



**FINE BLANKING & TOOL CO., LTD.**

## **Handbook for the 2024 Annual Meeting of Shareholders**

Shareholders meeting will be held by means of physical  
shareholders meeting

MEETING TIME : May 21,2024

PLACE : No.67,Xing Gong Rd., Chuansing Industrial  
Park ,Shengang Township, Changhua County,  
Taiwan (Chuansing Industrial Park Service  
Center)



# FINE BLANKING & TOOL CO., LTD.

## Handbook for the 2024 Annual Meeting of Shareholders

### Table of Contents

<b>I. Meeting Procedure</b>	P 1 ~ P 1
<b>II. Meeting Agenda</b>	
1.Report Items	P 2 ~ P 2
2.Approval Items	P 3 ~ P 3
3.Questions and Motions	P 4 ~ P 4
4.Adjournment	P 4 ~ P 4
<b>III. Attachment</b>	
1.2023 Business Report	P 5 ~ P 7
2.2023 Audit Committee's Review Report	P 8 ~ P 8
3.Independent Auditors' Report and 2023 Parent Company Only Financial Statements	P 9 ~ P18
4.Independent Auditors' Report and 2023 Consolidated Financial Statements	P19 ~ P30
5.2023 Earnings Distribution Table	P31 ~ P31
<b>IV. Appendices</b>	
1.Rules and Procedures of Shareholders' Meeting	P32 ~ P42
2.Articles of Incorporation	P43 ~ P47
3.Shareholdings of All Directors	P48 ~ P49



## *Meeting Agenda*

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# FINE BLANKING & TOOL CO., LTD. Procedure for the 2024 Annual Meeting of Shareholders

Time : 10:00 a.m., Tuesday, May 21, 2024

Place: Chuansing Industrial Park Service Center (No.67, Xing Gong Rd., Chuansing Industrial Park, Shengang Township, Changhua County, Taiwan)

Shareholders meeting will be held by means of physical shareholders meeting

I. Report the number of shareholders present

II. Call the Meeting to Order

III. Chairperson Remarks

IV. Report Items

- (1). To report the 2023 employees' and directors' compensation.
- (2). To report the business of 2023.
- (3). 2023 Audit Committee's review report.

V. Approval Items

- (1). To accept 2023 Business Report and Financial Statements.
- (2). To approve the proposal for distribution of 2023 Earnings

VI. Questions and Motions

VII. Adjournment



## ***Meeting Agenda***

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### **【Report Items】**

Report No. 1 : To report the 2023 employees' and directors' compensation.

Explanation:

- (1) According to Article 23 of the Articles of Incorporation.
- (2) The Board of Directors approved the 2023 employees' compensation NTD 12,771,963 and directors' compensation NTD 9,195,813.  
The employees' and directors' compensation are to be distributed in cash or T/T.
- (3).The report is hereby presented for approval.

Report No. 2 : To report the business of 2023.

Explanation:

- (1). 2023 Business Report are attached hereto as P5~7, Attachments 1.
- (2).The report is hereby presented for approval

Report No. 3 : 2023 Audit Committee's review report.

Explanation:

- (1). 2023 Audit Committee's review report are attached hereto as P8, Attachments 2.
- (2).The convenor of the Audit Committee is urged to read out the audit report.
- (3).The report is hereby presented for approval.



## *Meeting Agenda*

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### 【Approval Items】

Approval No.1 (Proposed by the Board)

Proposal: To accept 2023 Business Report and Financial Statements.

Explanation:

- (1). The Business Report, Financial Statements, have been reviewed by the Audit Committee members of FBT and the Board of Directors Approved.
- (2). FBT's 2023 Business Report 、Parent Company Only Financial Statements And Consolidated Financial Statements, The Yen, Kuo-Yu and The Chi , Chia-Yu CPAs of Full-Go & Co., was retained to audit FBT's Financial statements and has issued an audit report relating to the Financial Statements.
- (3). FBT's 2023 Business Report 、Parent Company Only Financial Statements And Consolidated Financial Statements, are attached hereto as P5~29, Attachments 1, 2, 3 and 4.
- (4). The Approval is hereby presented for ratification.

Resolution:

Approval No. 2 (Proposed by the Board)

Proposal: To approve the proposal for distribution of 2023 Earnings.

Explanation:

- (1). The distribution of 2023 Earnings, have been reviewed by the Audit Committee members of FBT and the Board of Directors Approved.
- (2). 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\$1.6 per share amounts to NT\$121,058,784, with a total distribution of NT\$121,058,784.
- (3). 2023 Earnings Distribution Table are attached hereto as P30, Attachment 5.
- (4). 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.
- (5). The Approval is hereby presented for ratification.

