



FINE BLANKING & TOOL CO., LTD.

2023 Annual General Shareholders' Meeting Minutes

Date: May 30, 2023 (Tuesday)

THIS IS A TRANSLATION OF THE MINUTES FOR THE 2023 ANNUAL GENERAL MEETING OF FINE BLANKING & TOOL CO., LTD (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE AGENDA SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

FINE BLANKING & TOOL CO., LTD.

2023 Annual General Shareholders' Meeting Minutes

Time: 9:30 am, May 30, 2023 (Tuesday)

Place : No.67, Xing Gong Rd., Chuansing Industrial Park, Shengang Township,

Changhua County, Taiwan (Chuansing Industrial Park Service Center)

Attendance: Total outstanding FBT shares : 75,661,740 shares

Total shares represented by shareholders present in person or by proxy :
64,444,642 shares (including exercised by way of electronic
Transmission 49,989,069 shares)

Percentage of shares held by shareholders present in person or by
proxy : 85.17%

Chairman : Chiuan-Dau INVESTMENT Co., Ltd. Representative: CHUNG -YI WU

Attendants as guest:

Director:

Chiuan-Tai INVESTMENT CORP. Representative: CHUNG-MING WU

Chiuan-Tai INVESTMENT CORP. Representative: KUAN- HSING WU

GSK INVESTMENT DEVELOPMENT CORP. Representative: CHUNG-WUU LI
YU-MEI WU

Independent Director:

CHIA-CHI KUO, YI-MIN LIN, CHENG-SHONG HONG

CPA :

Kuo-Yu Yen, CPA of Ful-Fill & Co., CPAs

Chia-Yu Chi, CPA of Ful-Fill & Co., CPAs

Attorney :

Yen-Tzu Chang, Attorney of Justus Law Offices

Secretary : Ya-Ling Huang (corporate governance officer)

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

II. Opening remarks by the chairman (omitted)

III. Report items :

Report No. 1 : To report the 2022 employees' and directors' compensation.

Explanation:

Contribution of directors' compensation and employees' compensation: Net profit before income tax (benefits before deduction of directors' compensation and employees' compensation) *3.6% and *5%, respectively. Distribution of directors' compensation and employees' compensation for the year 2022:

Unit: NT\$

Items	Subject	Board resolution Amount paid	Method of distribution
directors compensation	The Company directors	10,604,749	Cash or T/T
employees compensation	The Company employees	14,728,818	Cash or T/T
TOTAL		25,333,567	

Report No. 2 : To report the business of 2022.

(please refer to Attachments 1,2 and 3).

Report No. 3 : 2022 Audit Committee's review report.

(please refer to Attachments 4)

Report No. 4 : To report of Amendment to the Corporate Governance Principles.

(please refer to Handbook pages 36 to 37, Attachments 6)

Report No. 5 : To report the Amendments of Sustainable Development Best Principles. (please refer to Handbook pages 38, Attachments 7)

Report No. 6 : To report of Amendment to the Rules Procedure for Directors.

(please refer to Handbook pages 39 to 40, Attachments 8)

IV. Approval Items

Approval No.1 (Proposed by the Board)

Proposal: To accept 2022 Business Report and Financial Statements.

Explanation:

(1).FBT's 2022 Business Report 、Parent Company Only Financial Statements And Consolidated Financial Statements, The Yen, Kuo-Yu Chi and Chia-Yu CPAs of Full-Go & Co., was retained to audir FBT's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, have been reviewed by the Audit Committee members of FBT. 2022 Business Report, Independent Auditors'Report. (please refer to Attachments 1, 2, 3 and 4)

(2).The report is hereby presented for ratification.

Resolution:

Voting Results : Shares represented at the time of voting : 64,444,642

Voting Type	Approval	Disapproval	Abstention	Invalidation
Live Votes	14,276,625	0	178,948	0
Electronic Votes	49,966,554	1,164	21,351	0
Aggregated Votes	64,243,179	1,164	200,299	0
% of the total represented share present	99.68%	0.00%	0.31%	0%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Approval No. 2 (Proposed by the Board)

Proposal: To approve the proposal for distribution of 2022 Earnings.

Explanation:

- (1). The Company's net profit before tax for the year 2022 was NT\$269,242,791, and after deducting income tax expense of NT\$55,854,625, the net profit after tax for the year 2022 was NT\$213,388,166, plus NT\$275,009 included in other comprehensive profit or loss in retained earnings (net amount after tax of re-measurement for defined benefit plans), the Company has set aside NT\$21,366,318 in statutory reserve in accordance with the law, and plus the accumulated unappropriated earnings of NT\$828,051,657 before 2021 and the special reserve of NT\$32,034,734 from the reversal of the cumulative foreign currency translation adjustment of overseas long-term investment in 2022, the total amount available for distribution is NT\$1,052,383,248, which is proposed to be distributed in accordance with the Company Law and the Company's Articles of Incorporation. The proposed distribution is as follows:
The proposed distribution of common stock cash dividends of NT\$2.0 per share amounts to NT\$151,323,480, with a total distribution of NT\$151,323,480.
- (2). 2022 Earnings Distribution Table. (please refer to Attachments5)
- (3). Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues.
- (4). The report is hereby presented for ratification.

Resolution:

Voting Results : Shares represented at the time of voting : 64,444,642

Voting Type	Approval	Disapproval	Abstention	Invalidation
Live Votes	14,276,625	0	178,948	0
Electronic Votes	49,966,546	1,162	21,361	0
Aggregated Votes	64,243,171	1,162	200,309	0
% of the total represented share present	99.68%	0.00%	0.31%	0%

RESOLVED, that the above proposal be and hereby was approved as proposed.

V. Discussion Items

(Proposed by the Board)

Proposal: Amendments to Rules and Procedures of Shareholders' Meeting.

Please proceed to discuss.

Explanation:

- (1). In accordance with the Taipei Exchange's Zheng-Gui-Jian-11100543772 Letter, dated March 11, 2022, the reference example of the "Rules of Procedures for Shareholders' Meetings of ○○ Co., Ltd." are amended, and the " Rules and Procedures of Shareholders' Meeting " are amended at the Board of Directors' meeting on May 3, 2022 to direct the adoption of a video meeting content re-amendment process for the shareholders' meetings this year.
- (2). "Comparison Table for the Rules and Procedures of Shareholders' Meeting Before and After Revision". (please refer to Attachments6).
- (3).The report is hereby presented for referendum.

Resolution: Shares represented at the time of voting : 64,444,642

Voting Type	Approval	Disapproval	Abstention	Invalidation
Live Votes	14, 276, 625	0	178, 948	0
Electronic Votes	49, 966, 545	1, 174	21, 350	0
Aggregated Votes	64, 243, 170	1, 174	200, 298	0
% of the total represented share present	99. 68%	0. 00%	0. 31%	0%

RESOLVED, that the above proposal be and hereby was approved as proposed.

VI. Director Election Items

(Proposed by the Board)

Proposal: To elect ten Directors (including three independent directors).

