

# **SHIN ZU SHING CO., LTD.**

## **2023 Annual Shareholders' Meeting Minutes (Translation)**

Type of Meeting: Physical Meeting

Time: June 7, 2023 (Wednesday) at 9 a.m.

Place: No. 1, Sanjun Street, Shulin District, New Taipei City (Shuang Yan Wedding Restaurant)

Quorum: 151,098,168 shares were represented by the shareholders and proxies present, which amounted to 80.47% of the Company's 187,748,346 issued and outstanding shares.

Directors and Independent Director present:

Cheng, Chi-Fa(Independent Director), Li, Mei-Hui (Independent Director),

Hsieh, Cheng-Han (Director), Juan, Chao-Tsung (Director),

Yang, Po-Ming (Director), Mao, Ying-Fu (Director)

Chairman: Lu Sheng-Nan, the chairman of the Board of Directors

Recorder: Tsai, Meng-Hui

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

A. Chairman's speech (omitted)

B. Report Items

- I. 2022 Business report.( Please refer to Attachment I)
- II. 2022 Audit Committee's Review Report. (Please refer to Attachment II)
- III. Report on 2022 distribution of remuneration to employees and directors.
- IV. Implementation of Share Buyback Program(Please refer to Attachment III)

C. Approval Items

- I. To accept 2022 Business Report and Financial Statements  
(Proposed by the Board of Directors)

Explanatory Notes:

- (I) The Company has completed formulation of the 2022 consolidated financial statements and individual financial statements. Audit has been completed by CPAs Yu-Shiou Su and Ming-Yu Chiu of Deloitte Taiwan and sent to the Audit Committee for review along with the business report. and a review report has been issued.
- (II) For the business report, independent auditor's report and the above-mentioned financial statements, please refer to Attachment 1, Attachment 4 and Attachment 5 of this Manual.

Voting Results: Shares represented at the time of voting:  
150,994,168

Voting Results*		% of the total represented share present
Votes in favor:	147,524,420 votes (52,876,448 votes)	97.70%
Votes in against:	9,184 votes (9,184 votes)	0.00%
Votes invalid:	0 vote	0.00%
Votes abstained:	3,460,564 votes (3,412,464 votes)	2.29%

\*including votes casted electronically (number in brackets)

RESOLVED, that the 2022 financial statements and business report be and hereby were accepted as submitted

- II. To ratify the 2022 earnings distribution proposal. (Proposed by the Board of Directors)

Explanatory Notes:

- (I) The Company's 2022 net profit after tax is NT\$1,659,183,482. For the proposed surplus distribution table, please refer to Attachment 6.
- (II) Shareholders' cash dividends are calculated up to the dollar, rounded up to the dollar, and the total amount of fractional amounts less than one dollar shall be adjusted

in order of sequence from the largest to the smallest decimal number and from the first to last account number until consistent with the total amount of cash dividend distributed.

- (III) For subsequent changes in the number of outstanding shares due to the buyback of the Company's shares, the transfer of treasury stocks, the execution of employee stock options, and the issuance of new shares for cash capital increase, etc., resulting in changes to the shareholder's dividend ratio, the chairman of the board is authorized to handle such matters.
- (IV) Upon the approval of the Annual Shareholders' Meeting, it is proposed that the chairman of the board be authorized to resolve the ex-dividend date and other relevant issues.

Voting Results: Shares represented at the time of voting:  
150,994,168

Voting Results*		% of the total represented share present
Votes in favor:	148,553,103 votes (53,905,131 votes)	98.38%
Votes in against:	9,133 votes (9,133 votes)	0.00%
Votes invalid:	0 vote	0.00%
Votes abstained:	2,431,932 votes (2,383,832 votes)	1.61%

\*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby were accepted as submitted

#### D. Discussion Item

- I. Distribution of cash dividends from capital surplus.  
(Proposed by the Board of Directors)

Explanatory Notes:

- (I) The Company intends to set aside NT\$563,245,038 from the capital surplus arising from paid-in capital in excess

of par value on issuance of ordinary shares. Each share is distributed cash dividends of NT\$3 with all amounts rounded up to the dollar, and the total amount of fractional amounts less than one dollar shall be adjusted in order of sequence from the largest to the smallest decimal number and from the first to last account number until consistent with the total amount of cash distributed.

(II) For subsequent changes in the dividend amount distributed per share due to the buyback of the Company's shares, the transfer of treasury stocks, the execution of employee stock options, and the issuance of new shares for cash capital increase, etc., resulting in changes to the shareholder's cash distribution ratio, the chairman of the board is authorized to handle such matters.

(III) Upon the approval of the Annual Shareholders' Meeting, it is proposed that the chairman of the board be authorized to resolve the payment date and other relevant issues.

Voting Results: Shares represented at the time of voting:  
150,994,168

	Voting Results*	% of the total represented share present
Votes in favor:	148,555,101 votes (53,907,129 votes)	98.38%
Votes in against:	8,134 votes (8,134 votes)	0.00%
Votes invalid:	0 vote	0.00%
Votes abstained:	2,430,933 votes (2,382,833 votes)	1.60%

\*including votes casted electronically (number in brackets)

RESOLVED, that the above proposal be and hereby were accepted as submitted

#### E. Extempore Motions

There were no other business and special motion and questions from shareholders duly made and seconded, the meeting was adjourned at 9:11 a.m.