Resolution:



## *Meeting Agenda*

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【Questions and Motions】

【Adjournment】

**(Attachment 1)**

**FINE BLANKING & TOOL CO., LTD.  
2023 Business Report**

**I. Results of the business plan**

Unit: In Thousands of New Taiwan Dollars; %

Items	2023 Estimated Consolidated Financial Statements	2023 Consolidated Financial Statements	Achievement rate%
OPERATING REVENUE	3,457,110	2,860,040	<b>82.73%</b>
OPERATING COSTS	(2,773,289)	(2,293,463)	<b>82.70%</b>
GROSS PROFIT FROM OPERATIONS	683,821	566,577	<b>82.85%</b>
Total operating expenses	(229,213)	(233,156)	<b>101.72%</b>
NET OPERATING INCOME	454,608	333,421	<b>73.34%</b>
NON-OPERATING INCOME AND EXPENSES	22,184	39,449	<b>177.83%</b>
PROFIT BEFORE INCOME TAX	476,792	372,870	<b>78.20%</b>
INCOME TAX EXPENSE	(131,244)	(99,787)	<b>76.03%</b>
PROFIT FOR THE PERIOD	345,548	273,083	<b>79.03%</b>
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	0	0	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	0	0	
Gains (losses) on remeasurements of defined benefit (net of Income tax)	0	0	
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation	(28,247)	(23,248)	<b>82%</b>
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX	(28,247)	(23,248)	<b>82%</b>
TOTAL COMPREHENSIVE INCOME	317,301	249,835	<b>78.74%</b>
PROFIT ATTRIBUTABLE TO			
Owners of parent	217,985	181,424	<b>83.23%</b>
Non-controlling interests	127,563	91,659	<b>71.85%</b>
	345,548	273,083	<b>79.03%</b>
COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Owners of parent	196,828	166,412	<b>84.55%</b>
Non-controlling interests	120,473	83,423	<b>69.25%</b>
	317,301	249,835	<b>78.74%</b>
BASIC EARNINGS PER SHARE (NTD)	<b>2.89</b>	<b>2.40</b>	<b>83.23%</b>

Note: The 2023 financial budget prepared by the Company is for internal management purposes only and no external financial forecast has been announced.



# Attachment

## II. Financial income and expenditure

Unit: In Thousands of New Taiwan Dollars; %

Items \ Year	2022	2023	increase or decrease %
OPERATING REVENUE	3,141,305	2,860,040	-8.95%
OPERATING COSTS	(2,532,909)	(2,293,463)	-9.45%
GROSS PROFIT FROM OPERATIONS	608,396	566,577	-6.87%
Total operating expenses	(231,704)	(233,156)	0.63%
NET OPERATING INCOME	376,692	333,421	-11.49%
NON-OPERATING INCOME AND EXPENSES	41,503	39,449	-4.95%
PROFIT BEFORE INCOME TAX	418,195	372,870	-10.84%
INCOME TAX EXPENSE	(111,717)	(99,787)	-10.68%
PROFIT FOR THE PERIOD	306,478	273,083	-10.90%
OTHER COMPREHENSIVE INCOME			
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on remeasurements of defined benefit	344	0	-100.00%
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(69)	0	-100.00%
Gains (losses) on remeasurements of defined benefit (net of Income tax)	275	0	-100.00%
Components of other comprehensive income that will be reclassified to profit or loss			
Exchange differences on translation	53,627	(23,248)	143.35%
OTHER COMPREHENSIVE INCOME(LOSS), NET OF INCOME TAX	53,902	(23,248)	143.13%
TOTAL COMPREHENSIVE INCOME	360,380	249,835	-30.67%
PROFIT ATTRIBUTABLE TO			
Owners of parent	213,388	181,424	-14.98%
Non-controlling interests	93,090	91,659	-1.54%
	306,478	273,083	-10.90%
COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Owners of parent	245,698	166,412	-32.27%
Non-controlling interests	114,682	83,423	-27.26%
	360,380	249,835	-30.67%
BASIC EARNINGS PER SHARE (NTD)	2.82	2.40	-14.98%





## Attachment

### III. Profitability analysis (Consolidated Financial Statements)

Items \ Year	2022 (A)	2023 (B)	Increase or decrease rate/amount (B-A)
Return on Total Assets (%)	9.56	8.31	(1.25)
Return on Equity (%)	11.44	9.84	(1.60)
Pre-tax Income to Paid-in Capital Ratio (%)	55.27	49.28	(5.99)
Net Margin (%)	9.76	9.54	(0.22)
BASIC EARNINGS PER SHARE (NTD) (Note)	2.82	2.40	(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 — K-shaped latches, latches, connecting plates, hand brake assemblies. Interior System — interior compartment assemblies, right/left outer exterior compartment assemblies, right outer exterior, compartment body assemblies, handle. Drive train — Bearing spacers, transmission rod assemblies, spot welding bolt.	Automotive Application
Safety System — Brake discs, smart discs, lace forged discs, front sensing wheels, rear sensing wheels, floating discs. Engine System — chain wheels. Drive train — shock absorber assemblies, drive chain wheels, chain wheels.	Motorcycle Application
Tools and equipment — Gasket. Golf cart — Secondary clutch assemblies, paddle assemblies (TPS), Frictional Shifted Seat-Pad, Main clutch assemblies. All Terrain Vehicle (ATV) — A-arm assemblies, direction unit, direction column combination Bicycle — Brake discs	Others Applica



(*Attachment 2*)

**FINE BLANKING & TOOL CO., LTD.**  
**2023 Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 Business Report, Parent Company Only Financial Statements, Consolidated Financial Statements and proposal for allocation of earnings. The Yen, Kuo-Yu and Chi, Chia-Yu CPA of Full-Go & Co., was retained to audit 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 and 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. 2023 Annual Shareholders' Meeting.

