ratio shall not exceed 1.5 times. Debt to equity ratio is calculated as total liability divided by equity.

3) The borrowings are only used for the construction of solar roof.

As of December 31, 2021 and 2020, the Group has met the above debt covenants clauses.

(l) Lease liabilities

	December 31, 2021	December 31, 2020
Current	$ 841	865
Non-current	848	216
Total	**$ 1,689**	**1,081**

Please refer to note 6(x) for the maturity analysis.

The amounts recognized in profit or loss were as follows:

	2021	2020
Interests on lease liabilities	**$ 12**	**17**

The amounts recognized in the statement of cash flows for the Group were as follows:

	2021	2020
Total cash outflow from operating activities	$ 12	17
Total cash outflow from investing activities	851	854
Total cash outflow for leases	**$ 863**	**871**

(Continued)

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(m) Corporate bonds payables

The details of unsecured convertible bonds were as follows:

	December 31, 2021	December 31, 2020
Total amount of convertible bonds	$ 215,756	215,756
Less: discount on convertible bonds issuance	(9,160)	(9,160)
underwriting expenses	(2,910)	(2,910)
Discounted present value of bonds payable upon issuance	203,686	203,686
Amortization of discount on bonds payable	4,664	768
Reclassification of unamortized discount upon bond conversion	380	-
Less: accumulated converted amount and reclassification	(23,357)	-
Ending balance of bonds payable	**$ 185,373**	**204,454**

A resolution had been made during the board meeting held on August 11, 2020 for the Company to issue its unsecured convertible bonds in the principal amount of $200,000 thousand for loan repayment and working capital enrichment, with a coupon rate of 0% for 3 years and issued at 107.88% of the par value.

On September 15, 2020, the Financial Supervisory Commission approved the Company's application to issue its first unsecured convertible bonds. The issuance of the convertible bonds with the principal amount of $200,000 thousand was recorded on October 22, 2020. The Company separately recognized the liability and equity components of convertible bonds in accordance with IFRS 9 as follows:

Discounted present value under effective interest rate method	$ 206,596
Embedded derivative financial instruments (put option and call option)	560
Equity component (conversion option)	8,600
	$ 215,756

(i) Terms of issuing unsecured convertible bonds are as follows:

The first unsecured convertible bonds.

1) Coupon rate: 0%

2) Duration period: 3 years (October 22, 2020 to October 22, 2023)

3) Repayment term:

The bonds are repayable in cash upon maturity, except for those which are repurchased by the Company, sold back to the Company, or converted to common stock before maturity.

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
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4) Conversion period:

Beginning from the first day of the fourth month after the issuance date (January 23, 2021) until the maturity date (October 22, 2023), the bondholders may convert the bonds into common stocks according to the conversion arrangement.

5) The Company's call option (right of redemption):

Beginning from the first day of the forth months after the issuance date (January 23, 2021) until 40 days before maturity (September 12, 2023), if the stock closing price exceeds 30% of the conversion price for 30 consecutive working days, or if the remaining amount of bonds principal, which have not been converted into shares, is lower than 10% of the total issued amount, the Company will be entitled to send a "bond redemption notification" to its bondholders and publish an announcement through the TPEx to exercise its call option at par value.

6) Bondholders' put option:

Bondholders are entitled to exercise the put option on October 22, 2022, with an exercise price at 101.0025% of par value, and an annual yield rate of 0.5%. Upon receiving request for the coupon to be sold back, the Company shall pay the amount to bondholders in cash within 5 working days.

7) Conversion price and adjustment:

The conversion price at the issue date was $59.80 per share. If there is any increase in the Company's common stock (including, but not limited to, cash injection by public offering or private offering, capital increase from retained earnings or capital surplus, issuance of new shares for consolidation purposes or as the consideration payable by the Company for its acquisition of another company's shares, stock split, cash injection by participating in the issuance of overseas depository receipts and increase in outstanding shares due to changes in par value) except for the increases in shares from the conversion of securities, wherein a stock conversion option or stock warrant was embedded, or from issuance of new shares as employees' bonus, the Company shall calculate and adjust the conversion price based on the formula stated in the conversion arrangement before publishing an announcement through the TPEx. The adjustment shall be made at the ex-rights date when issuing new shares. However, the adjustment will be made at the date when the new share subscriptions are fully collected if the issuance of new shares involves share subscription collection. If the issued price of new shares changes after the ex-rights date for issuing new shares, the conversion price should be adjusted based on the revised issued price by using the formula stated in the conversion arrangement. If such recalculated conversion price is lower than that announced to the public through the TPEx before the ex-rights date for issuing new shares, the Company should re-announce the adjustment of the conversion price through the TPEx. On April 23, 2021, which is the ex-dividend date, the conversion price was adjusted to $55.30 per share.

(Continued)

(ii) Financial liability at fair value through profit or loss were as follows:

	December 31, 2021	December 31, 2020
Beginning balance	$ 480	-
Issuance	-	560
Valuation gains	(357)	(80)
Conversion	(7)	-
	$ 116	**480**

(iii) The balances of the equity component recorded as capital surplus-stock options were as follows:

	2021	2020
Beginning balance	$ 8,469	-
Add: issuance or reclassification of convertible bonds	15,339	8,600
Less: underwriting expense	-	131
Less: conversion	503	-
Ending balance	**$ 23,305**	**8,469**

The unsecured convertible bondholders are entitled to exercise the put option and request the Group to pay the pay the full amount at the agreed price on the second anniversary of the issuance date (October 22, 2022). The Group reported the convertible bonds and financial liabilities at fair value through profit and loss in current liabilities on December 31, 2021, but it is not required to fully repay within one year.