## Attachment 1

### SHIN ZU SHING CO., LTD. 2022 Business Report

#### Implementation of the business plan

The COVID-19 pandemic was still overwhelming the world in 2022, leading to a series of problems in monetary policies, unemployment rate, and the global supply chain. To counter these problems, many countries have implemented policies to stimulate economic activities in all aspects. Affected by the previous wave of the pandemic, and ineffective inventory management in the consumer electronics industry, the consumer market demand slumped after the pandemic subsided in Europe and the USA. This has resulted in overstocking of consumer electronics and subsequently affected the sales of the hinge industry, giving rise to an overall weak demand. In terms of the supply chain, due to the pandemic, the pressure on procurement cost is relatively high, and prices of raw materials across the spectrum are on the rise. In the face of the economic situation, we are constantly fine tuning our strategy with an aim of producing remarkable performance. Although our revenue in 2022 did not meet expectation, we maintained satisfactory profitability in conjunction with a cost-saving policy and joint efforts of all employees. In addition, in view of the economic climate, we are committed to the development of the hinge industry and are confident that we will remain a leading company in the industry. Also, we will utilize our excellent precision processing technology and innovation to venture into new industries, and mitigate adverse effects caused by market concentration. By upholding the philosophy of sustainable management and striving for maximum economic benefits, we will incorporate sustainability measures into our operating strategies, and develop more competitive and eco-friendly products to maximize shareholders' interests.

#### (I) Operating income and expenditures

Unit: NT\$ thousand

Item	2022 (budgeted)	2022 (actual)	Achievement rate %
Net operating income	14,324,540	11,824,698	82.55%
Operating costs	10,594,589	9,322,982	88.00%
Gross operating profit	3,729,951	2,501,716	67.07%
Operating expenses	1,063,583	942,423	88.61%
Net operating profit	2,666,368	1,559,293	58.48%
Net profit before tax	2,741,476	2,268,115	82.73%
Net profit of the period	2,015,366	1,659,184	82.33%

#### (II) Profitability analysis

	Item	2022 (%)	2021 (%)
Financial structure	Debt-to-assets ratio (%)	25.93	27.30
	Long-term fund to property, plant and equipment ratio (%)	286.05	276.18

Solvency	Current ratio (%)	254.39	319.06
	Quick ratio (%)	218.97	278.09
	Interest protection multiples	20,352.84	26,839.45
Profitability	Return on assets (%)	7.80	5.37
	Return on equity (%)	10.57	7.49
	Net income before tax to paid-in capital (%)	120.81	84.82
	Net profit margin (%)	14.03	9.63
	Earnings per share (NTD)	8.68	6.08

In 2022, the Company's notebook computer hinge shipments amounted to approximately 52,051 thousand pieces. Although this constituted a decrease of approximately 28.19% compared with the preceding year, the Company was still in the lead compared with its counterparts. Meanwhile, shipments of LCD hinges decreased by approximately 24.79% compared with the preceding year, at 12,412 thousand pieces. In 2022, notebook hinges accounted for approximately 26% of its main revenue; LCD hinges approximately 29%; and wearable device and accessory hinges approximately 29%. The Company's consolidated revenue for 2022 amounted to NT\$11.82 billion, a decrease of approximately 3% from NT\$12.14 billion in the preceding year. Whereas, the consolidated gross profit margin amounted to 21%, which increased by 1% from the preceding year. Operating net profit amounted to 13%, which was comparable with the preceding year; net profit after tax amounted to NT\$1.66 billion, an increase of 42% from the preceding year of NT\$1.17 billion; and after-tax basic earnings per share amounted to NT\$8.68, an increase of 43% from NT\$6.08 in the preceding year.

### Overview of 2023 Business Plan

In the coming year, the post-pandemic economic development will bring forth more global economic uncertainties. Compounded by the US-Sino trade war, the Russo-Ukrainian War, and inflation, we will be treading a tumultuous future. In response to such an economic situation, our management proposed to use Taiwan as a new base for research and development, focusing on low-carbon products. We will also expand into Southeast Asia to reduce the risk of over-concentration, optimize customer service experience, and improve our manufacturing quality. On the other hand, we will expedite our cross-industry development, utilize our working capital with prudence, and make full use of the existing high-precision processing equipment. We will also step into new industries through mergers or technology integration, especially for the Electric Bike Business Department. With climate change and the trend of low-carbon products, we will use our existing precision processing equipment and technology to reduce capital expenditures, and enter the electric bike industry with new manufacturing processes and new technologies, so as to reduce the impact of over-concentration.

In the face of a rapid-changing environment, talents are indispensable to a company. Amidst uncertainties after the pandemic, many people are experiencing mental turbulence. Thus, we are committed to establishing stable labor relations by providing an appropriate workplace, and comprehensive education and training, so as to achieve the goal of talent retention and cultivation. In addition, we also recruit talents who have visions, creativity, and execution ability. We hope that our employees will exert their innovation, execution, and technological skills in various industries with a forward-thinking mindset. We look forward to seeing them growing with the Company by making use of their professional

know-how and management abilities to achieve a win-win.

In terms of the overall future development, on top of pursuing economic benefits and operating performances, we are devoted to exercising sustainable development to mitigate environmental impacts caused by climate change. We will develop a low-carbon manufacturing process with our innovation, re-utilize wastes and recyclables, and uphold our vision of people-orientation, environmental co-existence, and social prosperity. Also, together with our suppliers, we will incorporate the ultimate ESG goals into business management and contribute to the sustainability of the environment.