**FINE BLANKING & TOOL CO., LTD.**

chairman of the Audit Committee : YI-MIN LIN

February 27, 2024



## **Attachment**

### **(Attachment 3)**



**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, 2023 and 2022, 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, 2023 and 2022, 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 Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, 2023. 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, 2023 is stated as follows:

1. Accounts receivable valuation

Fine Blanking & Tool Co., Ltd. was affected by the economic climate, and 81.37% 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.



## ***Attachment***

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

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



## ***Attachment***

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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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of 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.



## ***Attachment***

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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, 2023 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

February 27, 2024

### **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, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

Items	Notes	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
11××	CURRENT ASSETS:				
1100	Cash and cash equivalents	4 and 6(1)	\$ 824,897 30.30	\$ 708,625 25.66	
1150	Notes receivable, net	4 and 6(2)	5,573 0.21	5,972 0.22	
1170	Accounts receivable, net	4, 5 and 6(2)	96,477 3.54	139,082 5.04	
1180	Accounts receivable due from related parties, net	4, 5, 6(2) and 7	138,263 5.08	135,514 4.91	
1200	Other receivables		3,357 0.12	836 0.03	
1210	Other receivables due from related parties	7	3,875 0.14	6,199 0.22	
1310	Inventories	4, 5 and 6(3)	249,637 9.17	340,201 12.32	
1410	Prepayments		22,194 0.82	7,979 0.29	
1470	Other current assets		538 0.02	975 0.03	
11××	Total current assets		1,344,811 49.40	1,345,383 48.72	
15××	NON-CURRENT ASSETS:				
1550	Investments accounted for using equity method	4 and 6(4)	692,376 25.43	709,959 25.71	
1600	Property, plant and equipment	4, 6(5) and 8	634,194 23.30	666,187 24.13	
1755	Right-of-use assets	4 and 6(6)	1,302 0.05	1,951 0.07	
1801	Computer software, net	4 and 5	2,255 0.08	2,691 0.10	
1840	Deferred tax assets	4, 5 and 6(12)	11,371 0.42	10,977 0.40	
1915	Prepayments for business facilities		22,063 0.81	10,064 0.36	
1920	Guarantee deposits paid		10,169 0.37	10,319 0.37	
1995	Other non-current assets, others		3,736 0.14	3,927 0.14	
15××	Total non-current assets		1,377,466 50.60	1,416,075 51.28	
1××	TOTAL ASSETS		\$ 2,722,277 100.00	\$ 2,761,458 100.00	
21××	CURRENT LIABILITIES:				
2130	Current contract liabilities	4	\$ 9,134 0.33	\$ 9,408 0.34	
2150	Notes payable	4	2,883 0.10	230 0.01	
2170	Accounts payable	4	114,306 4.20	142,658 5.17	
2180	Accounts payable to related parties	4 and 7	4,295 0.16	4,606 0.17	
2200	Other payables		71,492 2.63	85,588 3.10	
2230	Current tax liabilities	4 and 6(12)	49,040 1.80	51,259 1.86	
2250	Current provisions	4	20 0.00	12 0.00	
2280	Current lease liabilities	4 and 6(7)	870 0.03	964 0.03	
2399	Other current liabilities, others		2,136 0.08	4,235 0.15	
21××	Total current liabilities		254,176 9.33	298,960 10.83	

(Continued)





**FINE BLANKING & TOOL CO., LTD.**  
**Parent Company Only Balance Sheets**  
**December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

Items	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
25××	NON-CURRENT LIABILITIES:					
2551	Provisions for employee benefits, non-current	4	7,238	0.27	-	-
2570	Deferred tax liabilities	4 and 6(12)	4,550	0.17	5,285	0.19
2580	Non-current lease liabilities	4 and 6(7)	448	0.02	1,005	0.04
2640	Net defined benefit liability, non-current	4, 5 and 6(8)	-	-	15,432	0.56
25××	Total non-current liabilities		12,236	0.46	21,722	0.79
2××	Total liabilities		266,412	9.79	320,682	11.62
31××	EQUITY:					
3110	Ordinary share	6(9)	756,617	27.79	756,617	27.40
3210	Capital surplus, additional paid-in capital	6(9)	150,801	5.54	150,801	5.46
3300	Retained earnings	6(9)				
3310	Legal reserve		480,974	17.67	459,608	16.64
3320	Special reserve		65,920	2.42	97,955	3.55
3350	Unappropriated retained earnings		1,082,485	39.76	1,041,715	37.72
3400	Other equity interest	6(9)				
3410	Exchange differences on translation of foreign financial statements		(80,932)	(2.97)	(65,920)	(2.39)
31××	Total equity		2,455,865	90.21	2,440,776	88.38
3×2×	TOTAL LIABILITIES AND EQUITY		\$ 2,722,277	100.00	\$ 2,761,458	100.00