Explanation:

- (1). The term of office of the current Directors originally expires on June 17, 2023, and the term of office expires on May 30, 2023, the date of the ordinary shareholders' meeting, and it is intended to be fully re-elected at the ordinary shareholders' meeting this year.
- (2). In accordance with the Company's Articles of Incorporation, the Company shall have 7-11 Directors, and the number of Independent Directors in the preceding list shall not include less than three Independent Directors and shall not be less than one-fifth of the number of directorships. The authorized number of Directors shall be determined by the Board of Directors for a term of three years and shall be eligible for re-election. The election of Directors shall be conducted in accordance with Article 192-1 of the Company Act and related regulations through a candidate nomination system, and the election shall be conducted in accordance

with Article 198 of the Company Act and related regulations.

- (3). The Board of Directors resolved in accordance with the provisions of the Company's Articles of Incorporation that ten Directors (including three Independent Directors) shall be elected at the 2023 Annual General Meeting of Shareholders.
 - (4). The shareholders' meeting shall elect ten Directors (including three independent directors). Their three-year term will start from May 30, 2023 and conclude on May 29, 2026.
 - (5). FBT's directors shall be elected by adopting candidates nomination system as specified in Article 192-1 of the Company Law. Shareholders shall elect the directors from the List of Director (including Independent Director) Candidates, whose education and professional qualifications, experience and relevant information, as well as the rationale for nomination of independent directors who have served for three or more consecutive terms, please refer to Handbook pages 45 to 49, Attachments 10.
- The shareholders' meeting is requested to elect the director from the list of candidates.
- (6). The report is hereby presented for election.

Election Results:

Ten Directors (including three Independent Directors) were elected by the shareholders present. The list of the newly elected directors with votes received follows:

Seven Directors

ranking of Votes	Name	Live Votes	Electronic Votes	Aggregated Votes
1	Chiuan-Dau INVESTMENT Co., Ltd. Representative: CHUNG -YI WU	28,565,625	44,381,242	72,946,867
2	IDEA INVESTMENT Co., Ltd. Representative: CHUNG-MING WU	18,308,625	44,541,851	62,850,476
3	Chiuan-Tai INVESTMENT CORP. Representative: KUAN- HSING WU	16,292,625	44,384,214	60,676,839
4	Fu Yen Investment Co., Ltd. Representative: JUI-CHANG LIN	14,276,625	44,369,960	58,646,585
5	GSK INVESTMENT DEVELOPMENT CORP. Representative: CHUNG-WUU LI	13,407,109	44,375,806	57,782,915
6	YU-MEI WU	12,260,625	44,369,934	56,630,559
7	CHING YUAN INVESTMENT Co., Ltd. Representative: YEN-HSING WU	11,114,141	44,371,850	55,485,991

Three Independent Directors

ranking of Votes	Name	Live Votes	Electronic Votes	Aggregated Votes
1	CHIA-CHI KUO	10,288,135	44,382,875	54,671,010
2	YI-MIN LIN	9,513,625	44,371,908	53,885,533
3	CHENG-SHONG HONG	8,739,115	44,382,888	53,122,003

VII. Other Discussion Items

(Proposed by the Board)

Proposal: The issue of relieve new directors of company and their representatives regarding to prohibition & restriction of competitive behaviors.
Please proceed to discuss.

Explanation:

(1). In accordance with Article 209 of the Company Act, a director who performs acts for himself or herself or for others within the scope of the Company's business shall explain the material content of his or her acts to the shareholders' meeting and obtain their approval.

(2). If a newly elected director has already served in the management of another company as a corporation or as an individual, please refer to Appendix X on pages 45 to 49 of the Meeting Handbook for the circumstances of the election.

It is proposed to discuss and agree to lift the current Directors from the prohibition of engaging in competitive activities.

The list of Directors who are lifted from the prohibition of engaging in competitive activities is as follows

Directors :

Chiuan-Dau INVESTMENT Co., Ltd.	Representative: CHUNG -YI WU
Chiuan-Tai INVESTMENT CORP.	Representative: KUAN- HSING WU
GSK INVESTMENT DEVELOPMENT CORP.	Representative: CHUNG-WUU LI
Fu Yen Investment Co., Ltd	Representative: JUI-CHANG LIN
CHING YUAN INVESTMENT Co., Ltd.	Representative: YEN-HSING WU
IDEA INVESTMENT Co., Ltd.	Representative: CHUNG-MING WU
YU-MEI WU	

Independent Directors :

CHIA-CHI KUO

YI-MIN LIN

CHENG-SHONG HONG

Period of lifting from the prohibition of engaging in a competitive activity:

May 29, 2026.

(3). The report is hereby presented for referendum.

Resolution: Shares represented at the time of voting : 64,444,642

Voting Type	Approval	Disapproval	Abstention	Invalidation
Live Votes	14,276,625	0	178,948	0
Electronic Votes	49,962,317	3,216	23,536	0
Aggregated Votes	64,238,942	3,216	202,484	0
% of the total represented	99.68%	0.00%	0.31%	0%

RESOLVED, that the above proposal be and hereby was approved as proposed.

VIII. Questions and Motions: None

IX. Adjournment : 10:21 am, May 30,2023.

There were no questions from shareholders at the Shareholders' Meeting.

Chairman: CHUNG -YI WU

Secretary: Ya-Ling Huang

(Attachment 1)

2022 Business Report

I. Results of the business plan

Unit: In Thousands of New Taiwan Dollars; %

Items	2022 Estimated Consolidated Financial Statements	2022 Consolidated Financial Statements	Achievement rate%
OPERATING REVENUE	2,723,037	3,141,305	115.36%
OPERATING COSTS	(2,174,463)	(2,532,909)	116.48%
GROSS PROFIT FROM OPERATIONS	548,574	608,396	110.91%
Total operating expenses	(221,294)	(231,704)	104.70%
NET OPERATING INCOME	327,280	376,692	115.10%
NON-OPERATING INCOME AND EXPENSES	9,176	41,503	452.30%
PROFIT BEFORE INCOME TAX	336,456	418,195	124.29%
INCOME TAX EXPENSE	(90,029)	(111,717)	124.09%
PROFIT FOR THE PERIOD	246,427	306,478	124.37%
OTHER COMPREHENSIVE INCOME			
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on remeasurements of defined benefit plans	(400)	344	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	80	(69)	
Gains (losses) on remeasurements of defined benefit (net of Income tax)	(320)	275	
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation	15,413	53,627	348%
OTHER COMPREHENSIVE INCOME(LOSS), NET OF INCOME TAX	15,093	53,902	357%
TOTAL COMPREHENSIVE INCOME	261,520	360,380	137.80%
PROFIT ATTRIBUTABLE TO			
Owners of parent	170,956	213,388	124.82%
Non-controlling interests	75,471	93,090	123.35%
	246,427	306,478	124.37%
COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Owners of parent	179,984	245,698	136.51%
Non-controlling interests	81,536	114,682	140.65%
	261,520	360,380	137.80%
BASIC EARNINGS PER SHARE (NTD)	2.26	2.82	124.82%

Note: The 2022 financial budget prepared by the Company is for internal management purposes only and no external financial forecast has been announced.