Lastly, we cordially thank all shareholders, customers, partners for your support and look forward to a sustainable future with you.

Wishing all shareholders

Good health and the best of fortune

SHIN ZU SHING CO., LTD.

Chairman : Sheng-Nan Lu

CEO : Chao-Tsung Juan

Head accountant : Meng-Hui Tsai

## **Attachment 2**

### **SHIN ZU SHING CO., LTD. Audit Committee's Review Report**

The board of directors has prepared the company's 2022 financial statements as well as the business report and the surplus distribution proposal. Among them, the financial statements were verified by CPAs Yu-Shiou Su and Ming-Yu Chiu of Deloitte Taiwan, and an independent auditor's report has been issued. The above documents have been reviewed by the Audit Committee as correctly portraying the Company's business activities. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is compiled and presented for shareholder's examination.

To

SHIN ZU SHING CO., LTD. 2023 Annual Shareholders' Meeting

Audit Committee convener: Chang, Yuan Lung

April 25, 2023

### Attachment 3

#### Implementation of Share Buyback Program

The company completed a share repurchase program in last year:

No.	1
Date of Board resolution	2022/08/05
Purpose of the buyback	To protect company reputation and shareholder equity.
Scheduled period for the repurchase	2022/08/05~2022/10/04
Expected repurchase volume (shares)	5,000,000
Repurchase price range (NTD)	70~100
Actual period of the current repurchase	2022/08/08~2022/10/04
Actual repurchase volume (shares)	4,737,000
Total value of shares bought back(NTD)	420,456,557
Current average repurchase price per share (NTD)	88.76
Number of shares canceled or transferred (shares)	4,737,000
Cumulative no.of the company's own shares held (shares)	0
Number of shares bought back as a percentage of total outstanding	0%
Status of repurchases that have been reported but not yet completed	The company's stock price has gradually stabilized, and the purpose of maintaining the company's credit and shareholders' rights has been achieved. Therefore, the repurchase was not executed in full.

## **Attachment 4**

### **Independent Auditor's Report**

The Board of Directors and Shareholders  
Shin Zu Shing Co., Ltd.

#### **Opinion**

We have audited the accompanying consolidated financial statements of Shin Zu Shing Co., Ltd. and its subsidiaries (collectively referred to as 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 then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

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, 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), 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 the Standards on Auditing of 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 our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Assessment of revenue recognition**

Shin Zu Shing Co., Ltd. and its subsidiaries mainly engaged in research and development, manufacturing and sales of notebook and LCD hinge components and MIM (Metal Injection Molding). The Group prepare the stock in the hub warehouse based on the customer's demand. The Group recognizes revenue upon the goods are picked up from the hub warehouses and accepted by the customers (when control of the products is transferred) if picked up. Since the revenue recognition of sales from hub warehouses requires more control mechanisms, we considered it as a key audit matter.

The key audit procedures that we performed in respect of sales from hub warehouses included the following:

1. We performed and obtained an understanding of the appropriateness of the design and implementation of internal control system that is related to revenue recognition.
2. We executed test of details on the revenue from hub warehouses in order to assure the occurrence of sales revenue.
3. We issued confirmation letters to major hub warehouses, and trace the replies of confirmation letters to the inventory quantity listed in the inventory subledger in order to assure the accuracy of the inventory quantity booked at the end of the hub warehouse.

#### **Other Matter**

We have audited the separate financial statements of Shin Zu Shing Co., Ltd. as of and for the years ended December 31, 2022 and 2021 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 statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and 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 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.

#### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing of 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 Standards on Auditing of 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 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, 2022 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 Yu-Shiou Su and Ming-Yu Chiu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2023