(n) Employee benefits

(i) Defined benefit plan

Reconciliations of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2021	December 31, 2020
Present value of the defined benefit obligations	$ 12,232	16,736
Fair value of plan assets	-	-
Net defined benefit liabilities	**$ 12,232**	**16,736**

(Continued)

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1) Movements in present value of the defined benefit obligations

The movements in present value of the defined benefit obligations for the Group were as follows:

		2021	2020
Defined benefit obligations at January 1	$	16,736	11,524
Current service costs and interest costs		3,454	2,934
Remeasurements			
－Actuarial gains and losses arising from changes in experience adjustments		(2,055)	2,497
－Actuarial gains and losses arising from changes in financial assumptions		(3,921)	363
Effect of movements in exchange rates		(1,982)	(582)
Defined benefit obligations at December 31	**$**	**12,232**	**16,736**

2) Expenses recognized in profit or loss

The operating cost recognized in profit or loss for the Group were as follows:

		2021	2020
Current service costs	$	3,212	2,747
Net interest of the net liabilities for defined benefit obligations		242	187
	$	**3,454**	**2,934**

3) Remeasurement of defined benefit liabilities recognized in other comprehensive income

The Group's remeasurements of the defined benefit liabilities recognized in other comprehensive income for the years ended December 31, 2021 and 2020 were as follows:

		2021	2020
Accumulated amounts at 1 January	$	(6,714)	(3,854)
Recognized during the period		5,976	(2,860)
Accumulated amounts at 31 December	**$**	**(738)**	**(6,714)**

4) Actuarial assumptions

The major actuarial assumptions at the reporting dates were as follows:

	December 31, 2021	December 31, 2020
Discount rate	2.540 %	1.570 %
Future salary growth rate	2.00 %	3.00 %

(Continued)

The expected payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $0.

The weighted average lifetime of the defined benefit plans is 15.59 years.

5) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions, including discount rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Impact on defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2021		
Discount rate (changes 0.25%)	(413)	431
Future salary growth rate (changes 0.25%)	432	(416)
December 31, 2020		
Discount rate (changes 0.25%)	(580)	606
Future salary growth rate (changes 0.25%)	596	(573)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

(ii) Defined contribution plan

The Group allocates 6% of monthly wages for each employee in the Company's Taiwan branch to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to $145 thousand and $110 thousand for the years ended December 31, 2021 and 2020, respectively.

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THAI KIN CO., LTD. AND SUBSIDIARIES
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(o) Income taxes

The Company and Angel Win Limited were incorporated in the Cayman Islands and the Samoa Islands, respectively, where there is no corporate income taxation. Royal Finishing has received promotional privileges from the Board of Investment of Thailand to enjoy certain corporate income tax exemption. Other subsidiaries in Thailand would subject to a statutory corporate income tax rate of 20% under the tax regulations of Thailand in the years 2021 and 2020. Thai Kin Company Limited, located in Hong Kong, is subject to corporate income tax at 16.5%. Mira Home, Inc. is subject to the federal corporate tax rate of 21% and the Illinois state corporate tax rate of 9.5% in the United States in the years 2021 and 2020. The Company's Taiwan branch is subject to a statutory corporate income tax rate of 20% under the tax regulations of Taiwan in the years 2021 and 2020.

(i) The components of income tax expenses (benefits) in the years 2021 and 2020 were as follows:

		2021	2020
Current tax expense			
Current period	$	43,358	29,325
Adjustment for the prior periods		8	(260)
		43,366	29,065
Deferred tax expense (benefit)			
Temporary differences		(2,771)	3,235
Income tax expense	**$**	**40,595**	**32,300**

The amount of income tax expenses (benefits) recognized in other comprehensive income for 2021 and 2020 was as follows:

		2021	2020
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	**$**	**1,195**	**(573)**

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
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Reconciliations of income tax expenses and profit before tax for 2021 and 2020 were as follows:

		2021		2020
Profit before income tax	**$**	**272,304**		**255,944**
Income tax expenses using the statutory tax rate at each jurisdictions	$	57,570		49,908
Non-deductible expenses		72		680
Tax-exempt income		(5,587)		(3,404)
Tax credits of investment in machinery		(11,755)		(16,222)
Underestimate (overestimate) of income tax for previous years		8		(260)
Underestimate of deferred tax assets for previous years		(545)		-
Unrecognized deferred tax assets for losses		630		1,633
Others		202		(35)
Total	**$**	**40,595**		**32,300**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

		December 31, 2021		December 31, 2020
The carryforward of unused tax losses	**$**	**15,883**		**16,164**

Under the tax regulations in the jurisdictions where the subsidiary Paokin located, tax losses incurred from the tax-exempt business during the tax exemption period can be carried forward and deducted for income tax reporting purposes within five years after the expiry of the tax exemption period. Tax losses derived from non-tax-exempt business can be carried forward and deducted for tax reporting purposes within five years after the year when the tax losses are incurred. As for Mira Home, Inc., the U.S. federal corporate income tax regulations allow net losses, as assessed by the tax authorities, to offset taxable income over a period of twenty years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the temporary differences therefrom.

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THAI KIN CO., LTD. AND SUBSIDIARIES
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As of December 31, 2021, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax losses	Expiry year
Paokin:		
2017	$ 1,966	2022
2018	2,614	2023
2019	3,546	2024
2020	4,592	2025
2021 estimate	3,152	2025
Subtotal	15,870	
Mira Home, Inc.:		
2019	13	2039
Total	**$ 15,883**	

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2021 and 2020 were as follows:

Deferred tax assets:

	Inventory provision	Defined benefit liabilities	Others	Total
Balance at January 1, 2021	$ 6,111	2,756	1,845	10,712
Recognized in profit or loss	801	1,236	756	2,793
Recognized in other comprehensive income	-	(1,195)	-	(1,195)
Effect of movements in exchange rates	(816)	(351)	(262)	(1,429)
Balance at December 31, 2021	**$ 6,096**	**2,446**	**2,339**	**10,881**
Balance at January 1, 2020	$ 7,651	2,304	7,471	17,426
Recognized in profit or loss	(1,123)	-	(5,244)	(6,367)
Recognized in other comprehensive income	-	573	-	573
Effect of movements in exchange rates	(417)	(121)	(382)	(920)
Balance at December 31, 2020	**$ 6,111**	**2,756**	**1,845**	**10,712**