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





# Attachment

**FINE BLANKING & TOOL CO., LTD.**  
**Parent Company Only Statements of Comprehensive Income**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Items	Notes	2023		2022	
		Amount	%	Amount	%
4000 OPERATING REVENUE	4, 5, 6(10) and 7	\$ 1,240,762	100.00	\$ 1,497,690	100.00
5000 OPERATING COSTS	6(3)(13) and 7	(1,013,750)	(81.70)	(1,239,136)	(82.74)
5900 GROSS PROFIT FROM OPERATIONS		227,012	18.30	258,554	17.26
5910 UNREALIZED PROFIT (LOSS) FROM SALES		170	0.01	(238)	(0.02)
5950 GROSS PROFIT FROM OPERATIONS, NET		227,182	18.31	258,316	17.24
6000 OPERATING EXPENSES	6(13)	(119,078)	(9.60)	(120,700)	(8.06)
6100 Selling expenses		(22,853)	(1.84)	(24,408)	(1.63)
6200 Administrative expenses		(82,094)	(6.62)	(81,346)	(5.43)
6300 Research and development expenses		(14,277)	(1.15)	(14,503)	(0.97)
6450 Impairment loss determined in accordance with IFRS 9	5(2)	146	0.01	(443)	(0.03)
6900 NET OPERATING INCOME		108,104	8.71	137,616	9.18
7000 NON-OPERATING INCOME AND EXPENSES	6(11)	122,307	9.85	131,627	8.80
7100 Interest income		12,761	1.03	2,679	0.18
7010 Other income		11,812	0.95	9,686	0.65
7020 Other gains and losses		(2,793)	(0.23)	16,872	1.13
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(4)	100,558	8.10	102,428	6.84
7510 Interest expense	6(7)	(31)	(0.00)	(38)	(0.00)
7900 PROFIT BEFORE INCOME TAX		230,411	18.56	269,243	17.98
7950 INCOME TAX EXPENSE	4 and 6(12)	(48,987)	(3.95)	(55,855)	(3.73)
8200 PROFIT FOR THE PERIOD		181,424	14.61	213,388	14.25
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
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(12)	-	-	(69)	(0.00)
8360 Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		(15,012)	(1.21)	32,035	2.14
OTHER COMPREHENSIVE INCOME(LOSS), NET OF INCOME TAX		(15,012)	(1.21)	32,310	2.16
8500 TOTAL COMPREHENSIVE INCOME		\$ 166,412	13.40	\$ 245,698	16.41
9750 BASIC EARNINGS PER SHARE (NTD)	6(14)				
Profit before income tax		\$ 3.05		\$ 3.56	
Less: Income tax expense		(0.65)		(0.74)	
Profit for the period		\$ 2.40		\$ 2.82	

(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, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

Items	Retained Earnings					Others		Total
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements		
BALANCE, JANUARY 1, 2022	\$ 756,617	\$ 150,801	\$ 441,475	\$ 92,414	\$ 972,781	\$ (97,955)	\$ 2,316,133	
Appropriation of earnings:								
Legal reserve			18,133		(18,133)		-	
Special reserve				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	
Appropriation of earnings:								
Legal reserve			21,366		(21,366)		-	
Special reserve				(32,035)	32,035		-	
Cash dividends					(151,323)		(151,323)	
Profit for the period					181,424		181,424	
Other comprehensive income (loss) for the period:								
Exchange differences on translation of foreign financial statements						(15,012)	(15,012)	
Total comprehensive income (loss) for the period					181,424	(15,012)	166,412	
BALANCE, DECEMBER 31, 2023	\$ 756,617	\$ 150,801	\$ 480,974	\$ 65,920	\$ 1,082,485	\$ (80,932)	\$ 2,455,865	