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHIN ZU SHING CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 3,282,113	15	\$ 4,999,278	23
Financial assets at fair value through profit or loss - current (Note 7)	188,190	1	162,033	1
Financial assets at amortized cost - current (Note 9)	2,993,956	14	2,784,877	13
Notes receivable (Note 10)	11,248	-	11,527	-
Accounts receivables (Note 10)	4,352,961	20	4,575,849	22
Accounts receivables from related parties (Notes 10 and 31)	35	-	-	-
Other receivables (Note 10)	48,262	-	44,201	-
Inventories (Note 11)	1,665,649	8	1,761,941	8
Other current assets	93,623	1	104,930	1
Total current assets	<u>12,636,037</u>	<u>59</u>	<u>14,444,636</u>	<u>68</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	208,727	1	237,679	1
Investments accounted for using the equity method (Note 13)	105,695	-	101,786	-
Property, plant and equipment (Note 14)	5,758,801	27	6,093,702	29
Right-of-use assets (Note 15)	118,157	1	107,880	1
Investment properties, net (Note 16)	2,441,877	11	-	-
Deferred tax assets (Note 25)	123,377	1	74,260	-
Refundable deposits	15,569	-	16,608	-
Other non-current assets (Notes 17 and 21)	32,200	-	280,011	1
Total non-current assets	<u>8,804,403</u>	<u>41</u>	<u>6,911,926</u>	<u>32</u>
<b>TOTAL</b>	<u>\$ 21,440,440</u>	<u>100</u>	<u>\$ 21,356,562</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term loans (Note 18)	\$ 1,013,430	5	\$ 498,240	2
Financial liabilities at fair value through profit or loss - current (Note 7)	-	-	6,767	-
Notes payable, net	19	-	1,306	-
Accounts payables, net (Note 19)	1,501,046	7	2,464,046	12
Accounts payables to related parties, net (Note 31)	186,935	1	-	-
Other payables (Note 20)	720,263	3	986,746	5
Other payables to related parties (Note 31)	575	-	-	-
Current tax liabilities (Note 25)	252,618	1	239,395	1
Lease liabilities - current (Note 15)	49,859	-	31,544	-
Current portion of long-term borrowings (Note 18)	767,750	4	-	-
Other current liabilities	474,763	2	299,202	1
Total current liabilities	<u>4,967,258</u>	<u>23</u>	<u>4,527,246</u>	<u>21</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 18)	-	-	692,000	3
Deferred tax liabilities (Note 25)	511,921	3	548,270	3
Lease liabilities - non-current (Note 15)	62,056	-	53,490	-
Guarantee deposits received	18,789	-	8,775	-
Total non-current liabilities	<u>592,766</u>	<u>3</u>	<u>1,302,535</u>	<u>6</u>
Total liabilities	<u>5,560,024</u>	<u>26</u>	<u>5,829,781</u>	<u>27</u>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>				
Share capital				
Ordinary shares	1,877,483	9	1,924,853	9
Capital surplus	2,370,695	11	2,911,722	14
Retained earnings				
Legal reserve	1,886,935	9	1,769,772	8
Special reserve	393,011	2	329,101	2
Unappropriated earnings	9,672,691	45	8,984,344	42
Total retained earnings	<u>11,952,637</u>	<u>56</u>	<u>11,083,217</u>	<u>52</u>
Other equity	(320,399)	(2)	(393,011)	(2)
Total equity	<u>15,880,416</u>	<u>74</u>	<u>15,526,781</u>	<u>73</u>
<b>Total</b>	<u>\$ 21,440,440</u>	<u>100</u>	<u>\$ 21,356,562</u>	<u>100</u>

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHIN ZU SHING CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2022		2021	
	Amount	%	Amount	%
NET REVENUE (Note 23)	\$ 11,824,698	100	\$ 12,140,949	100
COST OF REVENUE (Note 11)	<u>9,322,982</u>	<u>79</u>	<u>9,702,342</u>	<u>80</u>
GROSS PROFIT	<u>2,501,716</u>	<u>21</u>	<u>2,438,607</u>	<u>20</u>
OPERATING EXPENSES				
Selling expenses	229,876	2	203,406	2
Administrative expenses	497,025	4	419,115	3
Research and development expenses	198,327	2	253,252	2
Expected credit loss (reversal) on accounts receivables	<u>17,195</u>	<u>-</u>	<u>(13,916)</u>	<u>-</u>
Total operating expenses	<u>942,423</u>	<u>8</u>	<u>861,857</u>	<u>7</u>
INCOME FROM OPERATIONS	<u>1,559,293</u>	<u>13</u>	<u>1,576,750</u>	<u>13</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	62,024	-	73,181	1
Other income (Note 24)	116,050	1	51,168	-
Other gains and losses, net (Note 24)	546,846	5	(59,726)	-
Finance costs (Note 24)	(11,199)	-	(6,106)	-
Share of profits of associates accounted for using equity method	<u>(4,899)</u>	<u>-</u>	<u>(2,556)</u>	<u>-</u>
Total non-operating income and expenses	<u>708,822</u>	<u>6</u>	<u>55,961</u>	<u>1</u>
INCOME BEFORE INCOME TAX	2,268,115	19	1,632,711	14
INCOME TAX EXPENSE (Note 25)	<u>608,931</u>	<u>5</u>	<u>463,108</u>	<u>4</u>
NET INCOME	<u>1,659,184</u>	<u>14</u>	<u>1,169,603</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	4,353	-	2,024	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	<u>(56,938)</u>	<u>-</u>	<u>(11,480)</u>	<u>-</u>
Item that may be reclassified subsequently to profit or loss:				