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
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Deferred tax liabilities:

	Others
Balance at January 1, 2021	$ 4,615
Recognized in profit or loss	22
Effect of movements in exchange rates	(585)
Balance at December 31, 2021	**$ 4,052**
Balance at January 1, 2020	$ 8,207
Recognized in profit or loss	(3,132)
Effect of movements in exchange rates	(460)
Balance at December 31, 2020	**$ 4,615**

(iii) Examination and approval

The Company is not required to pay income tax in the country where it is incorporated; therefore, there is no requirement to file an income tax return. In Thailand, where the Group's subsidiaries Royal Finishing and Paokin operate, the corporate tax returns are examed by the tax authority without issuing official approval certificates. Royal Finishing and Paokin have filed the corporate tax returns up to 2020. Mira Home, Inc. has applied for the declaration of the income tax at the local tax agency up to 2020. Thai Kin Company Limited had no taxable income in Hong Kong and was not required to file its corporate tax return based on local regulations. Angel Win Limited was incorporated in 2020 without commencing operation and was not required to file its corporate tax return based on local regulations. The income tax return of the Company's Taiwan branch has been approved by the tax authority up to 2019.

(p) Capital and other equity

(i) Common stock

As of December 31, 2021 and 2020, the number of authorized common stock was $1,000,000 thousand, with a par value of $10 per share. There were 35,662 thousand shares and 35,530 thousand shares issued as of December 31, 2021 and 2020, respectively. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding during the period was as follows:

Unit: shares

	2021	2020
Balance on January 1	35,530,000	33,530,000
Issuance of new shares	-	2,000,000
Conversion of convertible bonds	131,733	-
Balance on December 31	**35,661,733**	**35,530,000**

(Continued)

The Board of Directors reslouted on August 11, 2020 to issue 2,000 thousand shares for cash, with $10 per share totaling $20,000 thousand at premium of $52 per share. The capital injection was approved by an official document No.1090357366 from FSC on September 15, 2020, with November 1, 2020 as recorded date of capital increase. The cash proceeds from the issuance of new shares were $104,000 thousand. After deducting the issuance cost of $2,000 thousand and the share capital $20,000 thousand, the premium of $82,000 thousand was record under capital surplus.

In the year ended December 31, 2021, convertible bondholders converted bonds into common stocks, and of which 132 thousand shares were converted at par value, amounting to $1,317 thousand. Conversion of convertible bonds did not take place in year 2020.

(ii) Capital surplus

The balance of capital surplus was as follows:

	December 31, 2021	December 31, 2020
Difference between the acquired net asset value and costs of restructuring	$ 48,483	48,483
Addition paid-in capital	183,950	177,119
Issuance of convertible bonds－stock warrant	23,305	8,469
	$ 255,738	**234,071**

According to the Company's Articles of Association, when the Company reports no accumulated loss, the Company may, in accordance with the proposal recommended by the Board of Directors, and approved by the meeting of shareholders, distribute new shares or cash arising out of the capital surplus, in whole or in part, to its shareholders.

According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital increase by transferring capital surplus in excess of par value into shares should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company is in the growth stage. In determining the amount, if any, of the dividend or other distribution it recommends to shareholders for approval in any financial year, the Board may take into consideration the earnings of the Company, overall development, financial planning, capital needs, industry outlook and future prospects of the Company in the relevant financial year, so as to ensure the protection of shareholders rights and interests.

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THAI KIN CO., LTD. AND SUBSIDIARIES
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According to the Company's Articles of Association, as long as the shares are traded on the TPEx Emerging Stock Board or listed on the TPEx or Taiwan Stock Exchange, unless there is any specific regulation from the Cayman Islands Company Law, the applicable public company rules, and the Company's Articles of Association, the Company shall set aside the followings out of the net profit of the year: (i) a reserve for the payment of tax for the relevant fiscal year; (ii) an amount to offset deficits; (iii) 10% of the remaining balance is to be appropriated as legal reserve; and (iv) a special surplus reserve as required by the applicable securities authority under the applicable public company rules, or other reserves as determined by the Board of Directors for specific purposes.

1) Special reserve

In accordance with the regulation issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

2) Earnings distribution

According to the Company's Articles of Association, the Company may distribute its profits as dividend to be paid in cash in accordance with a proposal for profits distribution approved by a majority of the Directors at a meeting attended by two thirds or more of the total number of the Directors. In addition, the amendment of Company's Articles of Association for the distribution of interim dividends had been approved during the shareholder's meeting held on August 18, 2021. The proposal to distribute interim dividends for the first half of the financial year shall be submitted to the Audit Committee for approval, and then, be submitted to the Board for approval.

The amounts of cash dividends on the appropriations of earnings for 2020 and 2019 had been approved during the board meeting held on March 16, 2021 and March 20, 2020, respectively, as follows:

	2020	2019
Cash dividends	$ 159,885	103,943

The amounts of cash dividends on the appropriations of earnings for January to June, 2021 and July to December, 20221 had been approved during the board meeting held on November 10, 2021 and March 21, 2022, respectively, as follows:

	January 1 to June 30, 2021	July 1 to December 31, 2021
Cash dividends	$ 78,456	35,714

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The above appropriations of earnings recognized as dividends payable for January to June 2021 were yet to be distributed as of December 31, 2021.

The related information about the earnings is available at the Market Observation Post System website.