(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, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES :		
Profit before income tax	\$ 230,411	\$ 269,243
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	55,394	48,804
Amortization expense	4,786	5,223
Expected credit loss (gain)	(146)	443
Interest expense	31	38
Interest income	(12,761)	(2,679)
Share of profit of associates and joint ventures accounted for using equity method	(100,558)	(102,428)
Loss (gain) on disposal of property, plant and equipment	(335)	(333)
Unrealized (realized) gain on the transactions with subsidiaries	(466)	(209)
Changes in operating assets		
Decrease (increase) in notes receivable, net	399	6,339
Decrease (increase) in accounts receivable, net	42,765	15,173
Decrease (increase) in accounts receivable due from related parties	(2,763)	(10,836)
Decrease (increase) in other receivable	(1,723)	25
Decrease (increase) in other receivable due from related parties	2,324	(2,605)
Decrease (increase) in inventories	90,564	(8,965)
Decrease (increase) in prepayments	(14,215)	(1,306)
Decrease (increase) in other current assets	437	290
Total changes in operating assets	<u>117,788</u>	<u>(1,885)</u>
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(274)	(1,614)
Increase (decrease) in notes payable	2,653	(2,729)
Increase (decrease) in accounts payable	(28,352)	(37,956)
Increase (decrease) in accounts payable to related parties	(311)	1,885
Increase (decrease) in other payable	(14,317)	13,037
Increase (decrease) in provisions	8	(104)
Increase (decrease) in other current liabilities	(2,099)	2,020
Increase (decrease) in net defined benefit liability	(8,194)	-
Total changes in operating liabilities	<u>(50,886)</u>	<u>(25,461)</u>

(Continued)



## Attachment

**FINE BLANKING & TOOL CO., LTD.**  
**Parent Company Only Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022
Cash inflow (outflow) generated from operations	243,258	190,756
Interest received	11,963	2,598
Interest paid	(31)	(38)
Income taxes paid	(52,335)	(38,686)
Net cash flows from (used in) operating activities	<u>202,855</u>	<u>154,630</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES :</b>		
Dividends received	103,595	80,311
Acquisition of property, plant and equipment	(14,272)	(32,593)
Proceeds from disposal of property, plant and equipment	335	529
Decrease (increase) in intangible assets	(422)	(1,045)
Decrease (increase) in prepayments for business facilities	(20,838)	(27,911)
Decrease (increase) in refundable deposits	150	-
Decrease (increase) in other non-current assets	(2,947)	(3,574)
Net cash flows from (used in) investing activities	<u>65,601</u>	<u>15,717</u>
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES :</b>		
Payments of lease liabilities	(1,082)	(1,144)
Cash dividends	(151,102)	(120,878)
Net cash flows from (used in) financing activities	<u>(152,184)</u>	<u>(122,022)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>116,272</b>	<b>48,325</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b><u>708,625</u></b>	<b><u>660,300</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b><u>\$ 824,897</u></b>	<b><u>\$ 708,625</u></b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION :</b>		
<b>Non-cash investing and financing activities:</b>		
Exchange differences on translation of foreign financial statements	<u>\$ (15,012)</u>	<u>\$ 32,035</u>

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





(*Attachment 4*)

## 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, 2023, 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

February 27, 2024



## **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, 2023 and 2022, 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, 2023 and 2022, 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 Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. 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, 2023 is stated as follows:



### 1. Accounts receivable valuation

Fine Blanking & Tool Co., Ltd. and its subsidiaries were affected by the economic climate, and 70.42% 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, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we 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, 2023 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.



## **Attachment**

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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  
February 27, 2024

### **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.*



# Attachment

**FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2023		December 31, 2022		
Items	Notes	Amount	%	Amount	%	
11××	CURRENT ASSETS:					
1100	Cash and cash equivalents	4 and 6(1)	\$ 993,619	30.35	\$ 874,855	26.41
1136	Current financial assets at amortized cost	4 and 6(2)	199,810	6.10	227,127	6.86
1150	Notes receivable, net	4 and 6(3)	5,778	0.18	6,708	0.20
1170	Accounts receivable, net	4, 5 and 6(3)	292,861	8.95	372,969	11.26
1180	Accounts receivable due from related parties, net	4, 5, 6(3) and 7	142,293	4.34	147,088	4.44
1200	Other receivables	7	7,905	0.24	8,103	0.24
1310	Inventories	4, 5 and 6(4)	390,037	11.91	469,937	14.19
1410	Prepayments		34,868	1.07	21,760	0.66
1470	Other current assets		538	0.02	1,202	0.04
11××	Total current assets		2,067,709	63.16	2,129,749	64.30
15××	NON-CURRENT ASSETS:					
1600	Property, plant and equipment	4, 6(5) and 8	1,033,638	31.57	1,035,423	31.26
1755	Right-of-use assets	4 and 6(6)	42,998	1.31	46,549	1.41
1801	Computer software, net	4 and 5	2,553	0.08	2,691	0.08
1805	Goodwill	4 and 5	15,521	0.47	15,521	0.47
1840	Deferred tax assets	4, 5 and 6(12)	20,139	0.62	18,489	0.56
1915	Prepayments for business facilities		24,153	0.74	12,608	0.38
1920	Guarantee deposits paid		10,276	0.31	10,415	0.31
1995	Other non-current assets, others		56,904	1.74	40,584	1.23
15××	Total non-current assets		1,206,182	36.84	1,182,280	35.70
1××	TOTAL ASSETS		\$ 3,273,891	100.00	\$ 3,312,029	100.00
21××	CURRENT LIABILITIES:	4				
2130	Currenct contract liabilities	4	\$ 18,081	0.55	\$ 18,988	0.57
2150	Notes payable	4	2,883	0.09	230	0.01
2170	Accounts payable	4 and 7	268,309	8.20	291,158	8.79
2180	Accounts payable to related parties		7,996	0.24	7,273	0.22
2200	Other payables	4 and 6(12)	99,564	3.04	121,353	3.66
2230	Current tax liabilities	4	65,128	1.99	64,817	1.96
2250	Current provisions	4 and 6(7)	21	0.00	12	0.00
2280	Current lease liabilities		1,072	0.03	1,165	0.04
2399	Other current liabilities, others		2,136	0.07	4,235	0.13
21××	Total current liabilities		465,190	14.21	509,231	15.38