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHIN ZU SHING CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Exchange differences on translating the financial statements of foreign operations	<u>129,550</u>	<u>1</u>	<u>(54,272)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year	<u>76,965</u>	<u>1</u>	<u>(63,728)</u>	<u>(1)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u><b>\$ 1,736,149</b></u>	<u><b>15</b></u>	<u><b>\$ 1,105,875</b></u>	<u><b>9</b></u>
<b>NET INCOME ATTRIBUTABLE TO:</b>				
Shareholders of the parent	\$ 1,659,184	14	\$ 1,169,603	10
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 1,659,184</b></u>	<u><b>14</b></u>	<u><b>\$ 1,169,603</b></u>	<u><b>10</b></u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>				
Shareholders of the parent	\$ 1,736,149	15	\$ 1,105,875	9
Non-controlling interests	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 1,736,149</b></u>	<u><b>15</b></u>	<u><b>\$ 1,105,875</b></u>	<u><b>9</b></u>
<b>EARNINGS PER SHARE (Note 26)</b>				
Basic	<u>\$ 8.68</u>		<u>\$ 6.08</u>	
Diluted	<u>\$ 8.61</u>		<u>\$ 6.04</u>	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHIN ZU SHING CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company						Others		Treasury Stock	Equity Attributable to Owners of the Company	Total Equity
	Ordinary Shares	Capital Collected in Advance	Capital Surplus	Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
				Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2021	\$ 1,919,203	\$ 1,060	\$ 3,449,185	\$ 1,602,615	\$ 416,362	\$ 8,660,718	\$ (304,768)	\$ (24,332)	\$ -	\$ 15,720,043	\$ 15,720,043
Appropriation of 2020 earnings											
Legal reserve	-	-	-	167,157	-	(167,157)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(768,105)	-	-	-	(768,105)	(768,105)
Special reserve	-	-	-	-	(87,261)	87,261	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	(13)	-	-	-	-	-	-	(13)	(13)
Issuance of shares dividends from capital surplus	-	-	(576,079)	-	-	-	-	-	-	(576,079)	(576,079)
Disposal of subsidiaries (Note 12)	-	-	-	-	-	-	1,841	-	-	1,841	1,841
Issuance of ordinary shares under employee share options	5,650	(1,060)	38,629	-	-	-	-	-	-	43,219	43,219
Net income for the year ended December 31, 2021	-	-	-	-	-	1,169,603	-	-	-	1,169,603	1,169,603
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	2,024	(54,272)	(11,480)	-	(63,728)	(63,728)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,171,627	(54,272)	(11,480)	-	1,105,875	1,105,875
BALANCE AT DECEMBER 31, 2021	1,924,853	-	2,911,722	1,769,772	329,101	8,984,344	(357,199)	(35,812)	-	15,526,781	15,526,781
Appropriation of 2021 earnings											
Legal reserve	-	-	-	117,163	-	(117,163)	-	-	-	-	-
Special reserve	-	-	-	-	63,910	(63,910)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(481,213)	-	-	-	(481,213)	(481,213)
Issuance of shares dividends from capital surplus	-	-	(481,213)	-	-	-	-	-	-	(481,213)	(481,213)
Treasury stock acquired	-	-	-	-	-	-	-	-	(420,088)	(420,088)	(420,088)
Treasury stock retired	(47,370)	-	(59,814)	-	-	(312,904)	-	-	420,088	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	1,659,184	-	-	-	1,659,184	1,659,184
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	4,353	129,550	(56,938)	-	76,965	76,965
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	1,663,537	129,550	(56,938)	-	1,736,149	1,736,149
BALANCE AT DECEMBER 31, 2022	\$ 1,877,483	\$ -	\$ 2,370,695	\$ 1,886,935	\$ 393,011	\$ 9,672,691	\$ (227,649)	\$ (92,750)	\$ -	\$ 15,880,416	\$ 15,880,416

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHIN ZU SHING CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(In Thousands of New Taiwan Dollars)**

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,268,115	\$ 1,632,711
Adjustments for:		
Depreciation expense	628,772	629,459
Expected credit loss recognized (reversal)	17,195	(13,916)
Net gain on fair value change of financial assets and liabilities at fair value through profit or loss	(71,914)	(42,624)
Finance costs	11,199	6,106
Interest income	(62,024)	(73,181)
Dividend income	(17,587)	(7,643)
Share of profit of associates accounted for using equity method	4,899	2,556
Loss (gain) on disposal of property, plant and equipment, net	2,158	(9,801)
Loss on disposal of subsidiaries	-	1,841
Gain on disposal of financial assets, net	(2,264)	(14,634)
Write-down of inventories	7,143	-
Reversal of write-downs of inventories	-	(4,360)
Gain on land and plant expropriation	(87,436)	-
Changes in operating assets and liabilities		
Notes receivable	279	1,288
Accounts receivables	206,841	1,375,165
Accounts receivables from related parties	(35)	-
Other receivables	(4,628)	10,804
Inventories	88,920	13,712
Other current assets	11,307	10,910
Notes payable	(1,287)	(4,111)
Accounts payables	(963,000)	(640,633)
Accounts payables to related parties	186,935	-
Other payables	(260,789)	(237,279)
Other payables to related parties	575	-
Other current liabilities	175,561	106,657
Net defined benefit liabilities	-	(790)
Cash generated from operations	2,138,935	2,742,237
Interest received	62,656	69,967
Dividends received	17,587	7,643
Interest paid	(5,605)	(4,796)
Income tax paid	(681,361)	(582,079)
Net cash generated from operating activities	<u>1,532,212</u>	<u>2,232,972</u>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisitions of financial assets at fair value through other comprehensive income	(28,246)	(147,561)
(Increase) decrease in financial assets at amortized cost	(209,079)	3,499,263
Acquisitions of financial assets at fair value through profit or loss	(59,641)	(161,407)

(Continued)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**SHIN ZU SHING CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	2022	2021
Proceeds from disposal of financial assets at fair value through profit or loss	100,895	46,411
Acquisitions of investments accounted for using the equity method	-	(43,127)
Acquisitions for property, plant and equipment	(195,624)	(278,355)
Proceeds from disposal of property, plant and equipment	124,252	17,405
Decrease in refundable deposits	1,105	2,768
Proceeds from expropriation of land	43,536	-
Acquisitions of investments properties	(2,212,812)	-
Increase in other non-current assets	<u>(94,284)</u>	<u>(544,534)</u>
Net cash (used in) generated from investing activities	<u>(2,529,898)</u>	<u>2,390,863</u>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term loans	515,190	(640,960)
Proceeds from long-term borrowings	-	692,000
Increase in guarantee deposits received	9,898	8,117
Repayment of the principal portion of lease liabilities	(51,867)	(38,894)
Cash dividends	(962,426)	(1,344,184)
Exercise share option from employee	-	43,219
Treasury stock acquired (Note 22)	<u>(420,088)</u>	<u>-</u>
Net cash used in financing activities	<u>(909,293)</u>	<u>(1,280,702)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	<u>189,814</u>	<u>(49,446)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	(1,717,165)	3,293,687
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
	<u>4,999,278</u>	<u>1,705,591</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		
	<u>\$ 3,282,113</u>	<u>\$ 4,999,278</u>