II. Financial income and expenditure

Unit: In Thousands of New Taiwan Dollars; %

Items \ Year	2021	2022	increase or decrease %
OPERATING REVENUE	2,766,438	3,141,305	13.55%
OPERATING COSTS	(2,226,107)	(2,532,909)	13.78%
GROSS PROFIT FROM OPERATIONS	540,331	608,396	12.60%
Total operating expenses	(206,472)	(231,704)	12.22%
NET OPERATING INCOME	333,859	376,692	12.83%
NON-OPERATING INCOME AND EXPENSES	9,641	41,503	330.48%
PROFIT BEFORE INCOME TAX	343,500	418,195	21.75%
INCOME TAX EXPENSE	(90,547)	(111,717)	23.38%
PROFIT FOR THE PERIOD	252,953	306,478	21.16%
OTHER COMPREHENSIVE INCOME			
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on remeasurements of defined benefit	159	344	116.35%
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(32)	(69)	115.63%
Gains (losses) on remeasurements of defined benefit (net of Income tax)	127	275	116.54%
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation	(8,617)	53,627	722.34%
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX	(8,490)	53,902	734.89%
TOTAL COMPREHENSIVE INCOME	244,463	360,380	47.42%
PROFIT ATTRIBUTABLE TO			
Owners of parent	181,204	213,388	17.76%
Non-controlling interests	71,749	93,090	29.74%
	252,953	306,478	21.16%
COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Owners of parent	175,790	245,698	39.77%
Non-controlling interests	68,673	114,682	67.00%
	244,463	360,380	47.42%
BASIC EARNINGS PER SHARE (NTD)	2.40	2.82	17.76%

III. Profitability analysis (Consolidated Financial Statements)

Items \ Year	2021 (A)	2022 (B)	Increase or decrease rate/amount (B-A)
Return on Total Assets (%)	8.45	9.56	1.11
Return on Equity (%)	10.06	11.44	1.38
Pre-tax Income to Paid-in Capital Ratio (%)	45.40	55.27	9.87
Net Margin (%)	9.15	9.76	0.61
BASIC EARNINGS PER SHARE (NTD) (Note)	2.40	2.82	0.42

Note: Earnings per share are calculated by retroactively adjusting the number of outstanding shares.

IV. Research and development achievements (new samples submitted)

Product	Purpose
Safety System — Iron 24-tooth hex rings, pallet valves, 5XX iron bearings, 610 iron bearings, K-shaped latches, latches, connecting plates. Interior System — Right support base packaging assemblies, left support base packaging assemblies, traction plate, interior compartment assemblies LH/RH, right/left outer exterior compartment assemblies, right outer exterior compartment body assemblies, handle. Drive train — Bearing spacers, transmission rod assemblies, spot welding bolt, connecting rod small assemblies LH/RH	Automotive Application
Safety System — Brake discs, smart discs, lace forged discs, front sensing wheels, rear sensing wheels, floating discs, brake lever assemblies Engine System — 34T chain wheels, filler tabs Drive train — Gear sets, brake lever assemblies, 20T chain wheels, rear connecting toothed plate LH/RH, shock absorber assemblies, drive chain wheels, 37T chain wheels, 39T chain wheels, 38T chain wheels, 40T chain wheels, 41T chain wheels, camshaft assemblies, tappet Car Body System — Middle bracket-LH, locomotive handle, fixing plate	Motorcycle Application
Tools and equipment — Front bracket (LH)/(RH), bracket (125 type), fixed bracket (125 type), gasket, ring set, main gear plate, cover, washer, lining plate, unhooking stop, unhooking fixed seat Golf cart — Secondary clutch assemblies, paddle assemblies, paddle assemblies (TPS) All Terrain Vehicle (ATV) — A-arm assemblies RH/LH, direction unit, direction column combination Bicycle — Brake discs	Others Applica

(Attachment 2)



富鋒聯合會計師事務所

彰化市金馬路三段 439 號 4 樓之 1

TEL : (04)7514030

FAX : (04)7514168

Independent Auditors' Report

To Fine Blanking & Tool Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Fine Blanking & Tool Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements 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 audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled 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 parent company only financial statements for the year ended December 31, 2022. 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, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's parent company only financial statements for the year ended December 31, 2022 is stated as follows:

1. Accounts Receivable Valuation

Fine Blanking & Tool Co., Ltd. was affected by the economic climate, and 80.12% of receivables at end of period came from the top 10 customers. Receivables collection has significant effect on the cash flow of Fine Blanking & Tool Co., Ltd. Consequently, the valuation of accounts receivable is identified as one of our key audit matters.

We performed the following audit procedures in respect of the above key audit matter:

- (1) Reviewed the cash collection of receivables during subsequent period, and assessed whether there is impairment of receivables. If any such item remains uncollected after the due date, ascertain whether appropriate treatment has been made.
- (2) Assessed whether overdue accounts receivable or accounts receivable under dispute or litigation are evaluated for impairment and reclassified to an appropriate account.
- (3) Examined the details of newly added customers with significant amounts of receivables or the top 10 customers to confirm that the Company performs a proper credit approval process and inspected whether there is any overdue debts.

2. Inventory valuation

To meet the needs of prompt delivery, it is essential for Fine Blanking & Tool Co., Ltd. that a certain amount of material, work in progress, and finished goods be prepared. However, the introduction of new products may lead to obsolete materials and affect cost of goods sold. Consequently, the valuation of inventory is identified as one of our key audit matters.

We performed the following audit procedures in respect of the above key audit matter:

- (1) Participate in the inventory count to confirm the quantity and ownership of inventory at the end of the period; and test the quantity on the closing inventory statement to the inventory book.
- (2) Examined whether the valuation of inventories is in accordance with the accounting policies of Fine Blanking & Tool Co., Ltd.
- (3) Understood the basis of the selling prices Fine Blanking & Tool Co., Ltd. used and the variation of the price in the subsequent period to assess the reasonableness of net realizable value of inventories.
- (4) Assessed whether appropriate provisions have been recognized for aged, damaged, slow moving or obsolete inventories by discussing with the management.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease 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 exercised professional judgment and maintained 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 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 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 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 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 parent company only 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 Yen, Kuo-Yu and Chi, Chia-Yu.

Ful-Fill & Co., CPAs

Changhua, Taiwan

Republic of China

March 6, 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.

