

**YI JINN INDUSTRIAL CO., LTD**  
**2022 Annual General Shareholders' Meeting Meeting Proceeding.**



**Time:** 9am, June 24, 2022 (Friday)

**Place:** No. 29, Hongzhou St., Guishan Dist., Taoyuan City  
(subsidiary: Hung Chou Factory)

**Present shareholders:** 159,381,917 shares of shares

represented by attendance and delegates are 52.83% of  
the total 301,647,640 shares of the company with  
voting rights.

**Chairman:** Chan, Cheng-Tien



**Recorder:** Lai, Yu-Min



**Attend:** Director Chen, Meng-Wu, Director Chen, Yu-Jing, Director  
Weng, Mao-Cheng,

Director Lai, Yu-Min, Independent director Lai, Sun-Quae,  
Independent director Huang, Tien-Chang, Independent director  
Chen, shiou-Chung

**Attend:** Pan Chun-Ming Accountant of KPMG

## **Reported Matters**

1 、 2021 Business Report

Explanatory Notes:

The Business Report is attached hereto as ANNEX 1.

2 、 Report by Audit Committee

Explanatory Notes:

The Report by Audit Committee is attached hereto as ANNEX 2.

3 、 Remuneration to Directors and Employee Bonus in 2021

Explanatory Notes:

(1)Handled in accordance with Article 27 of Articles of Incorporation.

(2)After the Company's pre-tax benefits of the year 2021 deducted the allocation of employees' and directors' remuneration, the profit was NT\$ 216,255,939, the appropriation was not less than 0.5% as employee's remuneration, the amount was NT\$ 1,156,538, and it was not higher than 2% of directors' remuneration, the amount was NT\$ 4,303,493, both were paid in cash, and there was no difference in recognizing estimated amount.

4 、 2021 Earnings and capital reserve distribution by cash report, for your approval.

Explanatory Notes:

- (1) The Company's board of directors made a resolution that appropriated shareholder's cash dividend was NT\$ 180,988,584 from distributable earning of year 2021, it was NT\$ 0.6 per share, and the capital reserve of overage received by issued shares exceeding the denomination was NT\$ 120,659,056, and it was paid by cash, and it was NT\$ 0.4 per share, shares held by shareholders were specified in the roster of shareholders in accordance with ex-dividend date, the cash dividend was NT\$ 1 per share, and the cash dividends shall be calculated to NT dollar (amounts of less than NT\$ 1.00 unconditionally rounded down), the fractional sum of less than NT\$ 1.00, decimal point numbers shall be adjusted by descending order, and account numbers shall be adjusted in sequence, to meet the cash dividends total.
- (2) Chairman authorized by this proposal shall additionally set ex-dividend date, payment date and other relevant matters, if the number of the Company's outstanding common stocks changes afterward, and it causes that payout ratio is needed to adjusted, the chairman will be authorized to conduct with full discretion.

### Acknowledged Matters

- 1、2021 business report, financial statements and the proposal earnings distributions, for your approval.

#### Explanatory Notes:

- (1) The Company's balance sheets, statements of comprehensive income, statements of changes in equity and statements of cash flows of the year 2021 (included consolidated financial statements, is attached hereto as ANNEX 3.), were audited by Chang, Shu-Ying and Chih, Shih-Chin of KPMG, and audit report has been offered.
- (2) 2021 business report of the Company, is attached hereto as ANNEX 1.
- (3) The profit distribution made in accordance with Articles of Incorporation is as follows:

YI JINN INDUSTRIAL CO.,LTD  
2021 Profit Distributio



Unit: NTD

Beginning of period undistributed earnings	822,018,816
Add: net profit after tax of the fiscal year	200,603,325
Subtotal:	1,022,622,141
Minus: designated 10% legal reserve	(20,060,333)
Distributable earnings subtotal of the fiscal year	1,002,561,808
Minus: shareholders' cash dividends of the year 2021 (NT\$0.6 per share)	(180,988,584)
End of term undistributed earnings	821,573,224

Note: undistributed profit of the year 2021 was prior to distribute.

Chairman:



Chan, Cheng-Tien

Managerial Officer:



Weng, Mao-Cheng

Accountant in charge:



Lai, Yu-Min

(4) For your approval.

**Resolution:**

Explanation of voting results: Approval votes are 156,630,197rights (including electronic voting rights ). Disapproval votes are59,052 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are2,692,668 rights (All exercised by electronic vote). Approval votes are 98.28% of the total 159,381,917 votes of the attendance shareholders .

**Matters for Discussion**

- 1 、 Amendment of the Company's "Procedures for Acquisition or Disposal of Assets", for your discussion.

**Explanatory Notes:**

according to the amendments of the decree, drafted to amend part of articles of Procedures for Acquisition or Disposal of Assets, and the comparison of the amended articles, is attached hereto as ANNEX 4.

**Resolution:**

Explanation of voting results: Approval votes are 156,988,089rights (including electronic voting rights ). Disapproval votes are51,128 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are 2,342,700 rights (All exercised by electronic vote). Approval votes are 98.50% of the total 159,381,917 votes of the attendance shareholders .

TEMPORARY MOTION

MEETING ADJOURNED (AM09:15)

# YI JINN INDUSTRIAL CO., LTD



## 2021 Business Report

To face the tendency of the global competition and the regional integration, RCEP will remould the pattern of APEC, and it's also an opportunity for Taiwan. Textile industry of Taiwan already continued to drive the expansion of upstream, midstream and downstream vertical integration and the horizontal value chain, and integrated the diversity of market analysis design, purchase, material development and quick proofing, etc.; meanwhile, the industry continued to configure the commodity overseas, remained the high-end functional production line and the center of R&D and operation in Taiwan, utilized OBM model to coordinate the complementarity of the supply chain from Southeast Asia for consolidating the complete supply chain of textile industry, and increased the production efficiency, and drove value-added and growing gross profit margin with the reallocation of the productivity in various regions.

