

3. Submitted for approval.

Resolutions : Shares present at the time of voting : 287,018,014 votes

Voting Results *		% of the total represented share present
Votes in favor: (Including Electronic voting)	275, 881, 225 (6, 831, 236)	96.11 %
Votes against :	260, 740	0.09 %
Votes invalid :	0	0.00 %
Votes abstained/no votes :	10, 876, 049	3.78 %

RESOLVED The proposal was approved after voting.

Proposal 2

Proposal : To approve the Proposal for Distribution of 2021 Profits.

Explanation : 1. The Net Profit after tax of the Company of the year 2021 is NT\$ 920,076,872 , after adding Other Comprehensive Income – actuarial loss of NT\$ 350,070 (Note 1) of the Remeasurements of Defined Benefit Liability, the Company has withdrawn 10% of the Legal Reserve of NT\$ 91,972,680 according to law, and the Beginning Balance of Un-appropriated Retained Earnings, the Accumulative Earnings available for appropriation is NT\$ 871,632,202.

2. The Earnings Distribution Table of the year 2021 is proposed (as follows), distribute cash dividend of NT\$ 425,350,704 and NT\$ 0.8 per share. The cash paid by each Shareholder shall be calculated until NT\$ 1, and the amount below NT\$ 1 shall be unconditionally rounded off and included in other income of the Company.

3. If the dividend distribution plan is approved, the following authorization is requested:

(1) After the dividend distribution plan is submitted to the Shareholders' Meeting for approval, the Chairman is authorized to fix the base date of profit distribution ex-dividend.

(2) If the total number of outstanding shares of the Company changes, or the competent authority approves the change due to the change of laws and regulations, which affects the distribution rate of Shareholders, the Board of Directors shall be authorized to handle relevant operations.

4. Submitted for approval

Resolution : Shares present at the time of voting : 287,018,014 votes

Voting Results *		% of the total represented share present
Votes in favor: (Including Electronic voting)	276, 135, 260 (7, 085, 271)	96.20 %
Votes against :	459, 953	0.16 %
Votes invalid :	0	0.00 %
Votes abstained/no votes :	10, 422, 801	3.63 %

RESOLVED The proposal was approved after voting.

Zig Sheng Industrial Co., Ltd.
2021 Earnings Distribution Table

Unit : NTD

Item	Amount		Remarks
Beginning Balance of Un-appropriated Retained Earnings		43,878,080	Note 1
Plus: 2021 Net Income after tax	920,076,872		
Other Comprehensive Income (Remeasurements of Defined Benefit Liability)	(350,070)		
Subtotal	919,726,802	919,726,802	
Deduct:			
Legal Reserve (10%)		(91,972,680)	
Accumulative Earnings available for appropriation		871,632,202	
Appropriation items:			
Cash Dividends to Shareholders (NT\$ 0.8 per share)		(425,350,704)	Note 2
Ending Balance of Un-appropriated Retained Earnings		446,281,498	

Note: 1. Remeasurements of defined benefit liability is recognized as retained earnings immediately.

2. The distribution is based on the profit distribution of the year 2021.

Chairman : Yeh, Sou-Tsun **General Manager** : Su, Pat-Huang **Accounting Supervisor** : Cheng, Chiu-Yueh

V 、 Election Items

Proposed by the Board of Directors

Proposal 1

Proposal : Election of 10 for the 19th session Company's Directors (including 3 Independent Directors), submitted for election.

Explanation :

1. The term of office of the 18th session Board of Directors of the Company expires on June 23, 2022. It is proposed to conduct a comprehensive re-election at the Shareholders' Meeting. The election shall be conducted in accordance with the "Procedure for Election of Directors" of the Company, and the cumulative voting method shall be used. (Please refer to the manual)
2. The Company adopted the candidate nomination system for electing the 10 Directors (including 3 Independent Directors). The term of office is three years, from June 8, 2022 to June 7, 2025 .
The "List of Candidates for Directors (including Independent Directors)" was adopted by the resolution of the 19th Meeting of the 18th session Board of Directors of the Company.
3. Submitted for election.

List of Candidates for Directors (including Independent Directors)

Type	Name	Academic Background	Experience	Present Employment
Director	YEH,SOU-TSUN	Department of Accounting, National Chengchi University	<ul style="list-style-type: none"> Chairman of Zig Sheng Industrial Co. Ltd. Director of Eclat Textile Co., Ltd. Director of Evertex Fabrinology Ltd. Legal Person Director Representative of Everest Textile Co., Ltd. 	Chairman of the Company
Director	SU, PAT-HUANG	Institute of Industrial Engineering, National Taiwan University	<ul style="list-style-type: none"> Director of Zig Sheng Industrial Co. Ltd. Director of Taiwan Synthetic Resins Manufacturers Association Chairman of Taiwan Man-Made Fiber Industries Association 	President of the Company
Director	YI SHENG INVESTMENT CO., LTD.	----	<ul style="list-style-type: none"> Director of Zig Sheng Industrial Co. Ltd. 	----
Director	LAURE INTELLECT CORP.	----	-----	----
Director	YEH, TSUNG-HAO	Finance, University of Southern California	<ul style="list-style-type: none"> Director of Zig Sheng Industrial Co. Ltd. 	Vice President of Chemical Materials Business Division of the Company
Director	LIANG, LONG-SHIANG	Textile Engineering Section, National Taipei Institute of Technology	<ul style="list-style-type: none"> Director of Zig Sheng Industrial Co. Ltd. 	Senior Vice President of the Company
Director	HUNG, JUI-TING	National Tsing Hua University, Master of Materials Science and Engineering, University of Florida	<ul style="list-style-type: none"> Vice President of Eclat Textile Co., Ltd. 	Vice President of Eclat Textile Co., Ltd.
Independent Director	OU, YU-LUN	Faculty of Law, National Taiwan University	<ul style="list-style-type: none"> Practicing Lawyer at Li Yang Law Firm Arbiter at the Chinese Arbitration Association, Taipei Judge at the Shilin District Court Court Summary Judge at the Taipei District Court Independent Director of Lealea Enterprise Co., Ltd. 	<ul style="list-style-type: none"> Practicing Lawyer at Li Yang Law Firm Independent Director and member of Remuneration Committee of the Company
Independent Director	LIN, KO-WU	Department of Accounting, National Chung Hsing University	<ul style="list-style-type: none"> Director at First United Accounting Firm Independent Director of The Landis Taipei Hotel Co., Ltd. Independent director of Tah Hsin Industrial Corporation 	Independent Director and member of Remuneration Committee of the Company
Independent Director	SUNG, HERR-YEH	Department of Economics, University of Southern California	<ul style="list-style-type: none"> Chairman of Allis Electric Co., Ltd. Vice Chairman of Allis Electric Co., Ltd. 	Chairman of Allis Electric Co., Ltd.

Resolution : List of Directors and Independent Directors elected.