(q) Earnings per share

The calculation of basic earnings per share is as follows:

		2021	2020
Basic earnings per share:			
Profit attributable to ordinary shareholders of the Company	**$**	**231,721**	**223,682**
Weighted average number of ordinary shares (thousand shares)		**35,618**	**33,863**
Basic earnings per share (unit: New Taiwan dollars)	**$**	**6.51**	**6.61**
Diluted EPS:			
Net income	$	231,721	223,682
Effect of dilutive potential ordinary shares			
Decrease in gains on remeasurements of embedded derivative instruments		(357)	(80)
Decrease in interest expense on convertible bonds		3,896	768
Net income for calculating diluted EPS	**$**	**235,260**	**224,370**
Weighted average number of ordinary shares (thousand shares)		35,618	33,863
Effect of dilutive potential ordinary shares			
Conversion of convertible bonds		3,523	658
Weighted average number of ordinary shares －diluted		**39,141**	**34,521**
Diluted EPS (New Taiwan dollars)	**$**	**6.01**	**6.50**

(r) Revenue from contracts with customers

(i) Disaggregation of revenue

		2021	2020
Primary geographical markets:			
Europe	$	255,604	263,065
America		1,096,892	994,239
Asia		6,725	7,511
	$	**1,359,221**	**1,264,815**
Main product/services lines			
Home decoration hardware	**$**	**1,359,221**	**1,264,815**

(Continued)

(ii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Trade receivables	$ 216,646	222,293	213,239
Less: Impairment provision	-	-	-
Total	**$ 216,646**	**222,293**	**213,239**

Please refer to note 6(c) for details on trade receivables and loss provision.

(s) Employee compensation and directors' remuneration

In accordance with the Company's Articles of Association, no more than 5% of current-year profit before tax excluding employee's compensation and directors' remuneration shall be distributed as employee compensation, and no more than 3% of it as directors' remuneration. The mentioned employee compensation shall be paid in shares or cash. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

There were no estimation and payment for employee compensation and directors' remuneration for the years ended December 31, 2021 and 2020. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions. Related information would be available at the Market Observation Post System website.

(t) Interest income

The details of interest income were as follows:

	2021	2020
Bank deposits	**$ 545**	**788**

(u) Other income

The details of other income were as follows:

	2021	2020
Income from indemnites	**$ 75**	**79,312**

(v) Other gains and losses

The details of other gains and losses were as follows:

	2021	2020
Loss from disposal of property, plant and equipment	-	(7,536)
Foreign exchange gains (losses), net	7,105	(17,604)
Financial assets and liabilities at fair value through profit or loss	(10,925)	80
Loss from fire incident, net	-	(33,873)
Others	1,074	1,007
	$ (2,746)	**(57,926)**

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THAI KIN CO., LTD. AND SUBSIDIARIES
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(w) Finance costs

The details of finance costs were as follows:

		2021	2020
Interest expense			
Bank borrowings	$	(6,215)	(8,272)
Bonds payable		(3,896)	(768)
Lease liabilities		(12)	(17)
Total	**$**	**(10,123)**	**(9,057)**

(x) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the statistical information on the Group's customer base, including past transaction experiences with the customers, to adjust the credit limit for each customer. The Group's trade receivables are obviously concentrated on main customers, which accounted for 71% and 91% of the total amount of trade receivables as of December 31, 2021 and 2020, respectively.

3) Credit risk of receivables

For credit risk exposure of trade receivables, please refer to note 6(c); details of other receivables please refer to note 6(d). All the trade receivables and other receivables are considered as financial assets with low risk; therefore, the impairment provisions are measured using the life time and the 12-month ECL, respectively.

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THAI KIN CO., LTD. AND SUBSIDIARIES
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(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of net settlement agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2021						
Non-derivative financial liabilities						
Bank borrowings	$ 284,668	286,773	273,136	10,682	2,955	-
Notes payable	2,504	2,504	2,504	-	-	-
Trade payables	61,795	61,795	61,795	-	-	-
Other payables and payables for machinery and equipment	33,147	33,147	33,147	-	-	-
Dividend payable	78,456	78,456	78,456	-	-	-
Bonds payable (including derivative financial liabilities)	185,489	194,329	194,329	-	-	-
Lease liabilities	1,689	1,711	857	854	-	-
Derivative financial liabilities						
Other forward contract—						
Inflow	-	206,888	206,888	-	-	-
Outflow	4,593	(211,481)	(211,481)	-	-	-
	$ 652,341	**654,122**	**639,631**	**11,536**	**2,955**	**-**
December 31, 2020						
Non-derivative financial liabilities						
Bank borrowings	$ 446,997	451,892	369,649	66,630	15,613	-
Notes payable	1,902	1,902	1,902	-	-	-
Trade payables	70,645	70,645	70,645	-	-	-
Other payables and payables for machinery and equipment	43,061	43,061	43,061	-	-	-
Bonds payable (including derivative financial liabilities)	204,934	202,005	-	202,005	-	-
Lease liabilities	1,081	1,088	872	178	38	-
	$ 768,620	**770,593**	**486,129**	**268,813**	**15,651**	**-**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk as of December 31, 2021 and 2020 were as follows:

	December 31, 2021			December 31, 2020		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 18,684	27.2251	508,684	25,321	28.5602	723,185
Financial liabilities						
Monetary items						
USD	7,257	27.8517	202,110	1,083	28.7780	31,157

The Group's exposure to foreign currency risk arises from the translation of the foreign exchange gains and losses on cash and cash equivalents, receivables, payables, and loans and borrowings that are denominated in foreign currency.

A strengthening (weakening) of 1% of the NTD or THB against the USD as of December 31, 2021 and 2020, would have decreased (increase) the net profit before tax for the years ended December 31, 2021 and 2020 by $3,066 thousand and $6,920 thousand, respectively.