The current main production business of the Company includes polyester yarn produced by the subsidiary "Hung Chou Fiber Industry Co. Ltd." and polyester textured yarn produced by Kwang Ming Silk Mill Co. Ltd., and high gross margin industry webbing and the stable rental income are the main operation income of the parent company "YI JINN INDUSTRIAL CO., LTD".

(1) Practice results of the business plan: In the fiscal year of 2021, the Company's consolidated operating revenue was NT\$ 4,146,179 thousand, consolidated operating cost was NT\$ 3,590,229 thousand, consolidated operating margin was NT\$ 555,950 thousand, the gross margin was 13%, consolidated operating expenses was NT\$ 225,923 thousand, consolidated operating net profit was NT\$330,027 thousand, and consolidated net income was NT\$ 366,132 thousand.

(2) Budget implementation: there's no budget information reported by the Company in 2021.

(3) Financial receipts and expenditures and profitability analysis:

Unit: NT\$1,000

Item		2020	2021
Financial receipts and	Operating revenue	2,707,215	4,146,179
	Operating costs	2,501,874	3,590,229

expenditures	Income from continuing operations before income tax	810,287	396,685
	Net profit after tax	556,686	366,132
Profitability	Return on assets (%)	3.67	2.57
	Return on equity (%)	7.34	4.68
	Pre-tax net profit to paid-in capital ratio (%)	26.86	13.15
	Net profit rate (%)	20.56	8.83
	Earnings per share (dollar)	2.89	0.90

(4) Budget variance: omitted.

Chairman:



Chan, Cheng-Tien

Managerial Officer:



Weng, Mao-Cheng

Accountant in charge:



Lai, Yu-Min

Attachment 2

## Audit Committee's Auditor's Report

The board of directors prepared the Company's business report, financial statements (included consolidated and individual financial statements) and the proposal of earnings distribution of the year 2021, the financial statements among them was audited by Chang, Shu-Ying and Chih, Shih-Chin of KPMG, and audit report has been offered.

The business report, financial statements and the proposal of earning distribution mentioned above were reviewed and determined to be correct and accurate by the audit committee members, and the reported was made in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, for your examination.

Faithfully

2022 Annual Shareholders' Meeting of YI JINN INDUSTRIAL CO., LTD

**YI JINN INDUSTRIAL CO., LTD**

Convener of Audit Committee: Lai, Sun-Quae

March 23, 2022

## Independent Auditors' Report

To the board of directors

Yi Jinn Industrial Corp., Limited.

### Opinion

We have audited the accompanying parent company only financial statements of Yi Jinn Industrial Co., Ltd., (the “company”) which comprise the parent company only balance sheet as of December 31, 2021 and 2020, and parent company only statements of comprehensive income, changes in equity and cash flows for the years ends December 31, 2021 and 2020, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements represents fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 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 parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled out other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the company's parent company only financial statements for the year ended December 31, 2021 are stated as follows:

#### 1. Revenue recognition

Please refer to Note 4 (14) “revenue recognition” and for more details please refer to Note 6 (18) “revenue from contracts with customers” of the parent company only financial statement.

Description of the key audit matters:

The revenue from processing silk and plain weave fabric products is the main source of operating revenue of Yi Jinn Industrial Co., Ltd., and the risk is in the authenticity of revenue recognition. Because the operating revenue is highly affected by the economic fluctuations, the test of revenue recognition is determined as one of the key audit items for the accountant to audit the financial reports of Yi Jinn Industrial Co., Ltd.

According to the auditing procedure:

Our audit procedures for the above critical review items included understanding the controls over the sales and receipts cycle and reconciling the sales system information with the general ledger; we tested the sales transactions for the period before and after the end of the year, reviewed the evidence of transfer of control of the goods to the buyer, and verified the correctness of the

revenue recognition period in order to assess whether the revenue recognition policy of Yi Jinn Industrial Co., Ltd., was in accordance with the relevant standards.

### **Responsibilities of Management and those Charged with Governance for the Parent Company Only Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the parent company only financial statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material 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 parent company only financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material disclosure in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the relevant notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities for business activities within the company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit, and



forming our audit opinions of the Company.

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 affect 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 parent company only 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 reasonable be expected to outweigh the public interest benefits of such communication.

KPMG

Auditors: CHANG, SHU-YING  
CHIH, SHIH-CHIN

The reference No.Taiwan-Financial-Securities-  
number of the VI-0940100754  
FSC approval No.Financial-Supervisory-  
Letter: Securities-auditing- 1020000737

March 23, 2022

**Yi Jinn Industrial Co., Ltd.**  
**Parent Company Only Balance Sheet**  
**December 31, 2021 and 2020**

**In Thousands of New Taiwan Dollars**

<b>Assets</b>		<b>December 31, 2021</b>		<b>December 31, 2020</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current Assets :</b>					
1100	Cash and cash equivalent (Note 6 (1))	\$ 130,547	2	145,998	2
1110	Financial assets at fair value through profit or loss - current(Note 6 (2))	305,229	4	401,766	5
1150	Notes receivable, net (Note 6 (4) and (18))	4,085	-	4,479	-
1170	Accounts receivables, net (Note 6 (4) and (18))	150,466	2	282,458	4
1200	Other receivables (Note 6 (5) and 7)	4,162	-	5,858	-
1310	Inventories – manufacturing (Note 6 (6))	89,976	1	49,257	1
1410	Prepayments	627	-	3,950	-
1476	Other financial assets – current	3,093	-	14,646	-
1470	Other current assets	32,895	-	15,229	-
	<b>Total current assets</b>	<b>721,080</b>	<b>9</b>	<b>923,641</b>	<b>12</b>
<b>Non-current assets :</b>					
1551	Investments accounted for using equity method (Note 6 (8))	2,235,253	26	2149,321	27
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6 (3))	445,593	5	421,194	5
1600	Property, plant and equipment (Note 6 (9))	39,112	-	40,564	-
1760	Investment property, net (Note 6 (10) and 8)	5,086,944	59	4,145,826	52
1840	Deferred tax assets (Note 6 (15))	28,469	-	28,469	-
1980	Other financial assets – non-current	484	-	484	-
1990	Other non-current assets – other (Note 6(11) and 9)	92,693	1	285,540	4
	<b>Total non-current assets</b>	<b>7,928,548</b>	<b>91</b>	<b>7,071,398</b>	<b>88</b>
	<b>Total</b>	<b>\$ 8,649,628</b>	<b>100</b>	<b>7,995,039</b>	<b>100</b>