Position	Name	Received Votes
Director	YEH,SOU-TSUN	357,985,118
Director	SU, PAT-HUANG	297,337,904
Director	YI SHENG INVESTMENT CO., LTD.	291,677,088
Director	LAURE INTELLECT CORP.	270,664,196
Director	YEH, TSUNG-HAO	264,085,640
Director	HUNG, JUI-TING	261,678,516
Director	LIANG, LONG-SHIANG	261,521,269
Independent Director	OU, YU-LUN	248,924,573
Independent Director	LIN, KO-WU	248,910,142
Independent Director	SUNG, HERR-YEH	248,484,807

VI 、 Other Proposals

Proposed by the Board of Directors

Proposal 1

Proposal : Proposal for Release the Prohibition on newly-elected Directors from Participation in Competitive Business.

- Explanation :
1. Article 209 of the Company Act regulates the non-competition obligations of Directors, main content of the Article: "A Director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the Meeting of Shareholders the essential contents of such an act and secure its approval."
 2. The new Director may invest or operate other companies with the same or similar business scope as the Company as a Director or Manager, the Company relies on the professional and relevant experience of Directors, in accordance with Article 209 of the Company Act, it is proposed to submit to the Shareholders' Meeting for approval to lift the restrictions on the non- competition of Directors and their representatives elected to the 19th session of the Company.
 3. Request for proposal for Release the Prohibition on newly-elected Directors from Participation in Competitive Business, as follows :

The list of Release the Prohibition on newly-elected Directors from Participation in Competitive Business :

Type	Name	Agency and Title	Business Scope
Director	YEH, SOU-TSUN	<ul style="list-style-type: none">• Director of Eclat Textile Co., Ltd.• Director of Evertex Fabrinology Ltd.• Legal Person Director representative of Everest Textile Co., Ltd.	<ul style="list-style-type: none">• Elastic knitted fabric, Wearing apparel• Printing , Dyeing and finishing, Knitted fabric• Textured yarn, Printing, Dyeing and finishing
Director	SU, PAT-HUANG	<ul style="list-style-type: none">• Chairman of Taiwan Man-Made Fiber Industries Association• Director of Taiwan Synthetic Resins Manufacturers Association• Vice Chairman of Taiwan Technical Textiles Association• Director of Taiwan Textile Federation	
Director	HUNG, JUI-TING	<ul style="list-style-type: none">• Vice President of Eclat Textile Co., Ltd.	<ul style="list-style-type: none">• Elastic knitted fabric, Wearing apparel
Independent Director	OU, YU-LUN	<ul style="list-style-type: none">• Independent Director of Lealea Enterprise Co., Ltd.	<ul style="list-style-type: none">• Polyester Textured yarn, Polyester POY, Polyester Chips

4. Please approve the proposal.

Resolution : Shares present at the time of voting : 287,018,014 votes

Voting Results *		% of the total represented share present
Votes in favor: (Including Electronic voting)	275, 789, 029 (6, 739, 040)	96.08 %
Votes against :	602, 758	0.21 %
Votes invalid :	0	0.00 %
Votes abstained/no votes :	10, 626, 227	3.70 %

RESOLVED The proposal was approved after voting.

VII 、 Extemporary Motion

None

VIII 、 Meeting Adjourned : The Chairman adjourned the Meeting at 9:39 a.m.

Note : This document is extracted from the Meeting, the details are subject to the audio and video recording.

Attachment 1 、 2021 Business Report

ZIG SHENG INDUSTRIAL CO., LTD. 2021 Business Report

I 、 Introduction

Quarantines amidst community transmission during the 2021 Coronavirus outbreak in Taiwan affected operations of all major industries. The pandemic was also felt strongly in Southeast Asia and India. Large production cuts in Southeast Asian nations heavily impacted global supply chains. Taiwan gradually brought the pandemic under control in the second half of the year. Production stabilized and brand customers continued to place orders because of shipping delays and empty retail shelves. Upstream industries benefited from this slight increase in downstream demand. It proved to be a fruitful year for Zig Sheng's synthetic fiber manufacturing and petrochemical raw materials business.

Global oil prices rose sharply in 2021 as Brent Crude Futures went from US\$51.80 at the end of 2020 to US\$88.44, an annual growth rate of more than 50%. The price of Nylon raw material Caprolactam (CPL) also increased from US\$1520/MT at the beginning of 2021 to US\$2150/MT. Steadily rising raw material prices and favorable customer demand contributed to healthy growth of the nylon industry. The price of polyester raw materials PTA and MEG remained stable as factories in Mainland China expanded and eliminated smaller production lines.

In the last few years, the Company has made adjustments to our nylon polymerization, nylon engineering plastics, nylon spinning, and textured yarn production lines in response to a changing industry and market. We've seen concrete results with all our production lines running at near capacity. The Company continues to strengthen our recycled product lines in order to meet sustainability requirements in future markets.

Besides previous products like recycled fishing net, the Company also built a new Ecozycle plant to manufacture recycled PET chips. The plant started production in Q4 2021 and now provides a stable supply of recycled PET chips. The plant ensures sufficient raw material supplies to produce quality recycled polyester textured yarn. When coordinated with our newly established, comprehensive polyester POY production lines, the Company can leverage the advantages of vertical integration to produce polyester products. Integration with upstream and downstream industries, alongside more frequent promotion tailored to brand customers, will help us to develop custom specifications and provide new functional textiles. As global brand customers adopt a larger proportion of recycled yarn, Zig Sheng will be able to grow alongside our customers in accordance with global trends to help our customers reach their goals.

II 、 Operating Performance

Total operating revenue in 2021 was NT\$ 11.2 billion. Annual revenue grew by 46%. This increase is attributed to higher prices for finished goods, lower inventory costs, and effective restructuring of our production and product lines. Net operating income was NT\$ 645.11 million. Strong performance in addition to profitable outside investments earned a total annual pre-tax net income of NT\$ 1.04 billion. The ratio of liabilities to assets: 32%, net value per share was NT\$13.75, and overall financial structure was lean and stable.

Unit : NT\$ thousand

Analysis Item / Years	2021	2020	Difference	Change ratio (%)
Operating Revenue	11, 202, 972	7, 649, 087	3, 553, 885	46. 5%
Gross Profit	1, 210, 552	70, 722	1, 139, 930	1, 661. 7%
Operating Expenses	565, 439	356, 019	209, 420	58. 8%
Net Operating income	645, 113	(285, 297)	930, 410	326. 1%
Income before tax	1, 004, 568	(35, 092)	1, 039, 660	2, 962. 7%
Net income	920, 077	(40, 115)	960, 192	2, 393. 6%

III 、 Business Strategy

1. Sustainable Development

The Management Team will continue paying close attention to ESG issues in response to global promotion of sustainable development trends. The Management Team will also perform risk analysis in the areas of environmental sustainability, social engagement, and corporate governance as it relates to company business; especially with respect to the active formulation of countermeasures to address net-zero carbon emissions requirements, including advocating for energy conservation and reduced emissions. We will not only continue to upgrade to high efficiency machinery and equipment, but also apply for carbon credits, while planning to calculate the carbon footprint of our products and develop renewable energy. The plans shall provide for the addition of a 560kW solar power plant in hopes of continued progress toward sustainable development goals.