(Continued)



**FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

Items	Notes	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
		Amount	%	Amount	%
25××	NON-CURRENT LIABILITIES:				
2551	Provisions for employee benefits, non-current	4	\$ 7,238	0.22	\$ -
2570	Deferred tax liabilities	4 and 6(12)	4,550	0.14	5,535
2580	Non-current lease liabilities	4 and 6(7)	13,557	0.42	14,695
2640	Net defined benefit liability, non-current	4, 5 and 6(8)	-	-	15,432
2645	Guarantee deposits received		133	0.00	200
25××	Total non-current liabilities		25,478	0.78	35,862
2××	Total liabilities		490,668	14.99	545,093
31××	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT				
3110	Ordinary share	6(9)	756,617	23.11	756,617
3210	Capital surplus, additional paid-in capital	6(9)	150,801	4.61	150,801
3300	Retained earnings	6(9)			
3310	Legal reserve		480,974	14.69	459,608
3320	Special reserve		65,920	2.01	97,955
3350	Unappropriated retained earnings		1,082,485	33.06	1,041,715
3400	Other equity interest	6(9)			
3410	Exchange differences on translation of foreign financial statements		(80,932)	(2.47)	(65,920)
31××	Total equity attributable to owners of parent		2,455,865	75.01	2,440,776
36××	NON-CONTROLLING INTERESTS	6(9)	327,358	10.00	326,160
3××	Total equity		2,783,223	85.01	2,766,936
3×2×	TOTAL LIABILITIES AND EQUITY		\$ 3,273,891	100.00	\$ 3,312,029

(See accompanying notes to consolidated financial statements.)





# Attachment

**FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Items	Notes	2023		2022	
		Amount	%	Amount	%
4000 OPERATING REVENUE	4, 5, 6(10) and 7	\$ 2,860,040	100.00	\$ 3,141,305	100.00
5000 OPERATING COSTS	6(4)(13) and 7	(2,293,463)	(80.19)	(2,532,909)	(80.63)
5900 GROSS PROFIT FROM OPERATIONS		566,577	19.81	608,396	19.37
6000 OPERATING EXPENSES	6(13)				
6100 Selling expenses		(43,624)	(1.53)	(29,062)	(0.93)
6200 Administrative expenses		(162,350)	(5.68)	(179,345)	(5.71)
6300 Research and development expenses		(27,335)	(0.96)	(23,554)	(0.75)
6450 Impairment loss determined in accordance with IFRS 9		153	0.01	257	0.01
Total operating expenses		(233,156)	(8.16)	(231,704)	(7.38)
6900 NET OPERATING INCOME		333,421	11.65	376,692	11.99
7000 NON-OPERATING INCOME AND EXPENSES	6(11)				
7100 Interest income		26,395	0.92	14,372	0.46
7010 Other income		16,564	0.58	7,805	0.25
7020 Other gains and losses		(2,816)	(0.10)	19,679	0.63
7510 Interest expense	6(7)	(566)	(0.02)	(568)	(0.02)
7670 Gain on reversal of impairment loss		(128)	(0.00)	215	0.01
Total non-operating income and expenses		39,449	1.38	41,503	1.33
7900 PROFIT BEFORE INCOME TAX		372,870	13.03	418,195	13.32
7950 INCOME TAX EXPENSE	4 and 6(12)	(99,787)	(3.49)	(111,717)	(3.56)
8200 PROFIT FOR THE PERIOD		273,083	9.54	306,478	9.76
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
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(12)	-	-	(69)	(0.00)
8360 Components of other comprehensive income that will be reclassified to profit or loss					
8361 Exchange differences on translation		(23,248)	(0.81)	53,627	1.71
OTHER COMPREHENSIVE INCOME(LOSS), NET OF INCOME TAX		(23,248)	(0.81)	53,902	1.72
8500 TOTAL COMPREHENSIVE INCOME		\$ 249,835	8.73	\$ 360,380	11.48
8600 PROFIT ATTRIBUTABLE TO					
8610 Owners of parent		\$ 181,424	6.34	\$ 213,388	6.79
8620 Non-controlling interests		91,659	3.20	93,090	2.97
		\$ 273,083	9.54	\$ 306,478	9.76
8700 COMPREHENSIVE INCOME ATTRIBUTABLE TO					
8710 Owners of parent		\$ 166,412	5.82	\$ 245,698	7.82
8720 Non-controlling interests		83,423	2.91	114,682	3.66
		\$ 249,835	8.73	\$ 360,380	11.48
9750 BASIC EARNINGS PER SHARE (NTD)	6(14)	\$ 2.40		\$ 2.82	