**Yi Jinn Industrial Co., Ltd.**  
**Parent Company Only Balance Sheet**  
**December 31, 2021 and 2020**

**In Thousands of New Taiwan Dollars**

		<u>December 31, 2021</u>		<u>December 31, 2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Liabilities and equity					
<b>Current liabilities</b>					
2100	Short-term loans (Note 6 (12))	\$ 708,000	8	440,000	6
2130	Contract liability – current (Note 6 (18))	3,221	-	2,553	-
2150	Notes payable	35,087	-	39,469	-
2171	Accounts payable (Note 7)	33,315	-	88,485	1
2200	Other payable (Note 6 (19))	24,240	-	24,601	-
2230	Tax liabilities of the period (Note 6 (15))	10,193	-	-	-
2322	Long-term borrowings-current portion (Note 6 (13))	44,383	1	206,738	3
2399	Other current liabilities – other	693	-	1,581	-
	<b>Total current liabilities</b>	<u>859,132</u>	<u>9</u>	<u>803,427</u>	<u>10</u>
<b>Non-current liabilities</b>					
2540	Long-term loans (Note 6 (13))	3,158,039	37	2,515,422	31
2645	Guarantee deposits (Note 9)	47,647	1	59,886	1
	<b>Total non-current liabilities</b>	<u>3,205,686</u>	<u>38</u>	<u>2,575,308</u>	<u>32</u>
	<b>Total liabilities</b>	<u>4,064,818</u>	<u>47</u>	<u>3,378,735</u>	<u>42</u>
<b>Equity (Note 6 (16))</b>					
3110	Common Stock	3,016,476	35	3,016,476	38
3200	Capital Reserve	500,655	6	458,206	6
3300	Retained Earnings	1,300,929	15	1,401,974	17
3490	Other interest	110,953	1	65,111	1
3500	Treasury Stock	(344,203)	(4)	(325,463)	(4)
	<b>Total equity</b>	<u>4,584,810</u>	<u>53</u>	<u>4,616,304</u>	<u>58</u>
	<b>Total liabilities and equity</b>	<u><b>\$ 8,649,628</b></u>	<u><b>100</b></u>	<u><b>7,995,039</b></u>	<u><b>100</b></u>

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: ZHAN, ZHENG-TIAN    Managerial Officer : WENG, MAO-CHENG    Accounting Supervisor: LAI, YU-MIN

**Yi Jinn Industrial Co., Ltd.**  
**Statement of comprehensive income**  
**For the years ended December 31, 2021 and 2020**

In Thousands of New Taiwan Dollars

		Year 2021		Year 2020	
		Amount	%	Amount	%
4110	Operating revenue (Note 6 (14) (18) and 7)	\$ 771,501	101	815,566	101
4170	Less: Sales returns	17	-	56	-
4190	Sales allowance	7,560	1	7,918	1
	<b>Net Operating Revenue</b>	<b>763,924</b>	<b>100</b>	<b>807,592</b>	<b>100</b>
5110	Cost of goods sold (Note 6 (6) and 7)	592,314	78	617,973	77
	<b>Gross Profit</b>	<b>171,610</b>	<b>22</b>	<b>198,619</b>	<b>23</b>
	<b>Operating Expenses (Note 6 (19) and 7):</b>				
6100	Selling expenses	44,525	6	40,124	5
6200	Administrative expenses	39,875	5	55,178	7
	<b>Net operating expenses</b>	<b>84,400</b>	<b>11</b>	<b>95,302</b>	<b>12</b>
	<b>Other income and expenses:</b>				
6510	Non-current assets held for sale (Note 6 (7) (20))	-	-	973,130	120
	<b>Net other income and expenses</b>	<b>-</b>	<b>-</b>	<b>973,130</b>	<b>120</b>
	<b>Net operating profit</b>	<b>87,210</b>	<b>11</b>	<b>1,067,447</b>	<b>131</b>
	<b>Non-operating income and expenses (Note 6 (10) (21)):</b>				
7010	Other income	19,371	2	7,371	1
7020	Other gains and losses	38,415	5	(31,021)	(4)
7050	Financial costs	(45,466)	(6)	(43,299)	(5)
7070	Share of profit or loss of associates and joint ventures accounted for using equity method	111,566	15	(117,433)	(15)
	<b>Total non-operating revenue and expenses</b>	<b>123,586</b>	<b>16</b>	<b>(184,382)</b>	<b>(23)</b>
	<b>Profit before tax from continuing operations</b>	<b>210,796</b>	<b>27</b>	<b>883,065</b>	<b>108</b>
7950	Less: income tax expense (Note 6 (15))	10,193	1	163,173	20
8000	<b>Income from continuing operation</b>	<b>200,603</b>	<b>26</b>	<b>719,892</b>	<b>88</b>
	<b>Income(loss) from discontinued operation:</b>				
8100	Loss from discontinued operation (Note 6 (4) (6) (7))	-	-	(75,635)	(9)
8200	<b>Net income</b>	<b>200,603</b>	<b>26</b>	<b>644,257</b>	<b>79</b>
8300	<b>Other comprehensive income:</b>				
8310	Components of other comprehensive income that will not be reclassified to profit or loss (Note 6 (16))				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	24,399	3	91,053	11
8330	Share of profit or loss of associates and joint ventures accounted for using equity method — components of other comprehensive income that will not be reclassified to profit or loss.	21,443	3	10,723	1
8349	Less: income tax related to components of other comprehensive income that will not be classified to profit or loss	-	-	-	-
8300	<b>Other comprehensive income</b>	<b>45,842</b>	<b>6</b>	<b>101,776</b>	<b>12</b>
	<b>Total comprehensive income</b>	<b>\$ 246,445</b>	<b>32</b>	<b>746,033</b>	<b>91</b>
	<b>Basic earnings per share (in dollar) (Note 6 (7) (17))</b>				
	From continuing operations	\$	0.90		3.23
	From discontinued operations	-	-		(0.34)
		<b>\$</b>	<b>0.90</b>		<b>2.89</b>
	<b>Diluted earnings per share (in dollar)</b>				
	From continuing operations	\$	0.90		3.22
	From discontinued operations	-	-		(0.34)
		<b>\$</b>	<b>0.90</b>		<b>2.88</b>