2. Product Research and Development

As an extension of our mid to long term product development strategy, the Company will strive to create textile products with high added value and to foster an earth friendly sustainability mindset that better serves our customers. Optimizing various products including recycled nylon, recycled fishing net nylon, recycled greige fabric yarns, recycled finished fabric yarns; and functional textiles, such as micro-environment management

textiles, will not only create both fashionable and functional products but also lead to more sustainable green products for our customers and planet. The Chemical Materials Division will strengthen our high performance Nylon 66 series engineering plastics and the applications thereof. The Division continues developing bio-based, antimicrobial, polypropylene (PP), and acrylonitrile butadiene styrene (ABS) series products in response to demand from larger global manufacturing customers.

3. Production and Sales Management:

Fiber Division:

The Company currently produces a stable internal supply of polyester POY. Our operations goal for 2022 is to expand the specifications of recycled polyester. Upgrades to our DTY machines are now complete and will help to improve product quality, reduce commodity products, and leverage the benefits of vertically integrated nylon and polyester production to strike a balance between internal production and sales. This will hopefully increase overall operating efficiency at the Company.

Chemicals Materials Division:

Sales and profits will be tracked on a rolling monthly basis according to annual goals. Production and sales policies will be adjusted immediately in response to any changes in the market. The Division will increase sales volume to stable long term customers and coordinate raw material purchases to reduce inventory costs. Products will also be optimized to reach profit objectives.

IV 、 Future Development Strategy

The Coronavirus Pandemic has impacted the world for over two years. International promotion has incurred huge losses across all industries. As the Pandemic becomes widespread and the Coronavirus continues to mutate, several countries have started treating the Coronavirus as an endemic disease. Border controls are expected to relax in the second half of 2022. The Company will use this opportunity to participate in several large-scale international exhibitions to promote our outstanding products in overseas markets. We will work with all related industries in support of developing trends like sustainability and the curricular economy.

In 2022, Zig Sheng will commit to advancing issues like economic efficiency, energy conservation and reduced emissions, sustainable development, and corporate governance. We will strive to increase our market competitiveness and expand the growth potential of our business as we strive to create the best possible outcome for the Company, shareholders, and employees.

Attachment 2 、 Audit Committee's Review Report

Zig Sheng Industrial Co., Ltd. Audit Committee's Review Report

The Board of Directors of the Company has prepared and submitted the "Consolidated Financial Statements" and "Parent Company Only Financial Statements" of year 2021, which has been verified and signed by CPA Hsiao, Ying-Chia and Lin, Chin Lung of Crowe (TW) CPAs. Together with the Business Report and the Distribution of Profits, the Audit Committee finds that there is no discrepancy. Therefore, the Board of Directors of the Company has prepared a report in accordance with the provisions of the "Securities and Exchange Act" and the "Company Act" for inspection.

To The 2022 Annual Meeting of Shareholders of Zig Sheng Industrial Co., Ltd.

The Convener of the Audit Committee: Ou, Yu-Lun

Date : March 11, 2022

Attachment 3 、

Report on Execution of Employees' Profit Sharing Bonus and Board Directors' Compensation for the Year 2021

Explanation :

1. According to the provisions of Article 26 of the Articles of Incorporation of the Company, 【2% of profit of the current year should be distributed as Employees' compensation and not more than 3% of profit of the current year should be distributed as Directors' remuneration in the case where there are profits for the current year, the distribution of Employee bonus shall be adopted by the Directors present at the Board Meeting before being reported to the Shareholders' Meeting.】
2. The profit of the Company in 2021 was NT\$ 1,057,440,432, according to the Articles of Incorporation, the Employee remuneration was allocated, amounting to NT\$ 21,148,809 (2%), the Director's remuneration shall be allocated, amounting to NT\$ 31,723,213 (3%), all the above remuneration will be paid in cash
3. This case was approved by the 18th Meeting of the 18th session Board of Directors of the Company. After the distribution of Employee remuneration and Director remuneration, the net profit before tax of the Company in 2021 was NT\$ 1,004,568,410.

Attachment 4.

Independent Auditors' Report

To : Zig Sheng Industrial Co., Ltd.

Opinion

We have audited the Parent Company Only financial statements of Zig Sheng Industrial Co., Ltd. (the "Company"), which comprise the Parent Company Only balance sheets as of December 31, 2021 and 2020, the Parent Company Only statements of comprehensive income, Parent Company Only statements of changes in equity, and Parent Company Only statements of cash flows for the years ended December 31, 2021 and 2020, and notes to the Parent Company Only financial statements, including a summary of significant accounting policies (together "Parent Company Only Financial Statements").

In our opinion, the accompanying Parent Company Only Financial Statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, 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 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 Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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, in forming our opinion thereon; we do not provide a separate opinion on these matters.

Key audit matters for the Parent Company Only Financial Statements for the year ended December 31, 2021 are stated as follows :

Revenue recognition

Revenue generation is a fundamental business activity of an enterprise as a going concern, it is crucial to the operating performance of an enterprise. Due to ubiquitous pressure of achieving projected financial or sales targets by management, revenue recognition is considered to have higher fraudulent risk by the generally accepted auditing standards. Therefore, we list the timing of transfer of risks and rewards of sold products and the recognition of sales revenue as one of the key audit matters.

For the accounting policies regarding revenue recognition, please refer to Note 4.31 of the Parent Company Only Financial Statements ; For illustration to the revenue items, please refer to disclosure in Note 6.30 of the Parent Company Only Financial Statements.

Our key audit procedures performed in respect of the above area included the following :

1. Tested the effectiveness of the Company's design and implementation of its internal controls over sales and receivable cycles, evaluated the appropriateness of revenue recognition on a test basis.
2. Understood the categories and specifications of products sold to top ten clients, evaluated the reasonableness of the sales revenue and accounts receivable turnover (days) and analyzed if there is any abnormality.
3. Evaluated the accuracy of the timing of transfer of risks and rewards of sold products and the recognition of sales revenue by selecting and testing a sample of sales transactions before and after the shipment cut-off date.

Valuation of inventory

The main inventories of the Company are Polyester Fully Oriented Yarn, Lactam and the related products and are measured using lower of cost or net realizable value. Due to rapid changes in the industry where the Company resides, the sales prices of the Company's products are easily affected by the prices of international raw materials and may fluctuate drastically. This leads to risk that the inventory costs may exceed their net realizable value and resulted in slow-moving or obsolete inventories. And since the Company's management, through assessment of respective outside evidence, is relied to perform the subsequent measurements and recognition, we list inventory valuation as one of the key audit matters.