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

## **Attachment 5**

### **Independent Auditor's Report**

The Board of Directors and Shareholders  
Shin Zu Shing Co., Ltd.

#### **Opinion**

We have audited the accompanying financial statements of Shin Zu Shing Co., Ltd. (the “Company”), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

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

#### Assessment of revenue recognition

Shin Zu Shing Co., Ltd. mainly engaged in research and development, manufacturing and sales of notebook and LCD hinge components and MIM (Metal Injection Molding). The Company prepare the inventory in the hub warehouse based on the customer's demand. The Company recognizes revenue upon the goods are picked up from the hub warehouses and accepted by the customers (when control of the products is transferred). Since the revenue recognition of sales from hub warehouses requires more control mechanisms, it is

considered as a key audit matter.

The key audit procedures that we performed in respect of sales from hub warehouses included the following:

1. We performed and obtained an understanding of the appropriateness of the design and implementation of internal control system that is related to revenue recognition.
2. We executed test of details on the revenue from hub warehouses in order to ensure the occurrence of sales revenue.
3. We issued confirmation letters to major hub warehouses, and trace the replies of confirmation letters to the inventory quantity listed in the inventory subledger in order to ensure the accuracy of the inventory quantity booked at the end of the hub warehouse

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 financial statements.

As part of an audit in accordance with the Standards on Auditing of 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 financial statements,

whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 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 audits resulting in this independent auditors' report are Yu-Shiou Su and Ming-Yu Chiu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 8, 2023

*Notice to Readers*

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with 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 financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**SHIN ZU SHING CO., LTD.**

**PARENT COMPANY ONLY BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 6 and 28)	\$ 722,243	3	\$ 2,595,234	13
Financial assets at fair value through profit or loss - current (Notes 7 and 28)	99,637	1	86,908	1
Financial assets at amortized cost - current (Notes 8 and 28)	1,925,245	9	2,301,888	11
Notes receivable, net (Notes 9 and 28)	6,376	-	3,536	-
Accounts receivables, net (Notes 9 and 28)	3,458,914	17	3,253,312	16
Accounts receivables from related parties, net (Notes 9, 28 and 29)	23,970	-	71,282	-
Other receivables (Note 28)	25,294	-	20,966	-
Inventories (Note 10)	1,116,392	5	784,472	4
Other current assets	17,916	-	14,359	-
Total current assets	<u>7,395,987</u>	<u>35</u>	<u>9,131,957</u>	<u>45</u>
<b>NON-CURRENT ASSETS</b>				
Investments accounted for using equity method (Note 11)	5,436,384	26	5,052,093	25
Property, plant and equipment (Note 12)	5,354,656	26	5,656,102	28
Right-of-use assets (Note 13)	44,026	-	65,463	-
Investment properties, net (Note 14)	2,441,877	12	-	-
Deferred tax assets (Note 23)	123,166	1	73,457	-
Refundable deposits	9,266	-	11,946	-
Other non-current assets (Notes 15 and 19)	32,155	-	279,097	2
Total non-current assets	<u>13,441,530</u>	<u>65</u>	<u>11,138,158</u>	<u>55</u>
<b>TOTAL</b>	<u>\$ 20,837,517</u>	<u>100</u>	<u>\$ 20,270,115</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term loans (Notes 16 and 28)	\$ 1,013,430	5	\$ 498,240	2
Financial liabilities at fair value through profit or loss - current (Notes 7 and 28)	-	-	6,767	-
Notes payable (Note 28)	19	-	1,306	-
Accounts payables (Notes 17 and 28)	535,941	2	432,145	2
Accounts payables to related parties (Notes 28 and 29)	810,944	4	1,428,163	7
Other payables (Notes 18 and 28)	556,970	3	557,582	3
Other payables to related parties (Note 29)	223	-	-	-
Current tax liabilities (Note 23)	232,386	1	216,423	1
Lease liabilities - current (Notes 13 and 28)	19,579	-	22,263	-
Current portion of long-term borrowings (Notes 16 and 28)	767,750	4	-	-
Other current liabilities	473,990	2	296,654	2
Total current liabilities	<u>4,411,232</u>	<u>21</u>	<u>3,459,543</u>	<u>17</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Notes 16 and 28)	-	-	692,000	3
Deferred tax liabilities (Note 23)	511,921	3	548,270	3
Lease liabilities - non-current (Notes 13 and 28)	24,856	-	43,521	-
Guarantee deposits received	9,092	-	-	-
Total non-current liabilities	<u>545,869</u>	<u>3</u>	<u>1,283,791</u>	<u>6</u>
Total liabilities	<u>4,957,101</u>	<u>24</u>	<u>4,743,334</u>	<u>23</u>
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>				
Share capital				
Ordinary shares	1,877,483	9	1,924,853	10
Capital surplus	2,370,695	11	2,911,722	14
Retained earnings				
Legal reserve	1,886,935	9	1,769,772	9
Special reserve	393,011	2	329,101	2
Unappropriated earnings	9,672,691	46	8,984,344	44
Total retained earnings	11,952,637	57	11,083,217	55
Other equity	(320,399)	(1)	(393,011)	(2)
Total equity	<u>15,880,416</u>	<u>76</u>	<u>15,526,781</u>	<u>77</u>
<b>TOTAL</b>	<u>\$ 20,837,517</u>	<u>100</u>	<u>\$ 20,270,115</u>	<u>100</u>