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: ZHAN, ZHENG-TIAN    Managerial Officer : WENG, MAO-CHENG    Accounting Supervisor: LAI, YU-MIN

**Yi Jinn Industrial Co., Ltd.**  
**Statement of changes in equity**  
**For the years ended December 31, 2021 and 2020**

	In Thousands of New Taiwan Dollar						
				Other equity items			
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Undistributed retained earnings	Total	Total Equity
<b>Balance at January 1 2020</b>	\$ 3,016,476	419,079	189,279	-	854,360	1,043,639	4,133,575
Net income for the year	-	-	-	-	644,257	644,257	644,257
Other comprehensive income	-	-	-	-	-	-	101,776
Total comprehensive income	-	-	-	-	644,257	644,257	746,033
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	-	-	-	-	-
Special reserve	-	-	23,030	-	(23,030)	-	-
Cash dividends of preferred stock	-	-	-	20,939	(20,939)	-	-
Subsidiary purchase parent's shares as treasury stock	-	-	-	-	(301,648)	(301,648)	(301,648)
Dividends to subsidiary in adjusting capital surplus	-	-	-	-	-	-	(783)
Difference between consideration and carrying amount of Subsidiaries acquired or disposed	-	37,779	-	-	-	-	37,779
Changes in ownership interests in Subsidiaries	-	5,871	-	-	-	-	5,871
Investments in equity instruments measured at fair value through other comprehensive income	-	(4,523)	-	-	-	-	(4,523)
Balance at December 31 2020	3,016,476	458,206	212,309	20,939	1,168,726	1,401,974	4,616,304
Net income for the year	-	-	-	-	200,603	200,603	200,603
Other comprehensive income	-	-	-	-	-	-	45,842
Total comprehensive income	-	-	-	-	200,603	200,603	246,445
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	65,999	-	(65,999)	-	-
Cash dividends of preferred stock	-	-	-	-	(301,648)	(301,648)	(301,648)
Special surplus reserve reversal	-	-	-	(20,939)	20,939	-	-
Subsidiary purchase parent's shares as treasury stock	-	-	-	-	-	-	(850)
Dividends to subsidiary in adjusting capital surplus	-	36,426	-	-	-	-	36,426
Difference between consideration and carrying amount of Subsidiaries acquired or disposed	-	5,368	-	-	-	-	12,447
Changes in ownership interests in Subsidiaries	-	655	-	-	-	-	(24,314)
<b>Balance at December 31, 2021</b>	\$ 3,016,476	500,655	278,308	-	1,022,621	1,300,929	4,584,810

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: ZHAN, ZHENG-TIAN      Managerial Officer : WENG, MAO-      Accounting Supervisor: LAI, YU-  
CHENG      MIN

**Yi Jinn Industrial Co., Ltd.**  
**Statements of cash flows**  
**For the years ended December 31, 2021 and 2020**  
**In Thousands of New Taiwan Dollars**

	Year 2021	Year 2020
<b>Cash flow from operating activities:</b>		
Income from continuing operation before income tax	\$ 210,796	883,065
Loss from discontinued operation	-	(75,635)
Net income before income tax	210,796	807,430
Adjustment for:		
Income and expense		
Depreciation expense	28,037	16,014
Amortization expense	-	944
Expected credit impairment (reversal gains) losses	-	(378)
Valuation gain on financial investments	(49,969)	(46,441)
Interest expense	45,766	43,299
Interest income	(36)	(23)
Dividend income	(17,013)	(5,181)
Share of profit(loss) of associates and joint ventures accounted for using equity method	(111,566)	117,433
Loss on disposal of property, plant and equipment	122	5,893
Disposal of non-current interests held for sale	-	(973,130)
Impairment loss on non-financial assets	-	45,262
Total adjustments to reconcile profit (loss)	(104,749)	(796,308)
Changes in operating assets and liabilities		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	146,506	(300,543)
Notes receivable	394	25,763
Accounts receivable	131,992	50,477
Another receivable	1,696	(4,732)
Current inventories	(40,719)	203,413
Prepayments	3,323	(1,726)
Other current assets	(17,666)	(14,742)
Other financial assets	11,553	(13,330)
Total changes in operating assets	237,079	(55,420)
Changes in operating liabilities:		
Contract liabilities	668	2,376
Nates payable	(4,382)	3,279
Accounts payable	(55,170)	35,025
Other payable	(1,410)	(43,285)
Other current liabilities	(888)	(2,998)
Total changes in operating liabilities	(61,182)	(5,603)
Total changes in operating assets and liabilities	175,897	(61,023)
Total adjustment	71,148	(857,331)
Net cash generated (used) by operating activities	281,944	(49,901)
Interest received	36	23
Interest paid	(44,717)	(44,069)
Income taxes paid	-	(165,503)
Net cash generated (used) by operating activities	237,263	(259,450)