For the accounting policies regarding inventories, please refer to Note 4.14 of the Parent Company Only Financial Statements ; For illustration to the inventory items, please refer to disclosure in Note 6.6 of the Parent Company Only Financial Statements. Our key audit procedures performed in respect of the above area included the following :

1. Based on the understanding of the Company's operations and nature of the industry, assessed the reasonableness of the policies and procedures adopted for recording allowance to reduce inventory to market.
2. Reviewed inventory aging reports, analyzed changes in the inventory aging and assessed whether or not the subsequent measurements were performed according to the accounting policies.
3. Understood and assessed the reasonableness of the basis of net realizable value used by the management, selected samples and agreed to the relating supporting documents to test the accuracy of the amounts, then evaluated whether or not the management's disclosures regarding the subsequent measurements of inventories were appropriate.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for 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 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, to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 skepticism 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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, determine whether any material uncertainty exists in the 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 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 disclosures, and whether the Parent Company Only 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 Parent Company Only Financial Statements. We are responsible for the guidance, supervision and performance for the audit of the Company. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned audit scope, timing of the audit and significant audit findings, including any significant deficiencies in internal control that we have identified 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 the laws or regulations preclude public disclosure on the matter or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to be greater the additional benefits brought to the public from such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsiao, Ying-Chia and Lin, Chih-Lung.

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

March 11, 2022

Notice to Readers

The accompanying Parent Company Only Financial Statements are intended only to present the Parent Company Only 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 Parent Company Only Financial Statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying Parent Company Only 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 Parent Company Only Financial Statements shall prevail.

Zig Sheng Industrial Co., Ltd.
Parent Company Only Balance Sheets
As of December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

Code	Assets	Notes	31-Dec-21		31-Dec-20	
			Amount	%	Amount	%
11xx	Current Assets		\$ 4,876,474	45	\$ 3,022,198	34
1100	Cash and cash equivalents	6.1	41,148	-	39,298	-
1110	Financial assets at fair value through profit or loss – current	6.2	916,107	8	603,174	7
1150	Notes receivable, net	6.3	269,770	3	220,967	3
1160	Notes receivable - related parties	6.3,7	-	-	66	-
1170	Accounts receivable, net	6.4	1,283,292	12	961,459	11
1180	Accounts receivable - related parties	6.4,7	77,999	1	79,169	1
1200	Other receivables	6.5	7,511	-	27,521	-
1220	Income tax assets	6.37	4	-	9	-
1310	Inventories, net	6.6	2,233,256	21	1,071,942	12
1410	Prepayments	6.7	47,387	-	18,593	-
15xx	Noncurrent Assets		5,899,328	55	5,902,298	66
1517	Financial assets at fair value through other comprehensive income – noncurrent	6.8	246,998	2	208,709	3
1550	Investments accounted for using equity method	6.9	21,209	-	21,392	-
1600	Property, plant and equipment	6.10	4,715,038	44	4,735,873	53
1755	Right-of-use asset	6.11	74,045	1	77,962	1
1760	Investment properties, net	6.12	643,670	6	645,185	7
1780	Intangible assets	6.13	2,133	-	1,051	-
1840	Deferred income tax assets	6.37	75,895	1	128,793	2
1915	Prepayments for equipment		49,808	1	26,126	-
1920	Guarantee deposits paid	6.14	23,330	-	24,799	-
1990	Other noncurrent assets – other	6.15	47,202	-	32,408	-
1xxx	Total Assets		\$ 10,775,802	100	\$ 8,924,496	100
Code	Liabilities and Equity					
21xx	Current Liabilities		\$ 3,138,170	29	\$ 2,059,440	23
2100	Short-term loans	6.16	1,260,000	12	710,000	8
2110	Short-term notes and bills payable	6.17	499,845	4	449,934	5
2120	Financial liabilities at fair value through profit or loss – current	6.18	1,526	-	-	-
2130	Contractual liabilities – current	6.30	54,356	1	79,767	1
2150	Notes payable	6.19	217,877	2	106,683	1
2170	Accounts payable	6.19	624,041	6	371,254	5
2180	Accounts payable - related parties	7	82	-	195	-
2200	Other payables	6.20	408,719	4	303,651	3
2220	Other payables - related parties	7	70	-	4	-
2230	Current-period income tax liability	6.37	31,503	-	-	-
2250	Provisions - current	6.21	25,572	-	24,573	-
2280	Lease liabilities - current	6.11	12,975	-	12,446	-
2399	Other current liabilities – other	6.22	1,604	-	933	-
25xx	Noncurrent Liabilities		327,322	3	339,187	4
2570	Deferred income tax liabilities	6.37	137,395	1	137,395	2
2580	Lease liabilities - noncurrent	6.11	62,985	1	67,079	1
2640	Net defined benefit liability - noncurrent	6.23	103,778	1	111,549	1
2645	Guarantee deposits received	6.24	23,164	-	23,164	-
2xxx	Total Liabilities		3,465,492	32	2,398,627	27
31xx	Equity					
3100	Share capital	6.25	5,316,884	49	5,500,014	62
3110	Ordinary shares		5,316,884	49	5,500,014	62
3200	Capital surplus	6.26	398,835	4	492,157	6
3300	Retained earnings	6.27	1,534,694	14	668,136	7
3310	Legal reserve		249,476	2	249,476	3
3320	Special reserve		321,614	3	321,614	3
3350	Unappropriated retained earnings		963,604	9	97,046	1
3400	Other equity interest	6.28	59,897	1	26,138	-
3410	Exchange differences from translation of foreign operations		(270)	-	(219)	-
3420	Unrealized gains or losses on financial assets at fair value through other comprehensive income		60,167	1	26,357	-
3500	Treasury shares	6.29	-	-	(160,576)	(2)
3xxx	Total Equity		7,310,310	68	6,525,869	73
3x2x	Total Liabilities and Equity		\$ 10,775,802	100	\$ 8,924,496	100

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

Zig Sheng Industrial Co., Ltd.
Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

Code	Item	2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Note 6.30)	\$ 11,202,972	100	\$ 7,649,087	100
5000	Operating costs (Note 6.6, 6.35)	(9,991,420)	(89)	(7,578,619)	(99)
5900	Gross profit (loss) from operations	1,211,552	11	70,468	1
5910	Unrealized sales benefit (Note 6.9)	(1,370)	-	(370)	-
5920	Realized sales benefit (Note 6.9)	370	-	624	-
5950	Gross profit from operations - net	1,210,552	11	70,722	1
6000	Operating expenses (Note 6.35)	(565,439)	(5)	(356,019)	(5)
6100	Selling expenses	(336,753)	(3)	(214,955)	(3)
6200	Administrative expenses	(169,953)	(1)	(85,731)	(1)
6300	Research and development expenses	(58,733)	(1)	(55,333)	(1)
6900	NET OPERATING INCOME (LOSS)	645,113	6	(285,297)	(4)
	Non-operating income and expenses				
7100	Interest income (Note 6.31)	16	-	38	-
7010	Other income (Note 6.32)	155,086	1	279,286	4
7020	Other gains and losses (Note 6.33)	222,629	2	(22,585)	-
7050	Finance costs (Note 6.34)	(19,144)	-	(11,592)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6.9)	868	-	5,058	-
7000	Total non-operating income and expenses	359,455	3	250,205	4
7900	INCOME (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,004,568	9	(35,092)	-
7950	INCOME TAX EXPENSE (Note 6.37)	(84,491)	(1)	(5,023)	-
8200	NET INCOME (LOSS)	920,077	8	(40,115)	-
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss :				
8316	Unrealized measurement gains or losses on equity instruments at FVTOCI (Note 6.8)	33,810	-	12,248	-
8311	Remeasurements of defined benefit liability (Note 6.23)	(438)	-	(589)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (Note 6.37)	88	-	118	-
8310	Total items that will not be reclassified subsequently to profit or loss	33,460	-	11,777	-
	Items that may be reclassified subsequently to profit or loss : (Note 6.9)				
8381	Exchange differences from translation of foreign operations of subsidiaries, associates and joint ventures under equity method	(51)	-	435	-
8360	Total items that may be reclassified subsequently to profit or loss	(51)	-	435	-
8300	Total other comprehensive income (loss) for the year, net of income tax	33,409	-	12,212	-
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 953,486	8	(\$ 27,903)	-
	EARNINGS PER SHARE – ORDINARY SHARES (NT\$) (Note 6.38)				
9750	Basic earnings (loss) per share	\$ 1.73		(\$ 0.07)	
9850	Diluted earnings per share	\$ 1.73			