FINE BLANKING & TOOL CO., LTD.
Parent Company Only Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Items	Notes	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
11××	CURRENT ASSETS:				
1100	Cash and cash equivalents	4 and 6(1)	\$ 708,625	25.66	\$ 660,300
1150	Notes receivable, net	4 and 6(2)	5,972	0.22	12,311
1170	Accounts receivable, net	4, 5 and 6(2)	139,082	5.04	154,717
1180	Accounts receivable due from related parties, net	4, 5, 6(2) and 7	135,514	4.91	124,659
1200	Other receivables		836	0.03	780
1210	Other receivables due from related parties	7	6,199	0.22	3,594
1310	Inventories	4, 5 and 6(3)	340,201	12.32	331,236
1410	Prepayments		7,979	0.29	6,673
1470	Other current assets		975	0.03	1,265
11××	Total current assets		1,345,383	48.72	1,295,535
15××	NON-CURRENT ASSETS:				
1550	Investments accounted for using equity method	4 and 6(4)	709,959	25.71	655,598
1600	Property, plant and equipment	4, 6(5) and 8	666,187	24.13	647,526
1755	Right-of-use assets	4 and 6(6)	1,951	0.07	1,853
1801	Computer software, net	4 and 5	2,691	0.10	2,708
1840	Deferred tax assets	4, 5 and 6(12)	10,977	0.40	9,936
1915	Prepayments for business facilities		10,064	0.36	16,516
1920	Guarantee deposits paid		10,319	0.37	10,319
1995	Other non-current assets, others		3,927	0.14	4,079
15××	Total non-current assets		1,416,075	51.28	1,348,535
1××	TOTAL ASSETS		\$ 2,761,458	100.00	\$ 2,644,070
21××	CURRENT LIABILITIES:				
2130	Current contract liabilities	4	\$ 9,408	0.34	\$ 11,022
2150	Notes payable	4	230	0.01	2,959
2170	Accounts payable	4	142,658	5.17	180,614
2180	Accounts payable to related parties	4 and 7	4,606	0.17	2,721
2200	Other payables		85,588	3.10	72,374
2230	Current tax liabilities	4 and 6(12)	51,259	1.86	37,543
2250	Current provisions	4	12	0.00	116
2280	Current lease liabilities	4 and 6(7)	964	0.03	1,008
2399	Other current liabilities		4,235	0.15	2,215
21××	Total current liabilities		298,960	10.83	310,572

(Continued)

FINE BLANKING & TOOL CO., LTD.
Parent Company Only Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Items	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
25××	NON-CURRENT LIABILITIES:					
2570	Deferred tax liabilities	4 and 6(12)	5,285	0.19	722	0.03
2580	Non-current lease liabilities	4 and 6(7)	1,005	0.04	867	0.03
2640	Net defined benefit liability, non-current	4, 5 and 6(8)	15,432	0.56	15,776	0.60
25××	Total non-current liabilities		21,722	0.79	17,365	0.66
2××	Total liabilities		320,682	11.62	327,937	12.40
31××	EQUITY:					
3110	Ordinary share	6(9)	756,617	27.40	756,617	28.62
3210	Capital surplus, additional paid-in capital	6(9)	150,801	5.46	150,801	5.70
3300	Retained earnings	6(9)				
3310	Legal reserve		459,608	16.64	441,475	16.70
3320	Special reserve		97,955	3.55	92,414	3.50
3350	Unappropriated retained earnings		1,041,715	37.72	972,781	36.79
3400	Other equity interest	6(9)				
3410	Exchange differences on translation of foreign financial statements		(65,920)	(2.39)	(97,955)	(3.71)
31××	Total equity		2,440,776	88.38	2,316,133	87.60
1××	TOTAL LIABILITIES AND EQUITY		\$ 2,761,458	100.00	\$ 2,644,070	100.00

(See accompanying notes to the parent company only financial statements.)

FINE BLANKING & TOOL CO., LTD.
Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 OPERATING REVENUE	4, 5, 6(10) and 7	\$ 1,497,690	100.00	\$ 1,457,622	100.00
5000 OPERATING COSTS	6(3)(13) and 7	(1,239,136)	(82.74)	(1,194,988)	(81.98)
5900 GROSS PROFIT FROM OPERATIONS		258,554	17.26	262,634	18.02
5910 UNREALIZED PROFIT (LOSS) FROM SALES		(238)	(0.02)	2,557	0.18
5950 GROSS PROFIT FROM OPERATIONS, NET		258,316	17.24	265,191	18.20
6000 OPERATING EXPENSES	6(13)	(120,700)	(8.06)	(118,433)	(8.13)
6100 Selling expenses		(24,408)	(1.63)	(26,052)	(1.79)
6200 Administrative expenses		(81,346)	(5.43)	(77,573)	(5.32)
6300 Research and development expenses		(14,503)	(0.97)	(15,278)	(1.05)
6450 Impairment loss determined in accordance with IFRS 9		(443)	(0.03)	470	0.03
6900 NET OPERATING INCOME		137,616	9.18	146,758	10.07
7000 NON-OPERATING INCOME AND EXPENSES	6(11)	131,627	8.80	81,526	5.60
7100 Interest income		2,679	0.18	3,638	0.25
7010 Other income		9,686	0.65	6,755	0.46
7020 Other gains and losses		16,872	1.13	(12,166)	(0.83)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(4)	102,428	6.84	83,337	5.72
7510 Interest expense	6(7)	(38)	(0.00)	(38)	(0.00)
7900 PROFIT BEFORE INCOME TAX		269,243	17.98	228,284	15.67
7950 INCOME TAX EXPENSE	4 and 6(12)	(55,855)	(3.73)	(47,080)	(3.23)
8200 PROFIT FOR THE PERIOD		213,388	14.25	181,204	12.44
8300 OTHER COMPREHENSIVE INCOME					
8310 Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gains (losses) on remeasurements of defined benefit plans	4 and 6(8)	344	0.02	159	0.01
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(12)	(69)	(0.00)	(32)	(0.00)
8360 Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		32,035	2.14	(5,541)	(0.38)
Other comprehensive income(loss), net of income tax		32,310	2.16	(5,414)	(0.37)
8500 TOTAL COMPREHENSIVE INCOME		\$ 245,698	16.41	\$ 175,790	12.07
9750 BASIC EARNINGS PER SHARE (NTD)	6(14)				
Profit before income tax		\$ 3.56		\$ 3.02	
Less: Income tax expense		(0.74)		(0.62)	
Profit for the period		\$ 2.82		\$ 2.40	

(See accompanying notes to the parent company only financial statements.)

FINE BLANKING & TOOL CO., LTD.
Parent Company Only Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Items	Ordinary Share	Capital Surplus	Retained Earnings			Others	Total
			Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	
BALANCE, JANUARY 1, 2021	\$ 756,617	\$ 150,801	\$ 431,237	\$ 81,520	\$ 865,541	\$ (92,414)	\$ 2,193,302
Appropriation of earnings:							
Legal reserve appropriated			10,238		(10,238)		-
Special reserve appropriated				10,894	(10,894)		-
Cash dividends					(52,959)		(52,959)
Profit for the period					181,204		181,204
Other comprehensive income (loss) for the period:							
Exchange differences on translation of foreign financial statements						(5,541)	(5,541)
Gain (losses) on remeasurements of defined benefit plans					127		127
Total comprehensive income (loss) for the period					181,331	(5,541)	175,790
BALANCE, DECEMBER 31, 2021	\$ 756,617	\$ 150,801	\$ 441,475	\$ 92,414	\$ 972,781	\$ (97,955)	\$ 2,316,133
Appropriation of earnings:							
Legal reserve appropriated			18,133		(18,133)		-
Special reserve appropriated				5,541	(5,541)		-
Cash dividends					(121,055)		(121,055)
Profit for the period					213,388		213,388
Other comprehensive income (loss) for the period:							
Exchange differences on translation of foreign financial statements						32,035	32,035
Gain (losses) on remeasurements of defined benefit plans					275		275
Total comprehensive income (loss) for the period					213,663	32,035	245,698
BALANCE, DECEMBER 31, 2022	\$ 756,617	\$ 150,801	\$ 459,608	\$ 97,955	\$ 1,041,715	\$ (65,920)	\$ 2,440,776

(See accompanying notes to the parent company only financial statements.)