2) Foreign exchange gain and loss on monetary items

The exchange rate information on the foreign exchange gain and loss (including realized and unrealized) for the years ended December 31, 2021 and 2020, arising from the translation of the Group's monetary items into the subsidiary's functional currency of Thai Baht, and the parent company's functional currency, the New Taiwan dollar, which is also the Group's presentation currency, were as follows:

	2021		2020	
	Foreign exchange gain (loss)	Average exchange rate	Foreign exchange gain (loss)	Average exchange rate
NTD	$ (15,790)	1.00	(14,352)	1.00
THB	THB 25,950	0.8823	(3,425)	0.9496

(Continued)

(iv) Interest rate analysis

The Group has floating interest rates on its time deposits, short-term borrowings, and long-term borrowings from the banks. Since the market interest rates did not fluctuate significantly, changes of the interest rates did not cause a significant risk of cash flow.

(v) Fair value information

1) Hierarchies and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2021				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets－current	$ 634	-	634	-	634
Financial assets measured at amortized costs					
Cash and cash equivalents	463,270	-	-	-	-
Trade receivables	216,646	-	-	-	-
Other receivables	6,669	-	-	-	-
Restricted bank deposits	4,369	-	-	-	-
Refundable deposits	344	-	-	-	-
Subtotal	691,298	-	-	-	-
Total	**$ 691,932**	**-**	**634**	**-**	**634**

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	December 31, 2021				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities－current	$ 4,709	-	4,709	-	4,709
Financial liabilities measured at amortized costs					
Bank borrowings	284,668	-	-	-	-
Notes payable and trade payables	64,299	-	-	-	-
Other payables and payables for machinery and equipment	33,147	-	-	-	-
Dividend payable	78,456	-	-	-	-
Bonds payable	185,373	-	-	-	-
Lease liabilities	1,689	-	-	-	-
Subtotal	647,632	-	-	-	-
Total	**$ 652,341**	**-**	**4,709**	**-**	**4,709**

	December 31, 2020				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at amortized costs					
Cash and cash equivalents	$ 602,166	-	-	-	-
Trade receivables	222,293	-	-	-	-
Other receivables	9,039	-	-	-	-
Restricted bank deposits	4,984	-	-	-	-
Refundable deposits	349	-	-	-	-
Total	**$ 838,831**	**-**	**-**	**-**	**-**

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	December 31, 2020				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities－non-current	$ 480	-	480	-	480
Financial liabilities measured at amortized costs					
Bank borrowings	446,997	-	-	-	-
Notes payable and trade payables	72,547	-	-	-	-
Other payables and payables for machinery and equipment	43,061	-	-	-	-
Bonds payable	204,454	-	-	-	-
Lease liabilities	1,081	-	-	-	-
Subtotal	768,140	-	-	-	-
Total	**$ 768,620**	**-**	**480**	**-**	**480**

2) Valuation techniques and assumptions used in fair value determination

a) Non-derivative financial instruments

The Group management team assesses that the carrying amount of the Group's financial assets and financial liabilities measured at amortized cost is approximately close to fair value.

b) Derivative financial instruments

Fair value of convertible bonds' conversion option, put and call options, was based on the independent appraisal report, which adopted the binomial conversion model and used inputs based on observable market data (including the fluctuation of share prices, risk free interest rates, discount rates and liquidity risk), to calculate the fair value of options.

Forward exchange contracts were usually estimated based on the current forward exchange rates.

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THAI KIN CO., LTD. AND SUBSIDIARIES
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(y) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments:

1. Credit risk.
2. Liquidity risk.
3. Market risk.

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The Group has exposures to the risks arising from the normal operation such as credit risk, interest risk, liquidity risk, and currency risk. In order to timely and correctly monitor and control the hedging transactions, the Group established management procedures on overall business strategy, risk tolerance, philosophy of risk management, and risk management policies. The management reviews the above policies regularly to ensue in accordance with the Group's policy.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's bank deposits, receivables and other financial instruments.

The Group continuously monitors the exposure to credit risk and counterparty credit ratings, and establish sales limits based on credit rating for each of its approved customer. The credit limits for each counterparty are approved and reviewed annually by the management.

In order to determine the concentration of credit risk, the Group continuously monitors its trade receivables by country.

The Board of Directors and the management have established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard terms and conditions are offered. The Group's review includes external ratings, when available, and, in some cases, bank references. Credit limits are established for each customer. Customers that fail to meet the Group's credit policy may enter into transactions with the Group only on a prepayment basis or within basic credit limits.

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(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As of December 31, 2021 and 2020, the Group's unused credit lines were $917,127 and $945,808, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD and THB. The currencies used in these transactions are the NTD, USD and THB.

To manage market risks in respect of monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept at an acceptable level by buying or selling foreign currencies at spot rates when necessary to mitigate any short-term gap. All such transactions are carried out within the scope of the Group's internal control policy.

2) Interest rate risk

The Group's interest rate risk arises both from financial assets which are bank deposit and financial liabilities which are short and long term bank borrowings. However, the impacts on those financial assets and liabilities resulting from changes in interest rates are insignificant.

(z) Capital management

The Group's objectives for managing capital are to maintain the ability to continue the operation, to continue to provide a return to shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

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In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital to return to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group uses the debt-to-equity ratio to manage capital. This ratio is the total debt divided by the total equity. The total debt is derived from the total liabilities on the balance sheet. The total equity includes the amount of common stock, capital surplus, retained earnings, other equity, and non-controlling interests.

The Group's collective quantitative data is as follows:

	December 31, 2021	December 31, 2020
Total liabilities	$ 703,830	810,184
Less: cash and cash equivalents	463,270	602,166
Net debt	**$ 240,560**	**208,018**
Total equity	**$ 842,189**	**903,412**
Debt-to-equity ratio	**28.56 %**	**23.03 %**

As of December 31, 2021 and 2020, there were no changes in the Group's approach of capital management.