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**SHIN ZU SHING CO., LTD.**

**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2022		2021	
	Amount	%	Amount	%
NET REVENUE (Notes 21 and 29)	\$ 8,678,588	100	\$ 8,865,174	100
COST OF REVENUE (Notes 10 and 29)	<u>6,801,477</u>	<u>78</u>	<u>7,189,626</u>	<u>81</u>
GROSS PROFIT	1,877,111	22	1,675,548	19
UNREALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES	1,250	-	3,825	-
REALIZED GAIN ON THE TRANSACTIONS WITH SUBSIDIARIES	<u>3,825</u>	<u>-</u>	<u>8,834</u>	<u>-</u>
NET GROSS PROFIT	<u>1,879,686</u>	<u>22</u>	<u>1,680,557</u>	<u>19</u>
OPERATING EXPENSES				
Selling expenses	110,990	1	101,726	1
Administrative expenses	383,104	5	321,774	4
Research and development expenses	<u>198,327</u>	<u>2</u>	<u>253,252</u>	<u>3</u>
Total operating expenses	<u>692,421</u>	<u>8</u>	<u>676,752</u>	<u>8</u>
INCOME FROM OPERATIONS	<u>1,187,265</u>	<u>14</u>	<u>1,003,805</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 22)	19,120	-	17,571	-
Other income (Note 22)	76,278	1	20,255	-
Other gains and losses, net (Note 22)	238,676	3	(36,124)	-
Finance costs (Note 22)	(8,876)	-	(5,026)	-
Share of profit of subsidiaries accounted for using equity method	<u>551,050</u>	<u>6</u>	<u>485,767</u>	<u>6</u>
Total non-operating income and expenses	<u>876,248</u>	<u>10</u>	<u>482,443</u>	<u>6</u>
INCOME BEFORE INCOME TAX	2,063,513	24	1,486,248	17
INCOME TAX EXPENSE (Note 23)	<u>404,329</u>	<u>5</u>	<u>316,645</u>	<u>4</u>
NET INCOME	<u>1,659,184</u>	<u>19</u>	<u>1,169,603</u>	<u>13</u>

(Continued)

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**SHIN ZU SHING CO., LTD.**

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2022</b>		<b>2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>OTHER COMPREHENSIVE (LOSS) INCOME</b>				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 19)	4,353	-	2,024	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(56,938)	(1)	(11,480)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	<u>129,550</u>	<u>2</u>	<u>(54,272)</u>	<u>(1)</u>
Other comprehensive income (loss) for the year	<u>76,965</u>	<u>1</u>	<u>(63,728)</u>	<u>(1)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>\$ 1,736,149</u>	<u>20</u>	<u>\$ 1,105,875</u>	<u>12</u>
<b>EARNINGS PER SHARE (Note 24)</b>				
Basic	<u>\$ 8.68</u>		<u>\$ 6.08</u>	
Diluted	<u>\$ 8.61</u>		<u>\$ 6.04</u>	

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**SHIN ZU SHING CO., LTD.**

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars)

	Ordinary Shares	Capital Collected in Advance	Capital Surplus	Retained Earnings			Others		Treasury Stock	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE AT JANUARY 1, 2021	\$ 1,919,203	\$ 1,060	\$ 3,449,185	\$ 1,602,615	\$ 416,362	\$ 8,660,718	\$ (304,768)	\$ (24,332)	\$ -	\$ 15,720,043
Appropriation of 2020 earnings										
Legal reserve	-	-	-	167,157	-	(167,157)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(768,105)	-	-	-	(768,105)
Special reserve	-	-	-	-	(87,261)	87,261	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	(13)	-	-	-	-	-	-	(13)
Issuance of shares dividends from capital surplus	-	-	(576,079)	-	-	-	-	-	-	(576,079)
Disposal of subsidiaries	-	-	-	-	-	-	1,841	-	-	1,841
Issuance of ordinary shares under employee share options	5,650	(1,060)	38,629	-	-	-	-	-	-	43,219
Net income for the year ended December 31, 2021	-	-	-	-	-	1,169,603	-	-	-	1,169,603
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	2,024	(54,272)	(11,480)	-	(63,728)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	1,171,627	(54,272)	(11,480)	-	1,105,875
BALANCE AT DECEMBER 31, 2021	1,924,853	-	2,911,722	1,769,772	329,101	8,984,344	(357,199)	(35,812)	-	15,526,781
Appropriation of 2021 earnings										
Legal reserve	-	-	-	117,163	-	(117,163)	-	-	-	-
Special reserve	-	-	-	-	63,910	(63,910)	-	-	-	-
Cash dividends to shareholders	-	-	-	-	-	(481,213)	-	-	-	(481,213)
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	-	-	-
Issuance of shares dividends from capital surplus	-	-	(481,213)	-	-	-	-	-	-	(481,213)
Treasury stock acquired	-	-	-	-	-	-	-	-	(420,088)	(420,088)
Treasury stock retired	(47,370)	-	(59,814)	-	-	(312,904)	-	-	420,088	-
Net income for the year ended December 31, 2022	-	-	-	-	-	1,659,184	-	-	-	1,659,184
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	4,353	129,550	(56,938)	-	76,965
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	1,663,537	129,550	(56,938)	-	1,736,149
BALANCE AT DECEMBER 31, 2022	\$ 1,877,483	\$ -	\$ 2,370,695	\$ 1,886,935	\$ 393,011	\$ 9,672,691	\$ (227,649)	\$ (92,750)	\$ -	\$ 15,880,416