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

Zig Sheng Industrial Co., Ltd.
Parent Company Only Statements of Changes in Equity
For the Years Ended December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

Code	Item	Share Capital - Ordinary Shares	Capital Surplus	Retained Earnings			Other Equity		Treasury Shares	Total Equity
				Legal reserve	Special reserve	Unappropriate d retained earnings	Exchange differences from translation of foreign operations	Unrealized gains or losses on financial assets at FVTOCI		
A1	Balance on January 1, 2020	\$ 6,117,634	\$ 360,397	\$ 249,476	\$ 321,614	\$ 137,632	(\$ 654)	\$ 14,109	\$ -	\$ 7,200,208
D1	Profit (loss) for 2020	-	-	-	-	(40,115)	-	-	-	(40,115)
D3	Other comprehensive income, net of tax, for 2020	-	-	-	-	(471)	435	12,248	-	12,212
L1	Buy back treasury shares	-	-	-	-	-	-	-	(646,436)	(646,436)
L3	Cancellation of treasury shares	(617,620)	131,760	-	-	-	-	-	485,860	-
Z1	Balance, December 31, 2020	<u>\$ 5,500,014</u>	<u>\$ 492,157</u>	<u>\$ 249,476</u>	<u>\$ 321,614</u>	<u>\$ 97,046</u>	<u>(\$ 219)</u>	<u>\$ 26,357</u>	<u>(\$ 160,576)</u>	<u>\$ 6,525,869</u>
A1	Balance on January 1, 2021	\$ 5,500,014	\$ 492,157	\$ 249,476	\$ 321,614	\$ 97,046	(\$ 219)	\$ 26,357	(\$ 160,576)	\$ 6,525,869
	Appropriation of 2020 earnings :									
B5	Cash dividends for ordinary shares	-	-	-	-	(\$ 53,169)	-	-	-	(53,169)
C15	Cash dividends from additional paid-in capital	-	(\$ 106,338)	-	-	-	-	-	-	(106,338)
C17	Unclaimed overdue dividends by shareholders	-	\$ 455	-	-	-	-	-	-	455
D1	Profit (loss) for 2021	-	-	-	-	920,077	-	-	-	920,077
D3	Other comprehensive income, net of tax, for 2021	-	-	-	-	(350)	(51)	33,810	-	33,409
L1	Buy back treasury shares	-	-	-	-	-	-	-	(9,993)	(9,993)
L3	Cancellation of treasury shares	(183,130)	12,561	-	-	-	-	-	170,569	-
Z1	Balance, December 31, 2021	<u>\$ 5,316,884</u>	<u>\$ 398,835</u>	<u>\$ 249,476</u>	<u>\$ 321,614</u>	<u>\$ 963,604</u>	<u>(\$ 270)</u>	<u>\$ 60,167</u>	<u>\$ -</u>	<u>\$ 7,310,310</u>

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

Zig Sheng Industrial Co., Ltd.
Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

Code	Item	2021	2020
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES :		
A00010	Profit (loss) from continuing operations before tax	\$ 1,004,568	(\$ 35,092)
A20000	Adjustments :		
A20010	Income/gain or expense/loss items not affecting cash flows		
A20100	Depreciation expense (including depreciation of right-of-use assets and investment properties)	462,446	585,414
A20200	Amortization expense	27,137	28,019
A20400	Net loss (gain) on financial assets and liabilities measured at FVTPL	(62,183)	(70,570)
A20900	Interest expense	13,904	11,363
A21200	Interest income	(16)	(38)
A21300	Dividend income	(37,059)	(22,806)
A22400	Share of profits of subsidiaries, associates, and joint ventures under equity method	(868)	(5,058)
A22500	Net loss (gain) on disposal or scrapping of property, plant and equipment	33	1,145
A23100	Loss (gain) from disposal of investments	(190,076)	55,646
A23900	Unrealized sales benefit	1,370	370
A24000	Realized sales benefit	(370)	(624)
A29900	Gain from lease modifications	-	(39)
A20010	Total income/gain or expense/loss items not affecting cash flows	<u>214,318</u>	<u>582,822</u>
A30000	Changes in operating assets and liabilities		
A31115	Decrease (increase) in financial assets mandatorily measured at FVTPL	(51,787)	(73,412)
A31130	Decrease (increase) in notes receivable	(48,803)	(26,493)
A31140	Decrease (increase) in notes receivable – related parties	66	(16)
A31150	Decrease (increase) in accounts receivable	(321,833)	(53,112)
A31160	Decrease (increase) in accounts receivable – related parties	1,170	17,450
A31180	Decrease (increase) in other receivables	10,453	(4,551)
A31200	Decrease (increase) in inventories	(1,175,296)	565,565
A31230	Decrease (increase) in prepayments	(28,794)	(2,601)
A32125	Increase (decrease) in contractual liabilities	(25,411)	(2,842)
A32130	Increase (decrease) in notes payable	111,194	5,110
A32150	Increase (decrease) in accounts payable	252,787	19,647
A32160	Increase (decrease) in accounts payable – related parties	(113)	(245)
A32180	Increase (decrease) in other payables	110,224	310
A32190	Increase (decrease) in other payables – related parties	66	(434)
A32200	Increase (decrease) in provisions	999	(590)
A32230	Increase (decrease) in other current liabilities - other	671	1
A32240	Increase (decrease) in net defined benefit liabilities	(8,209)	(8,634)
A30000	Total changes in operating assets and liabilities	<u>(1,172,616)</u>	<u>435,153</u>
A33000	Cash generated from operations	46,270	982,883
A33100	Interest received	16	40
A33200	Dividend received	37,059	22,806
A33300	Interest paid	(13,864)	(11,514)
A33500	Income taxes refunded (paid)	3	(2,046)
AAAA	Net cash flows from (used in) operating activities	<u>69,484</u>	<u>992,169</u>