(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, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

Items	Equity Attributable to Owners of Parent										Total	Non-controlling Interests	Total Equity
	Retained Earnings					Others							
	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements							
BALANCE, JANUARY 1, 2022	\$ 756,617	\$ 150,801	\$ 441,475	\$ 92,414	\$ 972,781	\$ (97,955)	\$ 2,316,133	\$ 275,223	\$ 2,591,356				
Appropriation of earnings:													
Legal reserve			18,133		(18,133)		-		-			-	
Special reserve				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				
Appropriations of earnings:													
Legal reserve			21,366		(21,366)		-		-			-	
Special reserve				(32,035)	32,035								
Cash dividends					(151,323)		(151,323)	(82,225)	(233,548)				
Profit for the period					181,424		181,424	91,659	273,083				
Other comprehensive income (loss) for the period:													
Exchange differences on translation of foreign financial statements						(15,012)	(15,012)	(8,236)	(23,248)				
Total comprehensive income (loss) for the period					181,424	(15,012)	166,412	83,423	249,835				
BALANCE, DECEMBER 31, 2023	\$ 756,617	\$ 150,801	\$ 480,974	\$ 65,920	\$ 1,082,485	\$ (80,932)	\$ 2,455,865	\$ 327,358	\$ 2,783,223				

(See accompanying notes to consolidated financial statements.)



# Attachment

## FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES

### Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES :		
Profit before income tax	\$ 372,870	\$ 418,195
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	106,680	96,284
Amortization expense	36,668	30,634
Expected credit loss (gain)	(153)	(257)
Interest income	(26,395)	(14,372)
Interest expense	566	568
Loss (gain) on disposal of property, plant and equipment	(815)	(2,641)
Loss (gain) on disposal of other assets	710	-
Impairment loss (gain on reversal) on non-financial assets	128	(215)
Changes in operating assets		
Decrease (increase) in notes receivable, net	930	9,282
Decrease (increase) in accounts receivable, net	80,275	(12,088)
Decrease (increase) in accounts receivable due from related parties	4,781	(10,109)
Decrease (increase) in other receivables	(726)	(1,256)
Decrease (increase) in inventories	79,900	(14,086)
Decrease (increase) in prepayments	(11,560)	(10,066)
Decrease (increase) in other current assets	664	63
Total changes in operating assets	154,264	(38,260)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	(907)	(2,464)
Increase (decrease) in notes payable	2,653	(2,729)
Increase (decrease) in accounts payable	(22,849)	(4,501)
Increase (decrease) in accounts payable to related parties	723	(1,239)
Increase (decrease) in other payable	(22,010)	12,875
Increase (decrease) in provisions	9	(104)
Increase (decrease) in other current liabilities	(2,099)	2,019
Increase (decrease) in net defined benefit liability	(8,194)	-
Total changes in operating liabilities	(52,674)	3,857

(Continued)





## FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES

### Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash inflow (outflow) generated from operations	591,849	493,793
Interest received	26,880	13,861
Interest paid	(554)	(575)
Income taxes paid	(101,452)	(93,526)
Net cash flows from (used in) operating activities	516,723	413,553
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES :</b>		
Decrease (increase) in financial assets at amortized cost - current	27,317	(104,917)
Acquisition of property, plant and equipment	(67,138)	(119,888)
Proceeds from disposal of property, plant and equipment	816	15,115
Decrease (increase) in software fee	(798)	(1,045)
Decrease (increase) in prepayments for business facilities	(56,092)	(55,291)
Decrease (increase) in refundable deposits	139	(10)
Decrease (increase) in other non-current assets	(52,102)	(26,234)
Net cash flows from (used in) investing activities	(147,858)	(292,270)
<b>CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES :</b>		
Payments of lease liabilities	(1,277)	(1,344)
Increase (decrease) in guarantee deposits received	(67)	132
Cash dividends	(233,327)	(184,723)
Change in non-controlling interests	(8,236)	21,592
Net cash flows from (used in) financing activities	(242,907)	(164,343)
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(7,194)</b>	<b>19,862</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>118,764</b>	<b>(23,198)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>874,855</b>	<b>898,053</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>\$ 993,619</b>	<b>\$ 874,855</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION :</b>		
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES :</b>		
Exchange differences on translation of foreign financial statements	\$ (23,248)	\$ 53,627

(See accompanying notes to consolidated financial statements.)