**Yi Jinn Industrial Co., Ltd.**

**Statements of cash flows**

**For the years ended December 31, 2021 and 2020**

**In Thousands of New Taiwan Dollars**

	<u>Year 2021</u>	<u>Year 2020</u>
<b>Cash flows from investing activities :</b>		
Acquisition of investments accounted for using equity method	(13,078)	(122,500)
Disposal of non-current assets	-	3,019,806
Acquisition of property, plant and equipment	-	(34,515)
Proceeds from disposal of property, plant and equipment	170	11,951
Acquisition of investment property	(11,091)	(1,433,230)
Increase in other financial assets	-	3,369
Increase(decrease) in other non-current assets	(764,057)	(50,785)
Dividends received	100,967	62,699
<b>Net cash (outflow) inflow from investing activities</b>	<u>(687,089)</u>	<u>1,456,795</u>
<b>Cash flows from financing activities:</b>		
Increase(decrease) in short-term loans	268,000	(942,309)
Proceeds for long-term debt	737,000	1,336,110
Repayments of long-term debt	(256,738)	(1,362,075)
Deposit (decrease) increase	(12,239)	26,079
Cash dividends paid	(301,648)	(301,648)
<b>Net cash inflow (outflow) from financing activities</b>	<u>434,375</u>	<u>(1,243,843)</u>
Net increase in cash and cash equivalents	(15,451)	(46,498)
Cash and cash equivalents, beginning of period	145,998	192,496
Cash and cash equivalents, end of period	<u><b>\$ 130,547</b></u>	<u><b>145,998</b></u>

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman: ZHAN, ZHENG-TIAN    Managerial Officer : WENG, MAO-CHENG    Accounting Supervisor: LAI, YU-MIN

## **Representation letter**

The entities that are required to be included in the consolidated financial statements of Yi Jinn Industrial Corporation Limited as of and for the year ended December 31, 2021, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Yi Jinn Industrial Corporation Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Sincerely yours,

Yi Jinn Industrial Corporation Limited

Chan, Zheng-Tian

March 23, 2022



## **Independent auditor's report**

To the board of directors

Yi Jinn Industrial Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of Yi Jinn Industrial Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ends December 31, 2022 and 2021, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements represents fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 the International Financial Reporting Standards(IFRSs), International Accounting Standards(IASs), IFRIC Interpretations (IFRIC), and SIC Interpretations(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 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled out other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and un forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

#### **1. Revenue recognition**

Please refer to Note 4 (15) "revenue recognition" and for more details please refer to Note 6 (18) "revenue from contracts with customers" of the consolidated financial statement.

Description of the key audit matters:

The revenue from polyester yarn, polyester processing silk, Tetoron and plain weave fabric products is the main source of operating revenue of Yi Jinn Industrial Co., Ltd., and the risk is in the authenticity of revenue recognition. Because the operating revenue is highly affected by the economic fluctuations, the test of revenue recognition is determined as one of the key audit items for the accountant to audit the financial reports of Yi Jinn Industrial Co., Ltd.

How the matter was addressed in our audit:

Our audit procedures for the above critical review items included understanding the controls over the sales and receipts cycle and reconciling the sales system information with the general ledger; we tested the sales transactions for the period before and after the end of the year, reviewed the evidence of transfer of control of the goods to the buyer, and verified the correctness of the revenue recognition period in order to assess whether the revenue recognition policy of Yi Jinn Industrial Co., Ltd., was in accordance with the relevant standards.

## 2. Inventory valuation

For accounting policies related to inventory evaluation, please refer to Note 4 (8) Inventory Recognition in the consolidated financial report; For the uncertainty of accounting estimates and assumptions in inventory evaluation, please refer to Note 5 (2) of the consolidated financial report for details; For the description of inventory evaluation, please refer to Note 6 (5) inventory of consolidated financial report.

Description to the key audit matters:

Due to the fluctuation of international raw material prices and market supply and demand, the Group's inventory price and sales volume may fluctuate sharply, resulting in the risk that the inventory cost may exceed its net realizable value. Therefore, we determined that the assessment of inventory valuation is a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included: understand the management's inventory management and evaluation policies and whether such policies were performed in actual inventory management and evaluation; carry out the audit procedure to compare the net realizable value adopted by the management with the latest inventory sales price, and evaluate the rationality of the net realizable value of inventory; implement sampling procedure to check the correctness of stock age statement and evaluate the adequacy of inventory allowance of the Group on the financial reporting date.

## Other Matter

We have also audited the parent company only financial statements of Yi Jinn Industrial Corp., Limited as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

## 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 statement in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and 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 operation, or has no realistic alternative but to do so.

Those charged with governance (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 statement 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 the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional scepticism 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 disclosure 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 appropriate audit evidence regarding the financial information of

the entities for 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, and form 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 affect 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 reasonable be expected to outweigh the public interest benefits of such communication.

KPMG

Auditors:

CHANG, SHU-YING  
CHIH, SHIH-CHIN

The reference :  
number of the  
FSC approval  
Letter:

No. Taiwan-Financial-  
Securities-VI-0940100754  
No. Financial-Supervisory-  
Securities-auditing-  
1020000737

March 23, 2022

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**

**Consolidated Balance Sheets**

**December 31, 2021 and 2020**

**In Thousands of New Taiwan Dollars**

<b>Assets</b>		<b>December 31, 2021</b>		<b>December 31, 2020</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current Assets:</b>					
1100	Cash and cash equivalent (Note 6(1))	\$ 499,153	3	479,716	3
1110	Financial assets at fair value through profit or loss –current (Note 6 (2))	677,531	4	594,350	1
1120	Financial asset at fair value through other comprehensive income – current (Note 6 (3))	3	-	3	-
1150	Notes receivable, net (Note 6 (4) (18))	71,015	-	74,855	-
1170	Account receivable, net (Note 6 (4) (18))	306,653	2	416,911	3
1220	Current tax assets	-	-	5,703	-
1310	Inventories – manufacturing (Note 6 (5))	786,110	4	671,658	4
1410	Prepayments (Note 9)	28,602	-	77,652	-
1461	Non-current assets held for sale (Note 6 (6), 8 and 9)	430,613	3	-	-
1476	Other financial assets – current (Note 6 (3) and 7)	15,550	-	268,773	2
1479	Other current assets – other (Note 6 (14))	42,992	-	34,182	-
	<b>Total current assets</b>	<u>2,858,222</u>	<u>16</u>	<u>2,623,803</u>	<u>15</u>
<b>Non-current assets</b>					
1510	Non-current financial assets at fair value through profit or loss (Note 6 (2))	-	-	88,867	1
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	574,694	3	504,094	3
1550	Investments accounted for using equity method	26,595	-	26,491	-
1600	Property, plant and equipment (Note 6 (9), 8 and 9)	3,379,493	18	3,436,768	19
1760	Investment property, net (Note 6(6), (10) and 8)	11,415,485	62	10,703,563	60
1840	Deferred tax assets (Note 6 (15))	70,790	-	70,234	-
1980	Other non-current financial assets – non-current (Note 8)	11,550	-	10,988	-
1990	Other non-current assets – other (Note 6 (6),(11) (14) and 9)	182,974	1	316,006	2
	<b>Total non-current assets</b>	<u>15,661,581</u>	<u>84</u>	<u>15,157,011</u>	<u>85</u>
	<b>Total</b>	<u><b>\$ 18,519,803</b></u>	<u><b>100</b></u>	<u><b>17,780,814</b></u>	<u><b>100</b></u>