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BBBB	CASH FLOWS FROM INVESTING ACTIVITIES :		
B00010	Acquisition of FVTOCI financial assets	(13,200)	-
B00030	Returned capital from FVTOCI financial assets	8,721	2,550
B02700	Acquisition of property, plant and equipment	(218,014)	(169,041)
B02800	Disposal of property, plant and equipment	407	207
B03700	Increase in refundable deposits paid	(11)	(18,647)
B03800	Decrease in refundable deposit paid	1,480	256
B04500	Acquisition of intangible assets	(907)	(76)
B05400	Acquisition of investment properties	(3,631)	-
B06600	Decrease in other financial assets	-	3,778
B06700	Increase in other noncurrent assets - other	(40,753)	(20,845)
B07100	Increase in prepayments for equipment	(220,202)	(109,888)
BBBB	Net cash flows from (used in) investing activities	<u>(486,110)</u>	<u>(311,706)</u>
CCCC	CASH FLOWS FROM FINANCING ACTIVITIES : (Note 6.36)		
C00100	Increase in short-term loans	12,136,870	7,577,632
C00200	Decrease in short-term loans	(11,586,870)	(8,051,632)
C00500	Increase in short-term notes and bills payable	4,380,000	1,900,000
C00600	Decrease in short-term notes and bills payable	(4,330,000)	(1,450,000)
C03000	Increase in deposits received	95	100
C03100	Decrease in deposits received	(95)	(600)
C04020	Lease principal repayments	(12,479)	(12,261)
C04500	Distribution of cash dividends	(159,507)	-
C04900	Cost for buying back treasury shares	(9,993)	(646,436)
C09900	Undrawn overdue dividends payable transferred to capital surplus	455	-
CCCC	Net cash flows from (used in) financing activities	<u>418,476</u>	<u>(683,197)</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,850	(2,734)
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	39,298	42,032
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 41,148</u>	<u>\$ 39,298</u>
E00210	RECORDED CASH AND CASH EQUIVALENTS ON THE BALANCE SHEET	<u>\$ 41,148</u>	<u>\$ 39,298</u>

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

Attachment 5.

Independent Auditors' Report

To : Zig Sheng Industrial Co., Ltd.

Opinion

We have audited the Consolidated Financial Statements of Zig Sheng Industrial Co., Ltd. and Subsidiaries (the "Group"), which comprise the Consolidated balance sheets as of December 31, 2021 and 2020, the Consolidated statements of comprehensive income, Consolidated statements of changes in equity, and Consolidated statements of cash flows for the years ended December 31, 2021 and 2020, and notes to the Consolidated financial statements, including a summary of significant accounting policies (together "Consolidated Financial Statements").

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the financial position of the Group as of December 31, 2021 and 2020, 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 and the International Financial Reporting Standards, International Accounting Standards, and the related interpretations recognized and issued into effect by the Financial Supervisory Commission (together "IFRSs").

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 Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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, 2021. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and, in forming our opinion thereon; we do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Statements for the year ended December 31, 2021 are stated as follows :

Revenue recognition

Revenue generation is a fundamental business activity of an enterprise as a going concern, it is crucial to the operating performance of an enterprise. Due to ubiquitous pressure of achieving projected financial or sales targets by management, revenue recognition is considered to have higher fraudulent risk by the generally accepted auditing standards. Therefore, we list the timing of transfer of risks and rewards of sold products and the recognition of sales revenue as one of the key audit matters.

For the accounting policies regarding revenue recognition, please refer to Note 4.32 of the Consolidated Financial Statements ; For illustration to the revenue items, please refer to disclosure in Note 6.30 of the Consolidated Financial Statements.

Our key audit procedures performed in respect of the above area included the following :

1. Tested the effectiveness of the Group's design and implementation of its internal controls over sales and receivable cycles, evaluated the appropriateness of revenue recognition on a test basis.
2. Understood the categories and specifications of products sold to top ten clients, evaluated the reasonableness of the sales revenue and accounts receivable turnover (days) and analyzed if there is any abnormality.
3. Evaluated the accuracy of the timing of transfer of risks and rewards of sold products and the recognition of sales revenue by selecting and testing a sample of sales transactions before and after the shipment cut-off date.

Valuation of inventory

The main inventories of the Group are Polyester Fully Oriented Yarn, Lactam and the related products and are measured using lower of cost or net realizable value. Due to rapid changes in the industry where the Group resides, the sales prices of the Group's products are easily affected by the prices of international raw materials and may fluctuate drastically. This leads to risk that the inventory costs may exceed their net realizable value and resulted in slow-moving or obsolete inventories. And since the Group's management, through assessment of respective outside evidence, is relied to perform the subsequent measurements and recognition, we list inventory valuation as one of the key audit matters.

For the accounting policies regarding inventories, please refer to Note 4.15 of the Consolidated Financial Statements ; For illustration to the inventory items, please refer to disclosure in Note 6.6 of the Consolidated Financial Statements. Our key audit procedures performed in respect of the above area included the following :

1. Based on the understanding of the Group's operations and nature of the industry, assessed the reasonableness of the policies and procedures adopted for recording allowance to reduce inventory to market.
2. Reviewed inventory aging reports, analyzed changes in the inventory aging and assessed whether or not the subsequent measurements were performed according to the accounting policies.
3. Understood and assessed the reasonableness of the basis of net realizable value used by the management, selected samples and agreed to the relating supporting documents to test the accuracy of the amounts, then evaluated whether or not the management's disclosures regarding the subsequent measurements of inventories were appropriate.

Other matters – Parent Company Only Financial Statements

Zig Sheng Industrial Co., Ltd. had prepared the 2021 and 2020 parent company only financial statements, along with the independent auditors' report with unqualified opinion issued, available for reference.

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

Management is responsible for preparation and fair presentation of the Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs and for such internal control as management determines 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, to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 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 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 that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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, determine whether any material uncertainty exists in the events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the guidance, supervision and performance for the audit of the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned audit scope, timing of the audit and significant audit findings, including any significant deficiencies in internal control that we have identified 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 the laws or regulations preclude public disclosure on the matter or when, in extremely rare circumstances, we determine that the matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to be greater than the additional benefits brought to the public from such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsiao, Ying-Chia and Lin, Chih-Lung.

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

March 11, 2022

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 accepted and 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.