(aa) Investing and financing activities not affecting current cash flow

For the years ended December 31, 2021 and 2020, the non-cash investing and financial activities of the Group were derived from the acquisition of right-of-use asset through leasing and conversion of bonds into common stocks. Please refer to notes 6(l), (m) and (p) for related information.

Reconciliation of liabilities from financing activities for the years ended December 31, 2021 and 2020 were as follows:

			Non-cash changes				
	January 1, 2021	Cash flows	Amorization of discount	Foreign exchange movement	Acquisition	Conversion and reclassification	December 31, 2021
Short-term borrowings	$ 346,607	(94,207)	-	(38,658)	-	-	213,742
Long-term borrowings (including current portion)	100,390	(17,718)	-	(11,746)	-	-	70,926
Lease liabilities	1,081	(851)	-	(28)	1,487	-	1,689
Bnds payable	204,454	-	3,896	-	-	(22,977)	185,373
Total liabilities from financing activities	**$ 652,532**	**(112,776)**	**3,896**	**(50,432)**	**1,487**	**(22,977)**	**471,730**

(Continued)

THAI KIN CO., LTD. AND SUBSIDIARIES
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	January 1, 2020	Cash flows	Non-cash changes: Issuance of corporate bonds	Non-cash changes: Acquisition	Non-cash changes: Foreign exchange movement	Non-cash changes: Fair value changes	December 31, 2020
Short-term borrowings	$ 355,945	9,756	-	-	(19,094)	-	346,607
Long-term borrowings (including current portion)	39,667	62,458	-	-	(1,735)	-	100,390
Lease liabilities	1,957	(854)	-	-	(22)	-	1,081
Bonds payable	-	212,715	(9,029)	768	-	-	204,454
Total liabilities from financing activities	**$ 397,569**	**284,075**	**(9,029)**	**768**	**(20,851)**	**-**	**652,532**

(7) Related-party transactions

(a) Names and relationship with related parties

Name of related party	Relationship with the Group
Grand Lake Living Co., Ltd.	Its major investor is the Chairman of the Group
Window Coverings Co., Ltd.	Its major investor is the Chairman of the Group
Mr. Ta Chin Hsu	The Chairman of the Group
Ms. Chen Jung Hsu	The President of the Group
Mr. Wen Chih Hsu	The Vice President of the Group

(b) Significant transactions with related parties

(i) Operating costs

The details of the Group's operating costs for the manufacturing services provided by the related party, for the years ended December 31, 2021 and 2020, were as follows and were recognized under direct labor costs:

	2021	2020
Grand Lake Living Co., Ltd.	**$ 9,344**	**12,476**

The amounts of other payables of the Group due to above transactions were as follows:

	December 31, 2021	December 31, 2020
Grand Lake Living Co., Ltd.	**$ 574**	**888**

The service charges for the above services were determined based on the actual produced quantities in each month with a pre-determined limitation.

(Continued)

(ii) Leases

In May 2018, the Group rented an office building in Bangkok from Window Coverings Co., Ltd. A five year lease contract was signed, in which the rental fee is determined based on the office rental rates in the neighborhood. The total value of the contract was THB600 thousand. As of December 31, 2021 and 2020, the balance of lease liabilities amounted to $134 thousand and $268 thousand, respectively. There were no interest expenses for the years then ended.

(iii) Guarantee

As of December 31, 2021 and 2020, Mr. Ta Chin Hsu, Ms. Chen Jung Hsu, and Mr. Wen Chih Hsu had provided guarantees to the Group for bank loans and credit facilities based on their personal credit or bank savings. The related parties did not charge any rewards from the Group for the guarantees provided.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	2021	2020
Short-term employee benefits	**$ 9,006**	**9,003**

(8) Pledged assets

Pledged assets	Object	December 31, 2021	December 31, 2020
Restricted bank deposits(recorded under other non-current assets)	Electricity guarantee	$ 4,369	4,984
Land	Long-term and short-term credit facilities	20,299	23,239
Buildings	Long-term and short-term credit facilities	148,409	183,912
Machinery	Long-term borrowings	33,897	43,511
Investment property	Long-term and short-term credit facilities	26,319	30,131
Total		**$ 233,293**	**285,777**

(9) Commitments and contingencies

As of December 31, 2021 and 2020, the Group has signed agreements for constructions and machinery equipment amounting to $23,222 thousand and $71,503 thousand, respectively. The Group has already paid $22,575 thousand and $54,597 thousand, respectively, which were recorded under the accounts of property, plant and equipment, construction in progress and prepayments for machinery equipment.

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THAI KIN CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(10) Losses due to major disasters

A fire incident broke out in the electroplating factory of Royal Finishing, the subsidiary of the Company, on March 23, 2020 that caused damage on its equipment and inventories, resulting in the estimates losses and the losses incurred from the disaster clearance of $31,427 thousand and $2,446 thousand, respectively, which were recognized as other gains and losses in 2020. The Group had already arranged the related property insurance for the above losses and settled a claim toward the insurance company, wherein the Group was fully compensated for the damage amounting to $79,312 thousand (THB83,522 thousand), which was recorded in other income in 2020.

(11) Subsequent Events: None.

(12) Other

A summary of employee benefits, depreciation, depletion and amortization, by function, is as follows:

By function	2021			2020		
By item	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries (note)	212,296	34,522	246,818	218,610	34,720	253,330
Labor and health insurance	4,351	777	5,128	4,921	752	5,673
Pension	3,454	145	3,599	2,934	110	3,044
Other employee benefits	2,870	229	3,099	2,107	224	2,331
Depreciation	49,033	6,795	55,828	44,454	7,230	51,684
Amortization	-	-	-	-	-	-

Note: The salaries under operating costs include the charges for manufacturing services of $9,344 thousand and $12,476 thousand for the years ended December 31, 2021 and 2020, respectively.