FINE BLANKING & TOOL CO., LTD.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES :		
Profit before income tax	\$ 269,243	\$ 228,284
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	48,804	42,322
Amortization expense	5,223	8,890
Expected credit loss (gain)	443	(470)
Interest expense	38	38
Interest income	(2,679)	(3,638)
Share of profit of associates and joint ventures accounted for using equity method	(102,428)	(83,337)
Loss (gain) on disposal of property, plant and equipment	(333)	(283)
Unrealized (realized) gain on the transactions with subsidiaries	(209)	(3,102)
Changes in operating assets		
Decrease (increase) in notes receivable, net	6,339	(5,987)
Decrease (increase) in accounts receivable, net	15,173	(5,262)
Decrease (increase) in accounts receivable due from related parties	(10,836)	33,108
Decrease (increase) in other receivable	25	56,547
Decrease (increase) in other receivable due from related parties	(2,605)	(876)
Decrease (increase) in inventories	(8,965)	(107,826)
Decrease (increase) in prepayments	(1,306)	(4,255)
Decrease (increase) in other current assets	290	(184)
Total changes in operating assets	(1,885)	(34,735)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(1,614)	(6,883)
Increase (decrease) in notes payable	(2,729)	2,745
Increase (decrease) in accounts payable	(37,956)	790
Increase (decrease) in accounts payable to related parties	1,885	(2,844)
Increase (decrease) in other payable	13,037	17,776
Increase (decrease) in provisions	(104)	104
Increase (decrease) in other current liabilities	2,020	514
Total changes in operating liabilities	(25,461)	12,202

(Continued)

FINE BLANKING & TOOL CO., LTD.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash inflow (outflow) generated from operations	190,756	166,171
Interest received	2,598	3,643
Interest paid	(38)	(38)
Income taxes paid	<u>(38,686)</u>	<u>(12,288)</u>
Net cash flows from (used in) operating activities	<u>154,630</u>	<u>157,488</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES :		
Decrease (increase) in financial assets at amortized cost - current	-	1,203
Dividends received	80,311	49,863
Acquisition of property, plant and equipment	(32,593)	(24,956)
Proceeds from disposal of property, plant and equipment	529	383
Decrease (increase) in intangible assets	(1,045)	(1,644)
Decrease (increase) in prepayments for business facilities	(27,911)	(28,193)
Decrease (increase) in refundable deposits	-	297
Decrease (increase) in other non-current assets	<u>(3,574)</u>	<u>(2,336)</u>
Net cash flows from (used in) investing activities	<u>15,717</u>	<u>(5,383)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES :		
Payments of lease liabilities	(1,144)	(855)
Cash dividends paid	<u>(120,878)</u>	<u>(52,882)</u>
Net cash flows from (used in) financing activities	<u>(122,022)</u>	<u>(53,737)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	48,325	98,368
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>660,300</u>	<u>561,932</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 708,625</u>	<u>\$ 660,300</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Non-cash investing and financing activities:		
Exchange differences on translation of foreign financial statements	<u>\$ 32,035</u>	<u>\$ (5,541)</u>

(See accompanying notes to the parent company only financial statements.)

(Attachment 3)

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Fine Blanking & Tool Co., Ltd. as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Fine Blanking & Tool Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

FINE BLANKING & TOOL CO., LTD.

By

Wu, Chung-Yi

Chairman

March 6, 2023



富鋒聯合會計師事務所

彰化市金馬路三段 439 號 4 樓之 1

TEL : (04)7514030

FAX : (04)7514168

Independent Auditors' Report

To Fine Blanking & Tool Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Fine Blanking & Tool Co., Ltd. (the "Company") and its subsidiaries (the "Group"), as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 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 with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretation (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the 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.

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

1. Accounts Receivable Valuation

Fine Blanking & Tool Co., Ltd. and its subsidiaries were affected by the economic climate, and 69.33% of receivables at end of period came from the top 10 customers. Receivables collection has significant effect on the cash flow of Fine Blanking & Tool Co., Ltd. and its subsidiaries. Consequently, the valuation of accounts receivable is identified as one of our key audit matters.

We performed the following audit procedures in respect of the above key audit matter:

- (1) Reviewed the cash collection of receivables during subsequence period, and assessed whether there is impairment of receivables. If any such item remains uncollected after the due date, ascertain whether appropriate treatment has been made.
- (2) Assessed whether overdue accounts receivable or accounts receivable under dispute or litigation are evaluated for impairment and reclassified to an appropriate account.
- (3) Examined the details of newly added customers with significant amounts of receivables or the top 10 customers to confirm that the Group performs a proper credit approval process and inspected whether there is any overdue debts.

2. Inventory valuation

To meet the needs of prompt delivery, it is essential for Fine Blanking & Tool Co., Ltd. and its subsidiaries that a certain amount of material, work in progress, and finished goods be prepared. However, the introduction of new products may lead to obsolete materials and affect cost of goods sold. Consequently, the valuation of inventory is identified as one of our key audit matters.

We performed the following audit procedures in respect of the above key audit matter:

- (1) Participate in the inventory count to confirm the quantity and ownership of inventory at the end of the period; and test the quantity on the closing inventory statement to the inventory book.
- (2) Examined whether the valuation of inventories is in accordance with the accounting policies of Fine Blanking & Tool Co., Ltd. and its subsidiaries.
- (3) Understood the basis of the selling prices Fine Blanking & Tool Co., Ltd. and its subsidiaries used and the variation of the price in the subsequent period to assess the reasonableness of net realizable value of inventories.
- (4) Assessed whether appropriate provisions have been recognized for aged, damaged, slow moving or obsolete inventories by discussing with the management.

Other Matter

Fine Blanking & Tool Co., Ltd. has additionally prepared its parent company only financial statements 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease 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 exercised professional judgment and maintained 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 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 Yen, Kuo-Yu and Chi, Chia-Yu.

Ful-Fill & Co., CPAs
Changhua, Taiwan
Republic of China
March 6, 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.