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**SHIN ZU SHING CO., LTD.**

**PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

(In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,063,513	\$ 1,486,248
Adjustments for:		
Depreciation expense	506,302	543,721
Net gain on fair value change of financial assets and liabilities at fair value through profit or loss	(106,559)	(23,195)
Finance costs	8,876	5,026
Interest income	(19,120)	(17,571)
Share of profit of subsidiaries accounted for using equity method	(551,050)	(485,767)
Loss (gain) on disposal of property, plant and equipment, net	1,570	(9,970)
Loss on disposal of subsidiaries	-	1,824
Write-down of inventories	6,000	6,500
Unrealized gain on the transactions with associates	1,250	3,825
Realized gain on the transactions with associates	(3,825)	(8,834)
Changes in operating assets and liabilities:		
Notes receivable	(2,840)	(1,432)
Accounts receivables	(205,602)	628,191
Accounts receivables from related parties	47,312	42,876
Other receivables	(4,112)	9,099
Inventories	(337,920)	55,157
Other current assets	(3,557)	16,612
Notes payable	(1,287)	(4,111)
Accounts payables	103,796	(127,764)
Accounts payables to related parties	(617,219)	(27,530)
Other payables	6,407	(146,437)
Other payables to related parties	223	-
Other current liabilities	177,336	108,818
Net defined benefit liabilities	-	(790)
Cash generated from operations	<u>1,069,494</u>	<u>2,054,496</u>
Interest received	18,904	18,083
Interest paid	(5,602)	(4,750)
Income tax paid	<u>(400,243)</u>	<u>(293,206)</u>
Net cash generated from operating activities	<u>682,553</u>	<u>1,774,623</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in financial assets at amortized cost	376,643	786,364
Acquisitions of financial assets at fair value through profit or loss	-	(87,063)

Proceeds from disposal of financial assets at fair value through profit or loss	87,063	-
Acquisitions of investments accounted for using the equity method	(500,000)	-
Net cash flows from disposal of subsidiaries	-	2,519
Acquisitions for property, plant and equipment	(82,097)	(127,922)

(Continued)

**(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)**

**SHIN ZU SHING CO., LTD.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)**

	<b>2022</b>	<b>2021</b>
Proceeds from disposal of property, plant and equipment	5,647	11,057
Decrease in refundable deposits	2,680	3,120
Acquisitions of investments properties	(2,212,812)	-
Dividends received from subsidiaries	667,765	789,800
Increase in other non-current assets	<u>(95,153)</u>	<u>(545,932)</u>
Net cash (used in) generated from investing activities	<u>(1,750,264)</u>	<u>831,943</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) in short-term loans	515,190	(640,960)
Increase in long-term borrowings	75,750	692,000
Increase in guarantee deposits received	9,092	-
Repayment of the principal portion of lease liabilities	(22,798)	(25,754)
Cash dividends	(962,426)	(1,344,184)
Exercise share option from employee	-	43,219
Treasury stock acquired (Note 20)	<u>(420,088)</u>	<u>-</u>
Net cash used in financing activities	<u>(805,280)</u>	<u>(1,275,679)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(1,872,991)	1,330,887
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>2,595,234</u>	<u>1,264,347</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 722,243</u>	<u>\$ 2,595,234</u>

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

## Attachment 6

### SHIN ZU SHING CO., LTD. 2022 Earnings Distribution Statement

Unit: NT\$

Item	Subtotal	Total
Undistributed earnings at the beginning of the period		8,322,057,935
Net Income of 2022	1,659,183,482	
Treasury stock retired	(312,903,567)	
Add: 2021 remeasurements of defined benefit plans	4,353,365	
The total amount of after-tax net income for the period and other items adjusted to the current year's undistributed earnings other than after-tax net income for the period		1,350,633,280
Minus: Legal Reserve (10%)		(135,063,328)
Minus: Set aside special reserve		72,611,950
Items for distribution:		9,610,239,837
Dividends to shareholders -- cash -- earnings@3.00	(563,245,038)	(563,245,038)
Undistributed earnings at the end of the period		9,046,994,799

Note 1: In the current earnings distribution, priority is given to the current year's earnings.

2: The distributed amount of cash dividend per share is calculated on the basis of the 187,748,346 issued shares for which change registration has been completed on March 31, 2023.

Chairman: Lu, Sheng-Nan

CEO: Juan, Chao-Tsung

Head of accounting: Tsai, Meng-Hui