Zig Sheng Industrial Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
As of December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
11xx	Current Assets	\$ 4,897,722	45	\$ 3,045,069	34
1100	Cash and cash equivalents (Note 6.1)	71,448	1	70,398	1
1110	Financial assets at fair value through profit or loss – current (Note 6.2)	916,107	8	603,174	7
1150	Notes receivable, net (Note 6.3)	269,770	3	221,230	3
1170	Accounts receivable, net (Note 6.4)	1,295,846	12	975,915	11
1180	Accounts receivable - related parties (Note 6.4.7)	41,820	-	45,496	-
1200	Other receivables (Note 6.5)	7,513	-	27,530	-
1220	Income tax assets (Note 6.37)	29	-	9	-
1310	Inventories, net (Note 6.6)	2,247,309	21	1,082,330	12
1410	Prepayments (Note 6.7)	47,880	-	18,987	-
15xx	Noncurrent Assets	\$ 5,879,093	55	\$ 5,881,566	66
1517	Financial assets at fair value through other comprehensive income – noncurrent (Note 6.8)	246,998	2	208,709	3
1600	Property, plant and equipment (Note 6.10)	4,715,038	44	4,735,873	53
1755	Right-of-use asset (Note 6.11)	74,673	1	78,434	1
1760	Investment properties, net (Note 6.12)	643,670	6	645,185	7
1780	Intangible assets (Note 6.13)	2,133	-	1,051	-
1840	Deferred income tax assets (Note 6.37)	76,092	1	128,837	2
1915	Prepayments for equipment	49,808	1	26,126	-
1920	Guarantee deposits paid (Note 6.14)	23,479	-	24,943	-
1990	Other noncurrent assets – other (Note 6.15)	47,202	-	32,408	-
1xxx	Total Assets	\$ 10,776,815	100	\$ 8,926,635	100
Code	Liabilities and Equity				
21xx	Current Liabilities	\$ 3,139,025	29	\$ 2,061,579	23
2100	Short-term loans (Note 6.16)	1,260,000	12	710,000	8
2110	Short-term notes and bills payable (Note 6.17)	499,845	4	449,934	5
2120	Financial liabilities at fair value through profit or loss – current (Note 6.18)	1,526	-	-	-
2130	Contractual liabilities – current (Note 6.30)	54,457	1	80,804	1
2150	Notes payable (Note 6.19)	217,881	2	106,687	1
2170	Accounts payable (Note 6.19)	624,095	6	371,387	5
2180	Accounts payable to related parties (Note 7)	82	-	195	-
2200	Other payables (Note 6.20)	409,008	4	303,998	3
2230	Current-period income tax liabilities (Note 6.37)	31,507	-	144	-
2250	Provisions - current (Note 6.21)	25,572	-	24,573	-
2280	Lease liabilities - current (Note 6.12)	13,448	-	12,921	-
2399	Other current liabilities – other (Note 6.22)	1,604	-	936	-
25xx	Noncurrent Liabilities	\$ 327,480	3	\$ 339,187	4
2570	Deferred income tax liabilities (Note 6.37)	137,395	1	137,395	2
2580	Lease liabilities - noncurrent (Note 6.11)	63,143	1	67,079	1
2640	Net defined benefit liability - noncurrent (Note 6.23)	103,778	1	111,549	1
2645	Guarantee deposits received (Note 6.24)	23,164	-	23,164	-
2xxx	Total Liabilities	\$ 3,466,505	32	\$ 2,400,766	27
31xx	Equity attributable to owners of the parent				
3100	Share capital (Note 6.25)	5,316,884	49	5,500,014	62
3110	Ordinary shares	5,316,884	49	5,500,014	62
3200	Capital surplus (Note 6.26)	398,835	4	492,157	6
3300	Retained earnings (Note 6.27)	1,534,694	14	668,136	7
3310	Legal reserve	249,476	2	249,476	3
3320	Special reserve	321,614	3	321,614	3
3350	Unappropriated retained earnings	963,604	9	97,046	1
3400	Other equity interest (Note 6.28)	59,897	1	26,138	-
3410	Exchange differences from translation of foreign operations	(270)	-	(219)	-
3420	Unrealized gains or losses on financial assets at fair value through other comprehensive income	60,167	1	26,357	-
3500	Treasury shares (Note 6.29)	-	-	(160,576)	(2)
3xxx	Total Equity	\$ 7,310,310	68	\$ 6,525,869	73
3x2x	Total Liabilities and Equity	\$ 10,776,815	100	\$ 8,926,635	100

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

Zig Sheng 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

Code	Item	2021		2020	
		Amount		Amount	
4000	Operating revenue (Note 6.30)	\$ 11,218,513	100	\$ 7,675,607	100
5000	Operating costs (Note 6.6, 6.35)	(9,996,561)	(89)	(7,591,144)	(99)
5900	Gross profit (loss) from operations	1,221,952	11	84,463	1
6000	Operating expenses (Note 6.35)	(574,057)	(5)	(364,077)	(5)
6100	Selling expenses	(339,139)	(3)	(216,438)	(3)
6200	Administrative expenses	(176,185)	(1)	(92,306)	(1)
6300	Research and development expenses	(58,733)	(1)	(55,333)	(1)
6900	NET OPERATING INCOME (LOSS)	647,895	6	(279,614)	(4)
	Non-operating income and expenses				
7100	Interest income (Note 6.31)	116	-	309	-
7010	Other income (Note 6.32)	150,673	1	276,635	4
7020	Other gains and losses (Note 6.33)	224,944	2	(20,529)	-
7050	Finance costs (Note 6.34)	(19,151)	-	(11,603)	-
7000	Total non-operating income and expenses	356,582	3	244,812	4
7900	INCOME (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,004,477	9	(34,802)	-
7950	INCOME TAX EXPENSE (Note 6.37)	(84,400)	(1)	(5,313)	-
8200	NET INCOME (LOSS)	920,077	8	(40,115)	-
	OTHER COMPREHENSIVE INCOME (LOSS)				
	Items that will not be reclassified subsequently to profit or loss :				
8316	Unrealized measurement gains or losses on equity instruments measured at FVTOCI (Note 6.8)	33,810	-	12,248	-
8311	Remeasurements of defined benefit liability (Note 6.23)	(438)	-	(589)	-
8349	Income tax related to items that will not be reclassified subsequently to profit or loss (Note 6.37)	88	-	118	-
8310	Total items that will not be reclassified subsequently to profit or loss	33,460	-	11,777	-
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences from translation of foreign operations of subsidiaries, associates and joint ventures under equity method	(51)	-	435	-
8360	Total items that may be reclassified subsequently to profit or loss	(51)	-	435	-
8300	Total other comprehensive income (loss) for the year, net of income tax	33,409	-	12,212	-
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	\$ 953,486	8	(\$ 27,903)	-
8600	Net income (loss) attributable to :				
8610	Owners of the parent	\$ 920,077	8	(\$ 40,115)	-
8700	Total comprehensive income (loss) attributable to :				
8710	Owners of the parent	\$ 953,486	8	(\$ 27,903)	-
	EARNINGS (LOSS) PER SHARE – ORDINARY SHARES (NT\$) (Note 6.38)				
9750	Basic earnings (loss) per share	\$ 1.73		(\$ 0.07)	
9850	Diluted earnings per share	\$ 1.73			