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**

**Consolidated Balance Sheets**

**December 31, 2021 and 2020**

**In Thousands of New Taiwan Dollars**

		<u>December 31, 2021</u>		<u>December 31, 2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Liabilities and equity</u></b>					
<b>Current liabilities :</b>					
2100	Short-term loans (Note6 (12))	\$ 1,206,005	7	1,353,920	8
2130	Contract liability – current (Note 6 (18))	399,975	-	38,456	-
2150	Notes Payable	91,329	-	52,441	-
2171	Accounts payable	285,409	2	217,907	1
2200	Other payable (Note 6 (10) (19))	114,555	1	143,041	1
2230	Tax liability of the period	31,069	-	15,899	-
2320	Long-term liabilities – current portion (Note 6 (13))	307,079	2	439,932	2
2399	Other current liabilities – other	7,539	-	7,495	-
	<b>Total current liabilities</b>	<u>2,142,960</u>	<u>12</u>	<u>2,269,091</u>	<u>12</u>
<b>Non-current liabilities:</b>					
2540	Long-term loans (Note 6 (13))	8,149,874	44	7,387,362	42
2570	Deferred income tax liabilities (Note 6 (15))	227,078	1	227,114	1
2645	Guarantee deposits (Note 9)	105,707	-	134,049	1
	<b>Total non-current liabilities</b>	<u>8,482,659</u>	<u>45</u>	<u>7,748,525</u>	<u>44</u>
	<b>Total liabilities</b>	<u>10,625,619</u>	<u>57</u>	<u>10,017,616</u>	<u>56</u>
<b>Equity attributable to shareholders of the parent (Note 6 (3) and (16))</b>					
3110	Common stock	3,016,476	16	3,016,476	17
3200	Capital surplus	500,655	3	458,206	3
3300	Retained earnings	1,300,929	7	1,401,974	8
3400	Other equity	11,0953	1	65,111	-
3500	Treasury Stock	(344,203)	(2)	(325,463)	(2)
		4,584,810	25	4,616,304	26
36XX	Non-controlling interests (Note 6 (8),(16)and 7)	3,309,374	18	3,146,894	18
	<b>Total equity</b>	<u>7,894,184</u>	<u>43</u>	<u>7,763,198</u>	<u>44</u>
	<b>Total liabilities and equity</b>	<u><b>\$ 18,519,803</b></u>	<u><b>100</b></u>	<u><b>17,780,814</b></u>	<u><b>100</b></u>

(The accompanying notes are an integral part of the consolidated financial statements)

Chairman: Chan, Zheng-Tian

Managerial Officer: Weng, Mao-Cheng

Accounting Supervisor: Lai, Yu-Min

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2021 and 2020**

**In Thousands of New Taiwan Dollars**

		Year 2021		Year 2020	
		Amount	%	Amount	%
4110	Operating revenue (Note 6 (14) (18) and 7)	\$ 4,175,379	100	2,731,362	101
4170	Less: sales returns	11,550	-	13,659	1
4190	Sales allowance	17,650	-	10,488	-
	Net operating revenue	4,146,179	100	2,707,215	100
5110	Cost of goods sold (Note 6 (5))	3,590,229	87	2,501,874	92
	Gross Profit	555,950	13	205,341	8
	Operating expenses (Note 6 (5) (19) and 7)				
6100	Selling expenses	129,539	3	112,196	4
6200	Administrative expenses	96,384	2	109,712	4
	Net operating expenses	225,923	5	221,908	8
	Other income and expenses (Note 6 (6) (10) and 20)				
6511	Loss of disposal investment property	-	-	(48,642)	(2)
6514	Disposal of non-current assets held for sale	-	-	970,540	36
	Net operating profit	330,027	8	905,331	34
	Non-operating income and expenses (Note 6 (5) (10) and (21)):				
	Interest income	452	-	1,375	-
7100	Other income	41,158	1	68,798	3
7010	Other gains and losses	150,168	4	(35,130)	(1)
7020	Financial costs	(125,224)	(3)	(128,753)	(5)
7050	Impairment loss				
7055	Share of profit or loss of associates and joint ventures accounted for using equity method	104	-	(1,334)	-
7060	Total non-operating revenue and expenses	66,658	2	(95,044)	(3)
	Profit before tax from continuing operations	396,685	10	810,287	31
	Less income tax expense (Note 6 (15))	30,553	1	177,966	7
7950	Net income from continuing operation	366,132	9	632,321	24
8000	Loss from discontinued operation (Note 6 (4) (6)):				
	New loss from discontinued operation	-	-	(75,635)	(3)
8100	Net income	366,132	9	556,686	21
	Other comprehensive income				
8300	Components of other comprehensive income that will not be reclassified to profit or loss (Note 6 (16))				
8310	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	70,600	2	114,054	4
8316	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
8349		70,600	2	114,054	4
	Other comprehensive income, net	70,600	2	114,054	4
8300	Total comprehensive income	\$ 436,732	11	670,740	25
	Profit, attributable to:				
	Profit (loss), attributable to owners of parent	\$ 200,603	5	644,257	24
	Profit(loss), attributable to non-controlling interests	165,529	4	(87,571)	(3)
8620		\$ 556,686	21	556,686	21
	Comprehensive income attributable to:				
	Comprehensive income, attributable to owners of parent	\$ 246,445	6	7460,33	28
	Comprehensive income, attributable to non-controlling interests	190,287	5	(75,293)	(3)
		\$ 436,732	11	670,740	25
	Earnings(loss) per share (Note 6 (6) (17))				
	Basic earnings per share				
	From continuing operations	\$ 0.90		3.23	
	From discontinuing operations	-		(0.34)	
		\$ 0.90		2.89	
	Diluted earnings per share				
	From continuing operations	\$ 0.90		3.22	
	From discontinuing operations	-		(0.34)	
		\$ 0.90		2.88	