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THAI KIN CO., LTD.
Notes to Consolidated Interim Financial Statements

(13) Other disclosures

(a) Information on significant transactions

The followings are the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the year ended December 31, 2021:

(i) Loans to other parties

Number (note 1)	Name of lender	Name of borrower	Account name	Related party	Maximum balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (note 2)	Transaction amount for business between two parties	Reasons for short-term financing (note 3)	Loss allowance	Collateral		Individual funding loan limits (note 4)	Maximum limit of fund financing (note 4)
													Item	Value		
0	The Company	Royal Finishing	Other receivables－related parties	Yes	110,720 (USD 4,000)	69,200 (USD 2,500)	69,200 (USD 2,500)	2.00	2	-	Operating capital	-	-	-	336,802	336,802
1	Royal Finishing	Paokin	Other receivables－related parties	Yes	15,025 (THB18,000)	15,025 (THB18,000)	4,174 (THB 5,000)	2.00	2	-	Operating capital	-		-	249,789	249,789

Note 1: The information of the Company and the subsidiary companies should be listed separately. The number representations are as follows:

1. 0 represents the Company.
2. 1 and thereafter represent the subsidiary companies.

Note 2: The purpose of fund financing for the borrower is classified as follows:

1. 1 represents business related.
2. 2 represents short-term financing.

Note 3: When the purpose of fund financing for the borrower is classified as 2, specify the necessary reasons for the loans and the purposes of the borrower, such as repayments of borrowings, purchase of equipment, and operating capital.

Note 4: The policies of the Company and Royal Finishing (which is the subsidiary company of the Company) regarding the loans to other parties are as follows:

1. In accordance with the Company's policy on loans to other parties, the maximum amount for lending shall not exceed 40% of the net worth on the Company's latest financial statements, while the total amount available for lending purposes shall not exceed 40% of the net worth on the Company's latest financial statements.
2. In accordance with the Royal Finishing's policy on loans to other parties, the maximum amount for lending shall not exceed 40% of the net worth on the Royal Finishing 's latest financial statements, while the total amount available for lending purposes shall not exceed 40% of the net worth on the Royal Finishing 's latest financial statements.

Note 5: The above transactions within the Group have been eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties

No. (note 1)	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note 3)	Maximum balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum limit for guarantees and endorsements (note 3)	Endorsements/ guarantees / provided by parent company for subsidiary	Endorsements/ guarantees / provided by subsidiary for parent company	Endorsements/ guarantees / provided for companies in China
		Name	Relationship with the Company (note 2)										
0	The Company	Royal Finishing	2	842,005	221,440 (USD 8,000)	-	-	-	- %	842,005	Y	N	N
1	Royal Finishing	The Company	3	249,789	45,000	-	-	-	- %	312,236	N	Y	N

Note 1: The information of the Company and the subsidiary companies should be listed separately. The number representations are as follows:

1. 0 represents the Company.
2. 1 and thereafter represent the subsidiary companies.

Note 2: The relationship between guarantor and guarantee is as follows:

1. Regular business relationship.
2. A subsidiary whose common stock is more than 50% owned by the guarantors.
3. A company that directly and indirectly holds more than 50% of the voting shares in the Company.
4. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/ guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The policies of the Company and the subsidiary companies regarding the guarantees and endorsements for other parties are as follows:

1. Maximum amount for guarantees and endorsements from the Company.
   a. The aggregate amount of external endorsements/ guarantees of the Company shall not exceed 100% of the net worth on the Company's latest audited financial statements.
   b. The amount of endorsements/ guarantees for each individual party shall not exceed 100% of the net worth on the Company's latest audited financial statements.
   c. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares can provide endorsements/ guarantees for each other with the limit of not exceeding 10% of the Company's net worth on the latest audited financial statements. The aforementioned limit is not applicable to endorsements/ guarantees between companies in which the Company holds, directly or indirectly, 100% of the voting shares.
   d. The overall endorsement/ guarantee amounts of the Group provided to external parties shall not exceed 150% of the net worth on the Company's latest audited financial statements.
   e. The accumulated endorsement/ guarantee amounts of the Group provided to an individual party shall not exceed 150% of the net worth on the Company's latest audited financial statements.

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THAI KIN CO., LTD.
Notes to Consolidated Interim Financial Statements

2. Maximum amount for guarantees and endorsements from Royal Finishing

   a. The aggregate amount of external endorsements/ guarantees of Royal Finishing shall not exceed 50% of the net worth on Royal Finishing 's latest audited (reviewed) financial statements or the net worth included in the latest Group's consolidated financial statements audited (reviewed) by auditors.

   b. The aggregate amount of endorsements/ guarantees for each individual party shall not exceed 40% of the net worth on Royal Finishing 's latest audited (reviewed) financial statements or the net worth included in the latest Group's consolidated financial statements audited (reviewed) by auditors.

   c. Companies in which Royal Finishing holds, directly or indirectly, 90% or more of the voting shares can provide endorsements/ guarantees for each other with the limit of not exceeding 10% of Royal Finishing's net worth on the latest audited financial statements. The aforementioned limit is not applicable to endorsements/ guarantees between companies in which Royal Finishing holds, directly or indirectly, 100% of the voting shares.

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures): None.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NTD300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NTD100 million or 20% of the capital stock

			Transaction details				Transactions with terms different from others		Notes/ trade receivables (payables)		
Name of company	Related party	Nature of relationship	Purchase /Sale	Amount	Percentage of total purchases/ sales (%)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/ trade receivables (payables) (%)	Note
The Company	Royal Finishing	Subsidiary	Sales	(441,716)	47.67 %	60 days	(Note 1)		86,507	47.60 %	(Note 2)
The Company	Royal Finishing	Subsidiary	Purchase	378,349	48.27 %	60 days	(Note 1)	-	(105,210)	83.75 %	(Note 2)
Royal Finishing	Thai Kin Company Limited	Subsidiary to subsidiary	Sales	(153,315)	12.61 %	90 days	(Note 1)		21,751	10.09 %	(Note 2)

Note 1: The price was determined by mutual agreements.