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

Zig Sheng Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

Code	Item	Retained Earnings					Other Equity		Treasury Shares	Total Equity
		Share Capital - Ordinary Shares	Capital Surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences from translation of foreign	Unrealized gains or losses on financial assets at FVTOCI		
A1	Balance, January 1, 2020	\$ 6,117,634	\$ 360,397	\$ 249,476	\$ 321,614	\$ 137,632	(\$ 654)	\$ 14,109	\$ -	\$ 7,200,208
D1	Profit (loss) for 2020	-	-	-	-	(40,115)	-	-	-	(40,115)
D3	Other comprehensive income, net of tax, for 2020	-	-	-	-	(471)	435	12,248	-	12,212
L1	Financial assets at fair value through profit or loss – current (Note 6.2)	-	-	-	-	-	-	-	(646,436)	(646,436)
L3	Cancellation of treasury shares	(617,620)	131,760	-	-	-	-	-	485,860	-
Z1	Balance, December 31, 2020	<u>\$ 5,500,014</u>	<u>\$ 492,157</u>	<u>\$ 249,476</u>	<u>\$ 321,614</u>	<u>\$ 97,046</u>	<u>(\$ 219)</u>	<u>\$ 26,357</u>	<u>(\$ 160,576)</u>	<u>\$ 6,525,869</u>
A1	Balance on January 1, 2021	\$ 5,500,014	\$ 492,157	\$ 249,476	\$ 321,614	\$ 97,046	(\$ 219)	\$ 26,357	(\$ 160,576)	\$ 6,525,869
	Appropriation of earnings :									
B5	Cash dividends of ordinary share	-	-	-	-	(53,169)	-	-	-	(53,169)
C15	Cash dividends from additional paid-in capital	-	(\$ 106,338)	-	-	-	-	-	-	(106,338)
C17	Unclaimed overdue dividends by shareholders	-	455	-	-	-	-	-	-	455
D1	Profit (loss) for 2021	-	-	-	-	920,077	-	-	-	920,077
D3	Other comprehensive income, net of tax, for 2021	-	-	-	-	(350)	(51)	33,810	-	33,409
L1	Buy back treasury shares	-	-	-	-	-	-	-	(9,993)	(9,993)
L3	Cancellation of treasury shares	(183,130)	12,561	-	-	-	-	-	170,569	-
Z1	Balance, December 31, 2021	<u>\$ 5,316,884</u>	<u>\$ 398,835</u>	<u>\$ 249,476</u>	<u>\$ 321,614</u>	<u>\$ 963,604</u>	<u>(\$ 270)</u>	<u>\$ 60,167</u>	<u>\$ -</u>	<u>\$ 7,310,310</u>

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

Zig Sheng 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

Code	Item	2021	2020
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Net profit (loss) from continuing operations before tax	\$ 1,004,477	(\$ 34,802)
A20000	Adjustments :		
A20010	Income/gain or expense/loss items not affecting cash flows		
A20100	Depreciation expense (including depreciation of right-of-use assets and investment properties)	462,919	586,344
A20200	Amortization expense	27,137	28,019
A20400	Net loss (gain) on financial assets and liabilities measured at FVTPL	(62,183)	(70,570)
A20900	Interest expense	13,906	11,374
A21200	Interest income	(116)	(309)
A21300	Dividend income	(37,059)	(22,806)
A22500	Net loss (gain) on disposal or scrapping of property, plant and equipment	33	1,145
A23100	Net loss (gain) from disposal of investments	(190,076)	55,646
A29900	Gain from lease modifications	-	(43)
A20010	Total income/gain or expense/loss items not affecting cash flows	<u>214,561</u>	<u>588,800</u>
A30000	Changes in operating assets and liabilities		
A31115	Decrease (increase) in financial assets mandatorily measured at FVTPL	(51,787)	(73,412)
A31130	Decrease (increase) in notes receivable	(48,540)	(26,756)
A31150	Decrease (increase) in accounts receivable	(319,931)	(54,539)
A31160	Decrease (increase) in accounts receivable – related parties	3,676	8,243
A31180	Decrease (increase) in other receivables	10,460	(4,510)
A31200	Decrease (increase) in inventories	(1,178,961)	567,847
A31230	Increase in prepayments	(28,893)	(2,773)
A32125	Decrease in contractual liabilities	(26,347)	(6,185)
A32130	Increase (decrease) in notes payable	111,194	5,114
A32150	Increase (decrease) in accounts payable	252,708	19,181
A32160	Increase (decrease) in accounts payable – related parties	(113)	(245)
A32180	Increase (decrease) in other payables	110,166	71
A32190	Increase (decrease) in other payables – related parties	-	(240)
A32200	Increase (decrease) in provisions	999	(590)
A32230	Increase (decrease) in other current liabilities - other	668	(55)
A32240	Decrease in net defined benefit liabilities	(8,209)	(8,634)
A30000	Total changes in operating assets and liabilities	<u>(1,172,910)</u>	<u>422,517</u>
A33000	Cash generated from operations	46,128	976,515
A33100	Interest received	116	311
A33200	Dividend received	37,059	22,806
A33300	Interest paid	(13,866)	(11,525)
A33500	Income taxes paid	(224)	(2,151)
AAAA	Net cash flows from (used in) operating activities	<u>69,213</u>	<u>985,956</u>

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BBBB	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of FVTOCI financial assets	(13,200)	-
B00030	Returned capital from FVTOCI financial assets	8,721	2,550
B02700	Acquisition of property, plant and equipment	(218,014)	(169,041)
B02800	Proceeds from disposal of property, plant and equipment	407	207
B03700	Increase in refundable deposit paid	(59)	(18,707)
B03800	Decrease in refundable deposit paid	1,523	316
B04500	Acquisition of intangible assets	(907)	(76)
B05400	Acquisition of investment properties	(3,631)	-
B06600	Decrease in other financial assets	-	3,778
B06700	Increase in other noncurrent assets - other	(40,753)	(20,845)
B07100	Increase in prepayments for equipment	(220,202)	(109,888)
BBBB	Net cash flows from (used in) investing activities	<u>(486,115)</u>	<u>(311,706)</u>
CCCC	CASH FLOWS FROM FINANCING ACTIVITIES : (Note 6.36)		
C00100	Increase in short-term loans	12,136,870	7,577,632
C00200	Decrease in short-term loans	(11,586,870)	(8,051,632)
C00500	Increase in short-term notes and bills payable	4,380,000	1,900,000
C00600	Decrease in short-term notes and bills payable	(4,330,000)	(1,450,000)
C03000	Increase in deposits received	95	100
C03100	Decrease in deposits received	(95)	(600)
C04020	Lease principal repayment	(12,952)	(13,113)
C04500	Distribution of cash dividends	(159,507)	-
C04900	Cost for buying back treasury shares	(9,993)	(646,436)
C09900	Undrawn overdue dividends payable transferred to capital surplus	455	-
CCCC	Net cash flows from (used in) financing activities	<u>418,003</u>	<u>(684,049)</u>
DDDD	Effects on cash and cash equivalents due to fluctuations in exchange rates	<u>(51)</u>	<u>435</u>
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,050	(9,364)
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>70,398</u>	<u>79,762</u>
E00200	CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 71,448</u>	<u>\$ 70,398</u>
E00210	RECORDED CASH AND CASH EQUIVALENTS ON THE BALANCE SHEET	<u>\$ 71,448</u>	<u>\$ 70,398</u>

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