(The accompanying notes are an integral part of the consolidated financial statements)

Chairman: Chan, Zheng-Tian      Managerial Officer: Weng, Mao-Cheng      Accounting Supervisor: Lai, Yu-Min

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**  
**Consolidated Statement of Change in Equity**  
**For the years ended December 31, 2021 and 2020**

In Thousands of New Taiwan Dollars

Equity attributable to shareholders of the Parent

	Other equity items											
	Retained earnings					Financial assets						
	Share capital	Legal reserve	Special reserve	Inappropriated retained earnings	total	Unrealized gain	Or losses on FTDOL	Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	total equity	
Common stock	capital surplus											
Balance at January 1, 2020	3,016,476	419,079	189,279	-	1,043,639	(20,939)	-	(324,680)	4,133,575	3,275,847	7,409,422	
Net income of the year	-	-	-	854,360	854,360	-	-	-	644,257	(87,571)	556,686	
Other comprehensive income	-	-	-	644,257	644,257	-	-	-	101,776	12,278	114,054	
Total comprehensive income	-	-	-	644,257	644,257	-	-	-	746,033	(75,293)	670,740	
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	23,030	(23,030)	-	-	-	-	-	-	-	
Special reserve	-	-	20,939	(20,939)	-	-	-	-	-	-	-	
Cash dividends of common stock	-	-	-	(301,648)	(301,648)	-	-	(783)	(301,648)	-	(301,648)	
Subsidiary purchase parent's shares as treasury stock	-	-	-	-	-	-	-	-	(783)	(864)	(1,647)	
Dividends to subsidiary in adjusting capital surplus	-	-	-	-	-	-	-	-	37,779	-	37,779	
Cash Dividends contributes by subsidiaries	-	-	-	-	-	-	-	-	-	(75,217)	(75,217)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	-	5,871	(5,871)	-	
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	(4,523)	4,523	-	
Increase/ Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	23,769	23,769	
Investments in equity instruments measured at fair value through other comprehensive income	-	-	-	15,726	15,726	(15,726)	-	-	-	-	-	
Balance at December 31, 2020	\$ 3,016,476	458,206	212,309	1,168,726	1,401,974	65,111	-	(325,463)	4,616,304	3,146,894	7,763,198	
Net income for the year	-	-	-	200,603	200,603	-	-	-	200,603	165,529	366,132	
Other comprehensive income	-	-	-	-	-	45,842	-	-	45,842	24,758	70,600	
Total comprehensive income	-	-	-	200,603	200,603	45,842	-	-	246,445	190,287	436,732	
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	65,999	(65,999)	-	-	-	-	-	-	-	
Cash dividends of common stock	-	-	-	(301,648)	(301,648)	-	-	-	(301,648)	-	(301,648)	
Special surplus reserve reversal	-	-	-	20,939	-	-	-	-	-	-	-	
Dividends to subsidiary in adjusting capital surplus	-	-	-	-	-	-	-	-	-	42,039	78,465	
Subsidiary purchase parent's shares as treasury stock	-	-	-	-	-	-	-	(850)	(850)	(940)	(1,790)	
Cash Dividends contributes by subsidiaries	-	-	-	-	-	-	-	-	-	(106,622)	(106,622)	
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	-	-	-	-	-	-	7,079	12,447	(12,447)	-	
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(24,969)	(24,314)	24,314	-	
Balance at December 31, 2021	\$ 3,016,476	500,655	278,308	1,022,621	1,300,929	110,953	-	(344,203)	4,584,810	3,309,374	7,894,184	

(The accompanying notes are an integral part of the consolidated financial statements)

Chairman: Chan, Zheng-Tian

Managerial Officer: Weng, Mao-Cheng

Accounting Supervisor: Lai, Yu-Min



**Yi Jinn Industrial Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2021 and 2020**

In Thousands of New Taiwan Dollars

	<u>Year 2021</u>	<u>Year 2020</u>
<b>Cash flow from operating activities:</b>		
Income from continuing operation before income tax	\$ 396,685	810,287
Loss from discontinued operation	-	(75,635)
Net income before income tax	396,685	734,652
<b>Adjustment for :</b>		
Income and expense		
Depreciation expense	170,644	142,898
Amortization expense	4,110	1,514
Expected credit losses recognized on investments in debt instruments	-	(378)
Interest expense	125,224	128,753
Interest income	(452)	(1,375)
Dividend income	(27,581)	(56,963)
Share of profit(loss) of associates and joint ventures accounted for using equity	(104)	1,334
Loss on disposal of property, plant and equipment	(3,566)	5,406
Acquisitions of investment property loss	-	48,642
Disposal of non-current assets held for sale	-	(970,540)
Impairment loss on non-financial assets	-	45,262
Valuation gain on financial assets	(162,489)	(66,740)
Loss of determination of lease	54	22
Rental income	(511)	(897)
Total income and expense	105,329	(723,062)
<b>Changes in operating assets and liabilities:</b>		
Net changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measure at fair value	180,792	(368,201)
Note receivable	3,840	57,605
Account receivable	110,258	46,308
Inventories	(114,452)	259,172
Prepayment	49,050	(42,092)
Other current assets	(8,664)	(16,159)
Other financial assets	33,777	(36,461)
Total Net changes in operating assets	254,601	(99,828)
Net changes in operating liabilities:		
Contract liabilities	61,519	31,332
Note payable	38,888	4,138
Account payable	67,502	(3,494)
Other payable	(26,044)	(27,129)
Other current liabilities	44	(3,944)
Total net changes in operating liabilities	141,909	903
Total Net changes in operating assets and liabilities	396,510	(98,925)
Total adjustment	501,839	(821,987)
Cash generated by operating activities	898,524	(87,335)
Interest received	452	1,375
Dividend received	27,581	56,963
Interest paid	(127,666)	(125,934)
Income taxes paid	(10,272)	(169,529)
Net cash generated by operating activities	788,619	(324,460)