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Items	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
11××	CURRENT ASSETS:					
1100	Cash and cash equivalents	4 and 6(1)	\$ 874,855	26.41	\$ 898,053	28.87
1136	Current financial assets at amortized cost	4 and 6(2)	227,127	6.86	122,210	3.93
1150	Notes receivable, net	4 and 6(3)	6,708	0.20	15,990	0.5
1170	Accounts receivable, net	4, 5 and 6(3)	372,969	11.26	360,760	11.60
1180	Accounts receivable due from related parties, net	4, 5, 6(3) and 7	147,088	4.44	136,843	4.40
1200	Other receivables	7	8,103	0.24	5,700	0.18
1310	Inventories	4, 5 and 6(4)	469,937	14.19	455,851	14.65
1410	Prepayments		21,760	0.66	11,694	0.38
1470	Other current assets		1,202	0.04	1,265	0.04
11××	Total current assets		2,129,749	64.30	2,008,366	64.56
15××	NON-CURRENT ASSETS:					
1600	Property, plant and equipment	4, 6(5) and 8	1,035,423	31.26	955,954	30.73
1755	Right-of-use assets	4 and 6(6)	46,549	1.41	45,628	1.47
1801	Computer software, net	4 and 5	2,691	0.08	2,708	0.09
1805	Goodwill	4 and 5	15,521	0.47	15,379	0.49
1840	Deferred tax assets	4, 5 and 6(12)	18,489	0.56	17,776	0.57
1915	Prepayments for business facilities		12,608	0.38	17,365	0.56
1920	Guarantee deposits paid		10,415	0.31	10,405	0.33
1995	Other non-current assets, others		40,584	1.23	37,191	1.20
15××	Total non-current assets		1,182,280	35.70	1,102,406	35.44
1××	TOTAL ASSETS		\$ 3,312,029	100.00	\$ 3,110,772	100.00
21××	CURRENT LIABILITIES:	4				
2130	Currenct contract liabilities	4	\$ 18,988	0.57	\$ 21,452	0.69
2150	Notes payable	4	230	0.01	2,959	0.10
2170	Accounts payable	4 and 7	291,158	8.79	295,659	9.50
2180	Accounts payable to related parties		7,273	0.22	8,512	0.27
2200	Other payables	4 and 6(12)	121,353	3.66	108,401	3.49
2230	Current tax liabilities	4	64,817	1.96	48,224	1.55
2250	Current provisions	4 and 6(7)	12	0.00	116	0.00
2280	Current lease liabilities		1,165	0.04	1,188	0.04
2399	Other current liabilities		4,235	0.13	2,216	0.07
21××	Total current liabilities		509,231	15.38	488,727	15.71

(Continued)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Items	Notes	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
		Amount	%	Amount	%
25××	NON-CURRENT LIABILITIES:				
2570	Deferred tax liabilities	4 and 6(12)	\$ 5,535 0.17	\$ 995 0.03	
2580	Non-current lease liabilities	4 and 6(7)	14,695 0.44	13,850 0.45	
2640	Net defined benefit liability, non-current	4, 5 and 6(8)	15,432 0.46	15,776 0.51	
2645	Guarantee deposits received		200 0.01	68 0.00	
25××	Total non-current liabilities		35,862 1.08	30,689 0.99	
2××	Total liabilities		545,093 16.46	519,416 16.70	
31××	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT				
3110	Ordinary share	6(9)	756,617 22.84	756,617 24.32	
3210	Capital surplus, additional paid-in capital	6(9)	150,801 4.55	150,801 4.85	
3300	Retained earnings	6(9)			
3310	Legal reserve		459,608 13.88	441,475 14.19	
3320	Special reserve		97,955 2.96	92,414 2.97	
3350	Unappropriated retained earnings		1,041,715 31.45	972,781 31.27	
3400	Other equity interest	6(9)			
3410	Exchange differences on translation of foreign financial statements		(65,920) (1.99)	(97,955) (3.15)	
31××	Total equity attributable to owners of parent		2,440,776 73.69	2,316,133 74.45	
36××	NON-CONTROLLING INTERESTS	6(9)	326,160 9.85	275,223 8.85	
	Total equity		2,766,936 83.54	2,591,356 83.30	
1××	TOTAL LIABILITIES AND EQUITY		\$ 3,312,029 100.00	\$ 3,110,772 100.00	

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Items	Notes	2022		2021	
		Amount	%	Amount	%
4000 OPERATING REVENUE	4, 5, 6(10) and 7	\$ 3,141,305	100.00	\$ 2,766,438	100.00
5000 OPERATING COSTS	6(4)(13) and 7	(2,532,909)	(80.63)	(2,226,107)	(80.47)
5900 GROSS PROFIT FROM OPERATIONS		608,396	19.37	540,331	19.53
6000 OPERATING EXPENSES	6(13)				
6100 Selling expenses		(29,062)	(0.93)	(46,114)	(1.67)
6200 Administrative expenses		(179,345)	(5.71)	(137,858)	(4.98)
6300 Research and development expenses		(23,554)	(0.75)	(22,675)	(0.82)
6450 Impairment loss determined in accordance with IFRS 9		257	0.01	175	0.01
Total operating expenses		(231,704)	(7.38)	(206,472)	(7.46)
6900 NET OPERATING INCOME		376,692	11.99	333,859	12.07
7000 NON-OPERATING INCOME AND EXPENSES	6(11)				
7100 Interest income		14,372	0.46	14,618	0.53
7010 Other income		7,805	0.25	6,902	0.25
7020 Other gains and losses		19,679	0.63	(12,181)	(0.44)
7510 Interest expense	6(7)	(568)	(0.02)	(552)	(0.02)
7670 Gain on reversal of impairment loss		215	0.01	854	0.03
Total non-operating income and expenses		41,503	1.33	9,641	0.35
7900 PROFIT BEFORE INCOME TAX		418,195	13.32	343,500	12.42
7950 INCOME TAX EXPENSE	4 and 6(12)	(111,717)	(3.56)	(90,547)	(3.27)
8200 PROFIT FOR THE PERIOD		306,478	9.76	252,953	9.15
8300 OTHER COMPREHENSIVE INCOME					
8310 Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Gains (losses) on remeasurements of defined benefit plans	4 and 6(9)	344	0.01	159	0.01
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(12)	(69)	(0.00)	(32)	(0.00)
8360 Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		53,627	1.71	(8,617)	(0.31)
OTHER COMPREHENSIVE INCOME(LOSS), NET OF INCOME TAX		53,902	1.72	(8,490)	(0.30)
8500 TOTAL COMPREHENSIVE INCOME		\$ 360,380	11.48	\$ 244,463	8.85
8600 PROFIT ATTRIBUTABLE TO					
8610 Owners of parent		\$ 213,388	6.79	\$ 181,204	6.55
8620 Non-controlling interests		93,090	2.97	71,749	2.60
		\$ 306,478	9.76	\$ 252,953	9.15
8700 COMPREHENSIVE INCOME ATTRIBUTABLE TO					
8710 Owners of parent		\$ 245,698	7.82	\$ 175,790	6.35
8720 Non-controlling interests		114,682	3.66	68,673	2.50
		\$ 360,380	11.48	\$ 244,463	8.85
9750 BASIC EARNINGS PER SHARE (NTD)	6(14)	\$ 2.82		\$ 2.40	