Note 2: The above transactions within the Group have been eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NTD100 million or 20% of the capital stock

Name of company	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (note 1)	Impairment provision	Note
					Amount	Action taken			
The Company	Royal Finishing	Subsidiary	86,507	603	-		61,513	-	Note 2
Royal Finishing	The Company	Subsidiary	105,210	395	-		70,013	-	Note 2

Note 1: As of March 10, 2022.

Note 2: The above transactions within the Group have been eliminated in the consolidated financial statements.

(ix) Trading in derivative instruments: please refer to notes 6(b) and (m).

(x) Business relationships and significant intercompany transactions

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Royal Finishing	1	Sales	441,716	The price was determined by mutual agreements.	32.50%
0	The Company	Royal Finishing	1	Trade receivables	86,507	No significant different than other customers	5.60%
0	The Company	Royal Finishing	1	Purchases	378,349	The price was determined by mutual agreements.	27.84%
0	The Company	Royal Finishing	1	Trade payables	105,210	No significant different than other suppliers	6.81%
0	The Company	Royal Finishing	1	Other receivables	69,200	Loans	4.48%
1	Royal Finishing	Thai Kin Company Limited	3	Sales	153,315	The price was determined by mutual agreements.	11.28%
1	Royal Finishing	Thai Kin Company Limited	3	Trade receivables	21,751	No significant different than other customers	1.41%

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THAI KIN CO., LTD.
Notes to Consolidated Interim Financial Statements

Note 1: The numbering is as follows:

1. 0 represents parent company.
2. 1 represents the subsidiary company, Royal Finishing.

Note 2: The nature of relationship is as follows:

1. Parent company to subsidiary company.
2. Subsidiary company to parent company.
3. Subsidiary company to subsidiary company.

Note 3: The account should be disclosed if the amount is over 1% of the total assets from the balance sheet and total operating revenue from the statement of comprehensive income.

(b) Information on investees

The following is the information on investees for the year ended December 31, 2021 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee (Note 1)	Share of profits/losses of investee (Notes 1 and 2)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying value (Notes 1 and 2)			
The Company	Royal Finishing	Thailand	Manufacture home decorations and hardware parts	328,122	328,122	299,997	99.99 %	621,218	138,529	138,515	
The Company	Paokin	Thailand	Manufacture home decorations and hardware parts	34,489	34,489	307,500	99.19 %	14,982	(3,152)	(3,127)	
The Company	Thai Kin Company Limited	Hong Kong	Sales of home decorations and hardware parts	4	4	1,000	100.00 %	65,475	33,863	33,863	
The Company	Angel Win Limited	Samoa	Offshore holding company	-	-	-	100.00 %	-	-	-	
Royal Finishing	Mira Home, Inc.	U.S.A	Sales of home decorations and hardware parts	154	154	500	100.00 %	-	1,068	1,068	

Note 1: Long-term investment and investment gains and losses have been recognized by using the equity method based on the financial statements of the investee companies audited by the Group's auditors.

Note 2: The long-term investment and investment gains or losses have been eliminated in the preparation of the consolidated financial statements.

(c) Information on investment in mainland China: None.

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THAI KIN CO., LTD. AND SUBSIDIARIES
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(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Triple Nine Co., Ltd	10,752,197	30.15 %
The Heritage Group Co., Ltd	10,002,735	28.04 %
Cloud 15 Co., Ltd	2,090,124	5.86 %
Schnitzer Zinc Co., Ltd	1,791,535	5.02 %
Dazzle Co., Ltd	1,791,535	5.02 %

(i) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

(ii) If the aforementioned data contains shares which were kept in trust by the shareholders, the data disclosed will be deemed as the settlor's separate account for the fund set by the trustee. As for the shareholder who reports its share equity as an insider and whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act and include its self-owned shares and trusted shares of the individuals who have power to decide how to allocate the trust assets. For the information on reported share equity of the insider, please refer to the Market Observation Post System.

(iii) The percentage of holding shares is rounded down to the second decimal place.

(14) Segment information

(a) General information

The chief operating decision maker regularly reviews the operating result, so as to determine the resource allocation and make a performance evaluation. The Group has a single reportable segment, which manufactures and sells home decorations and hardware parts.

(b) Product information

The Group operates in a single industry to manufacture and sell home decorations and hardware parts. Revenue from the external customers of the Group was disclosed in the consolidated statements of comprehensive income.

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THAI KIN CO., LTD. AND SUBSIDIARIES
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(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of assets.

Revenue from external customers:

Geographical information	2021	2020
Europe	$ 255,604	263,065
America	1,096,892	994,239
Asia	6,725	7,511
Total	**$ 1,359,221**	**1,264,815**

Non-current assets:

Geographical information	December 31, 2021	December 31, 2020
Thailand	$ 522,828	580,956
Taiwan	2,208	4,026
Total	**$ 525,036**	**584,982**

Non-current assets include property, plant and equipment, right-of-use assets, investment property, and prepayments for equipment, and exclude financial instruments, deferred tax assets, and rights arising from an insurance contract (non-current).

(d) Major customers

	2021		2020	
	Amount	%	Amount	%
D customer	$ 343,835	24.74	372,333	29.44
A customer	212,269	15.27	253,293	20.03
B customer	180,402	12.98	148,128	11.71
C customer	162,169	11.67	173,886	13.75
	$ 898,675	**64.66**	**947,640**	**74.93**

Stock Code: 6629

Thai Kin Co., Ltd.

Chairperson: Hsu, Ta-Chin

April 30, 2022