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2021 and 2020**

**In Thousands of New Taiwan Dollars**

	<u><b>Year 2021</b></u>	<u><b>Year 2020</b></u>
<b>Cash flows from investing activities:</b>		
Disposal of investments accounted for using equity method	171,202	10,451
Disposal of non-current assets held for sale	42,117	3,071,132
Acquisition of property, plant and equipment	(43,917)	(113,087)
of property, plant and equipment	3,858	12,793
Acquisition of investment property	(249,519)	(1,867,673)
Increase/Decrease in other financial assets	(251)	3,621
Increase in other noncurrent asset	(840,328)	(7,744)
<b>Net cash flows from investing activities</b>	<u>(916,838)</u>	<u>1,109,493</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans	(147,915)	(807,481)
Proceeds for long-term debt	1,272,150	2,617,480
Repayments of long-term debt	(642,491)	(2,373,750)
Increase in deposits received	(28,342)	61,658
Cash dividends paid	(223,183)	(263,869)
Cash Dividends contributes by subsidiaries	(106,622)	(75,217)
Cost of treasury stock acquired	(1,790)	(1,647)
Increase in non-controlling interests	25,849	23,769
<b>Net cash flows from financing activities</b>	<u>147,656</u>	<u>(819,057)</u>
Net increase in cash and cash equivalents	19,437	(34,024)
Cash and cash equivalents at beginning of period	479,716	513,740
Cash and cash equivalents at end of period	<u><b>\$ 499,153</b></u>	<u><b>479,716</b></u>

(The accompanying notes are an integral part of the consolidated financial statements)

**Chairman: Chan, Zheng-Tian      Managerial Officer: Weng, Mao-Cheng      Accounting Supervisor: Lai, Yu-Min**

## YI JINN INDUSTRIAL CO.,LTD

## Comparison of Amendment of “Procedures for Acquisition or Disposal of Assets”

Amended articles	Current articles	Revising reason
<p>II. Contents:</p> <p>6. Public announcement and regulatory filing procedures:</p> <p>A. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) - (6) (The preceding is omitted.)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>a. Trading of domestic government bonds <u>or foreign public debts which the credit rating is not lower than sovereign rating of our country.</u></p> <p>b. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign public debts or</u> ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds, <u>or subscription or reverse repurchase of Exchange Traded Note</u> or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(The following is omitted.)</p>	<p>II. Contents:</p> <p>6. Public announcement and regulatory filing procedures:</p> <p>A. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) - (6) (omitted above)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>a. Trading of domestic government bonds.</p> <p>b. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(The following is omitted.)</p>	<p>Revised in accordance with the regulations.</p>

<p>III. Asset appraisals and CPA's opinions:</p> <p>1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) - (2) (The following is omitted.)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>a. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>b. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(The following is omitted.)</p>	<p>III. Asset appraisals and CPA's opinions:</p> <p>1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) - (2) (The following is omitted.)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>a. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>b. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(The following is omitted.)</p>	<p>accordance with the regulations.</p>
<p>III. Asset appraisals and CPA's opinions:</p> <p>2. (The preceding is omitted.)</p> <p>3. A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of</p>	<p>III. Asset appraisals and CPA's opinions:</p> <p>2. (The preceding is omitted.)</p> <p>3. A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior</p>	<p>Revised in accordance with the regulations.</p>

<p>occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <del>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</del> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	
<p>III. Asset appraisals and CPA's opinions: 4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>III. Asset appraisals and CPA's opinions: 4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <del>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</del></p>	<p>Revised in accordance with the regulations.</p>
<p>III. Asset appraisals and CPA's opinions: 5-7 (The preceding is omitted.) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the voluntary code of practice of various subordinated trade associations and</u> the following requirements: (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. (2) When <u>implementing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. (3) They shall undertake an item-by-item evaluation of the <u>adequacy</u>, and reasonableness of the sources of data</p>	<p>III. Asset appraisals and CPA's opinions: 5-7 (The preceding is omitted.) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following requirements: (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. (2) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. (3) They shall undertake an item-by-item evaluation of the <del>comprehensiveness, accuracy, and reasonableness</del> of the sources of data used, the parameters, and the information, as the basis for issuance</p>	<p>Revised in accordance with the regulations.</p>

<p>used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable <del>and</del> <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>	
<p>IV. Related party transactions 1-6 (The preceding is omitted.)</p> <p><u>7. When the Company or non-subordinated public companies have the transaction of paragraph 4, subparagraph 2 , the transaction amount reaches 10 percent or more of the company's total assets, the various information of paragraph 4, subparagraph 2 shall be reported, and enter into a transaction contract or make a payment until the following matters have been approved by shareholders ' meeting, however, when transaction are conducted between its parent company, subsidiaries, or between its subsidiaries, this requirement does not apply. The calculation of the transaction amounts shall be done in accordance with paragraph 2, subparagraph 6.1, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items shall be reported to shareholders' meeting, board of directors and the audit committee in accordance with the regulation, and need not be counted toward the transaction amount until they have been approved.</u></p>	<p>IV. Related party transactions 1-6 (The preceding is omitted.)</p>	<p>Revised in accordance with the regulations.</p>