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Items	Equity Attributable to Owners of Parent						Total	Non-controlling Interests	Total Equity
	Ordinary Share	Capital Surplus	Retained Earnings			Others			
			Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements			
BALANCE, JANUARY 1, 2021	\$ 756,617	\$ 150,801	\$ 431,237	\$ 81,520	\$ 865,541	\$ (92,414)	\$ 2,193,302	\$ 246,127	\$ 2,439,429
Appropriation of earnings:									
Legal reserve appropriated			10,238		(10,238)		-		
Special reserve appropriated				10,894	(10,894)				
Cash dividends					(52,959)		(52,959)	(39,577)	(92,536)
Profit for the period					181,204		181,204	71,749	252,953
Other comprehensive income (loss) for the period:									
Exchange differences on translation of foreign financial statements						(5,541)	(5,541)	(3,076)	(8,617)
Gains (losses) on remeasurements of defined benefit plans					127		127		127
Total comprehensive income (loss) for the period					181,331	(5,541)	175,790	68,673	244,463
BALANCE, DECEMBER 31, 2021	\$ 756,617	\$ 150,801	\$ 441,475	\$ 92,414	\$ 972,781	\$ (97,955)	\$ 2,316,133	\$ 275,223	\$ 2,591,356
Appropriations of earnings:									
Legal reserve appropriated			18,133		(18,133)		-		-
Special reserve appropriated				5,541	(5,541)				
Cash dividends					(121,055)		(121,055)	(63,745)	(184,800)
Profit for the period					213,388		213,388	93,090	306,478
Other comprehensive income (loss) for the period:									
Exchange differences on translation of foreign financial statements						32,035	32,035	21,592	53,627
Gains (losses) on remeasurements of defined benefit plans					275		275		275
Total comprehensive income (loss) for the period					213,663	32,035	245,698	114,682	360,380
BALANCE, DECEMBER 31, 2022	\$ 756,617	\$ 150,801	\$ 459,608	\$ 97,955	\$ 1,041,715	\$ (65,920)	\$ 2,440,776	\$ 326,160	\$ 2,766,936

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES :		
Profit before income tax	\$ 418,195	\$ 343,500
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	96,284	93,529
Amortization expense	30,634	37,408
Expected credit loss (gain)	(257)	(175)
Interest income	(14,372)	(14,618)
Interest expense	568	552
Loss (gain) on disposal of property, plant and equipment	(2,641)	(888)
Loss (gain) on disposal of other assets	-	(17)
Impairment loss (gain on reversal) on non-financial assets	(215)	(854)
Changes in operating assets		
Decrease (increase) in notes receivable, net	9,282	(793)
Decrease (increase) in accounts receivable, net	(12,088)	(44,934)
Decrease (increase) in accounts receivable due from related parties	(10,109)	27,824
Decrease (increase) in other receivable	(1,256)	56,201
Decrease (increase) in current tax assets	-	666
Decrease (increase) in inventories	(14,086)	(143,603)
Decrease (increase) in prepayments	(10,066)	(6,020)
Decrease (increase) in other current assets	63	(179)
Total changes in operating assets	(38,260)	(110,838)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(2,464)	(5,814)
Increase (decrease) in notes payable	(2,729)	2,744
Increase (decrease) in accounts payable	(4,501)	6,214
Increase (decrease) in accounts payable to related parties	(1,239)	1,968
Increase (decrease) in other payable	12,875	32,292
Increase (decrease) in provisions	(104)	104
Increase (decrease) in other current liabilities	2,019	515
Total changes in operating liabilities	3,857	38,023

(Continued)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash inflow (outflow) generated from operations	493,793	385,622
Interest received	13,861	16,079
Interest paid	(575)	(553)
Income taxes paid	(93,526)	(51,404)
Net cash flows from (used in) operating activities	413,553	349,744
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES :		
Decrease (increase) in financial assets at amortized cost - current	(104,917)	36,871
Acquisition of property, plant and equipment	(119,888)	(31,767)
Proceeds from disposal of property, plant and equipment	15,115	1,612
Decrease (increase) in software fee	(1,045)	(1,644)
Decrease (increase) in prepayments for business facilities	(55,291)	(42,915)
Decrease (increase) in refundable deposits	(10)	1,376
Decrease (increase) in other non-current assets	(26,234)	(43,136)
Net cash flows from (used in) investing activities	(292,270)	(79,603)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES :		
Payments of lease liabilities	(1,344)	(1,030)
Increase (decrease) in guarantee deposits received	132	40
Cash dividends paid	(184,723)	(92,459)
Change in non-controlling interests	21,592	(3,076)
Net cash flows from (used in) financing activities	(164,343)	(96,525)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	19,862	(2,785)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(23,198)	170,831
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	898,053	727,222
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 874,855	\$ 898,053

(See accompanying notes to consolidated financial statements.)

(Attachment 4)

FINE BLANKING & TOOL CO., LTD.

2022 Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements and proposal for allocation of earnings. The Yen, Kuo-Yu Chi and Chia-Yu CPA of Full-Go & Co.,e was retained to audir FBT's Financial Statements and has issued an audit report relating to the Financial Statements.

The Business Report, Financial Statements, and allocation of earnings have been reviewed and determined To be correct accurate by the Audit Committee members of FBT According to relevant Requirements of the Securities and Exchange Act and the Company Law, We hereby submit this report.

FINE BLANKING & TOOL CO., LTD.

chairman of the Audit Committee : YI-MIN LIN

March 6,2023

(Attachment 5)

FINE BLANKING & TOOL CO., LTD.
2022 Earnings Distribution Table

Unit: NT\$

Items	Total	Note
Unappropriated Retained Earnings of Previous Years(A)	828,051,657	
Plus:2022 PROFIT FOR THE PERIOD(B=B1-B2)	213,388,166	
2022 PROFIT BEFORE INCOME TAX(B1)	269,242,791	
Less:2022 INCOME TAX EXPENSE(B2)	(55,854,625)	
Plus:2022 Components of other comprehensive income that will not be reclassified to profit or loss(D)	275,009	Note:1
Less: 10% legal reserve 《C1=(B+D)*10%》	(21,366,318)	
Plus:Special Reserve -(C2)	32,034,734	Note:2
Distributable net profit(E=A+B+D-C1+C2)	1,052,383,248	
DistDistribution Item : (H=H1+H2)	(151,323,480)	Note:3-4
Cash Dividends to Common Share Holders(NT\$2 per share)(H1)	(151,323,480)	
Stocks Dividends to Common Share Holders(NT\$0 per share)(H2)	0	
Unappropriated Retained Earnings(I=E-H)	901,059,768	

Note: 1. 2022 After-tax other comprehensive income included in Unappropriated retained earnings	
Remeasurement of Defined Benefit Obligation=	275,009
Gains (losses) on remeasurements of defined benefit plans	343,762
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(68,753)
2. Plus:Special Reserve=	32,034,734
Exchange differences on translation of foreign financial statements	32,034,734
3. Earnings Distribution=	151,323,480
(1).Cash Dividends to Common Share Holders=75,661,740*2	151,323,480
(2). Stocks Dividends to Common Share Holders=75,661,740*0	0
4. Cash dividends of less than NT\$1 will not be distributed as retained earnings.	

(Attachment 6)

FINE BLANKING & TOOL CO., LTD.

Comparison Table for the Rules and Procedures of Shareholders' Meeting Before and After Revision

Article	Description		Amendment basis and reasons
	Before amendment	After amendment	
Article 2	<p>The shareholders' meetings of the Company shall be convened by the Board unless otherwise provided by laws.</p> <p>.....</p> <p>The foregoing Meeting Handbook and supplementary information for the meeting shall be made available to shareholders on the date of the shareholders' meeting in the following manner:</p> <p>I. When a physical shareholders' meeting is held, it shall be distributed at the site of the shareholders' meeting.</p> <p>II. When a video-assisted shareholders' meeting is held, it shall be distributed onsite at the shareholders' meeting and transmitted to the video conference platform by electronic file.</p> <p><u>When a video shareholders' meeting is held, it shall be sent to the video conference platform by electronic file.</u></p> <p>The notice and announcement shall state the reason for the convening; the notice may be given by electronic means with the consent of the opposite party.</p> <p>.....</p>	<p>The shareholders' meetings of the Company shall be convened by the Board unless otherwise provided by laws.</p> <p><u>The Company's shareholders' meetings shall be held mainly in the form of physical shareholders' meetings, supplemented by video-assisted shareholders' meeting when necessary.</u></p> <p>.....</p> <p>The foregoing Meeting Handbook and supplementary information for the meeting shall be made available to shareholders on the date of the shareholders' meeting in the following manner:</p> <p>I. When a physical shareholders' meeting is held, it shall be distributed at the site of the shareholders' meeting.</p> <p>II. When a video-assisted shareholders' meeting is held, it shall be distributed onsite at the shareholders' meeting and transmitted to the video conference platform by electronic file.</p> <p><u>When a video shareholders' meeting is held, it shall be sent to the video conference platform by electronic file.</u></p> <p>The notice and announcement shall state the reason for the convening; the notice may be given by electronic means with the consent of the opposite party.</p> <p>.....</p>	<p>The Company's shareholders' meetings shall be held mainly in the form of physical shareholders' meetings and video-assisted shareholders' meeting.</p>

FINE BLANKING & TOOL CO., LTD.

Comparison Table for the Rules and Procedures of Shareholders' Meeting Before and After Revision

Article	Description		Amendment basis and reasons
	Before amendment	After amendment	
Article 2-1	<p>The Company shall hold a video conference of shareholders and shall specify the following in the notice convening the conference:</p> <p>I. Shareholders' participation in video conferences and methods of exercising their rights.</p> <p>II.</p> <p><u>III. Hold a video shareholders' meeting and specify appropriate alternative measures for shareholders who have difficulty participating in shareholders' meetings by means of video</u></p>	<p>The Company shall hold a video conference of shareholders and shall specify the following in the notice convening the conference:</p> <p>I. Shareholders' participation in video conferences and methods of exercising their rights.</p> <p>II.</p> <p><u>III. Hold a video shareholders' meeting and specify appropriate alternative measures for shareholders who have difficulty participating in shareholders' meetings by means of video.</u></p>	<p>The Company's shareholders' meetings shall be held mainly in the form of physical shareholders' meetings and video-assisted shareholders' meeting.</p>
Article 4	<p>The place where the shareholders' meeting of the Company held,</p> <p>The opinions of the Independent Directors shall be fully considered as to the place and time of the meeting.</p> <p><u>When the Company holds a video shareholders' meeting, the places of the meeting shall not be restricted as described above.</u></p>	<p>The place where the shareholders' meeting of the Company held,</p> <p>The opinions of the Independent Directors shall be fully considered as to the place and time of the meeting.</p> <p><u>When the Company holds a video shareholders' meeting, the places of the meeting shall not be restricted as described above.</u></p>	<p>The Company's shareholders' meetings shall be held mainly in the form of physical shareholders' meetings and video-assisted shareholders' meeting.</p>

FINE BLANKING & TOOL CO., LTD.

Comparison Table for the Rules and Procedures of Shareholders' Meeting Before and After Revision

Article	Description		Amendment basis and reasons
	Before amendment	After amendment	
Article 20	<p>The number of shares solicited by the requester, the number of shares represented by the entrusted agent, and the number of shares attended by shareholders in writing or electronic form,</p> <p>The Company shall input the announcement method of the public information observation station on the distribution of the minutes referred to in the preceding paragraph.</p> <p>.....</p> <p><u>In addition to the aforementioned provisions, the Company shall convene a video shareholders' meeting and shall specify in the minutes of the meeting, and provide alternative measures for shareholders who have difficulty in participating in shareholders' meetings by video.</u></p>	<p>The number of shares solicited by the requester, the number of shares represented by the entrusted agent, and the number of shares attended by shareholders in writing or electronic form,</p> <p>The Company shall input the announcement method of the public information observation station on the distribution of the minutes referred to in the preceding paragraph.</p> <p>.....</p> <p>In addition to the aforementioned provisions, the Company shall convene a video shareholders' meeting and shall specify in the minutes of the meeting, and provide alternative measures for shareholders who have difficulty in participating in shareholders' meetings by video.</p>	<p>The Company's shareholders' meetings shall be held mainly in the form of physical shareholders' meetings and video-assisted shareholders' meeting.</p>

FINE BLANKING & TOOL CO., LTD.

Comparison Table for the Rules and Procedures of Shareholders' Meeting Before and After Revision

Article	Description		Amendment basis and reasons
	Before amendment	After amendment	
Article 21	<p>If the shareholders' meeting is held by video conference, the Company may provide a simple connection test for shareholders before the meeting and provide related services immediately before and during the meeting to assist in handling technical problems of communication.</p> <p>.....</p> <p><u>When the Company holds a video shareholders' meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulty attending the shareholders' meeting by video.</u></p>	<p>If the shareholders' meeting is held by video conference, the Company may provide a simple connection test for shareholders before the meeting and provide related services immediately before and during the meeting to assist in handling technical problems of communication.</p> <p>.....</p> <p><u>When the Company holds a video shareholders' meeting, the Company shall provide appropriate alternative measures for shareholders who have difficulty attending the shareholders' meeting by video.</u></p>	The Company's shareholders' meetings shall be held mainly in the form of physical shareholders' meetings and video-assisted shareholders' meeting.
Article 23	<p>Date of formulation and amendment</p> <p>The Code was established on August 28, 2001.</p> <p>.....</p> <p>The 8th amendment was made on May 24, 2022.</p>	<p>Date of formulation and amendment</p> <p>The Code was established on August 28, 2001.</p> <p>.....</p> <p>The 8th amendment was made on May 24, 2022.</p> <p><u>The 9th amendment was made on May 30, 2023.</u></p>	Add the date of this amendment.