# Attachment

## (Attachment 5)

### FINE BLANKING & TOOL CO., LTD. 2023 Earnings Distribution Table

Unit: NT\$

Items	Total	Note
Unappropriated Retained Earnings of Previous Years(A)	901,059,768	
Plus:2023 PROFIT FOR THE PERIOD(B=B1-B2)	181,423,419	
2023 PROFIT BEFORE INCOME TAX(B1)	230,410,813	
Less:2023 INCOME TAX EXPENSE(B2)	(48,987,394)	
Plus:2023 Components of other comprehensive income that will not be reclassified to profit or loss(D)	0	Note:1
Less: 10% legal reserve 《C1=(B+D)*10%》	(18,142,342)	
Less:Special Reserve (C2)	(15,011,372)	Note:2
Distributable net profit(E=A+B+D-C1+C2)	1,049,329,473	
DistDistribution Item : (H=H1+H2)	(121,058,784)	Note:3~4
Cash Dividends to Common Share Holders(NT\$2 per share)(H1)	(121,058,784)	
Stocks Dividends to Common Share Holders(NT\$0 per share)(H2)	0	
Unappropriated Retained Earnings(I=E-H)	928,270,689	

Note: 1. 2022 After-tax other comprehensive income included in Unappropriated retained earnings	
Remeasurement of Defined Benefit Obligation=	0
Gains (losses) on remeasurements of defined benefit plans	0
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	0
2. Less:Special Reserve=	(15,011,372)
Exchange differences on translation of foreign financial statements	(15,011,372)
3. Earnings Distribution=	121,058,784
(1). Cash Dividends to Common Share Holders=75,661,740*1.6	121,058,784
(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.	



## (Appendices I)

### FINE BLANKING & TOOL CO., LTD.

#### Rules and Procedures of Shareholders' Meeting

Chapter 1. The shareholders' meetings of the Company shall be handled in accordance with these regulations unless otherwise provided by laws.

Chapter 2. The shareholders' meetings of the Company shall be convened by the Board unless otherwise provided by laws.

The Company's shareholders' meetings shall be held mainly in the form of physical shareholders' meetings, supplemented by video-assisted shareholders' meeting when necessary.

The change in the method of convening the shareholders' meeting of the Company shall be resolved by the Board of Directors and shall be conducted no later than the notice of the shareholders' meeting is sent.

The Company shall send to the Market Observation Post System (MOPS), 30 days prior to a general meeting of shareholders or 15 days prior to an extraordinary meeting of shareholders, the notice of the meeting, the letter of proxy paper, the agenda and explanatory materials for each motion for recognition, discussion, election or dismissal of Directors, etc. in electronic form. And the Company shall electronically transmit to the Market Observation Post System, 21 days prior to a general meeting of shareholders or 15 days prior to an extraordinary meeting of shareholders, the Meeting Handbook and supplementary information for the meeting in electronic form.

15 days prior to the shareholders' meeting, the Meeting Handbook and supplementary information for the meeting shall be made available to shareholders at any time and shall be displayed at the Company and at the professional stockbrokers appointed by the Company.

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:

1. When a physical shareholders' meeting is held, it shall be distributed at the site of the shareholders' meeting.

2. 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.

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.

The election or dismissal of Directors, change of articles of association, reduction of capital, application for suspension of public issue, director's competition permit, transfer of capital from surplus to capital, transfer of capital from provident fund to capital, dissolution, merger, demerger or division of the Company, each clause of Article 185, Paragraph 1 of the Company Law, and matters of Article 26-1, Article 43-6 of the Securities and Exchange Act, Article 56-1, and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the grounds for convening and the main contents thereof shall be stated, and shall not be proposed as an extempore motion.



## *Appendices*

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The reasons for convening the shareholders' meeting have specified the purpose of general election of Directors and a date of their appointment, the date of such election shall not be changed at the same meeting either through extempore motions or by any other means after the completion of the shareholders' meeting.

Shareholders holding more than 1% of the total number of issued shares may propose to the Company a motion for a general meeting of shareholders, limited to one proposal, and any proposal with more than one item will be excluded from the motion. However, the shareholders' proposal is to urge the Company to promote the public interest or to fulfil its social responsibility, and the Board of Directors may still include them in the motion. If the motion proposed by another shareholder falls under any of the circumstances specified in Article 172-1, Paragraph 4 of the Company Law, the Board of Directors may not include it as a motion.

The Company shall announce the acceptance of shareholders' proposals, the written or electronic means of acceptance, the place of acceptance and the period of acceptance prior to the date of closure of the share transfer before the general shareholders' regular meeting; the acceptance period shall not be less than ten days.

Proposals by shareholders shall be limited to 300 words, and if the proposal exceeds 300 words, the proposal shall not be included in the motion; the proposing shareholder shall attend the general shareholders' meeting in person or entrust others to attend, and participate in the discussion of the motion.

The Company shall notify the proposing shareholder of the result of the processing of the proposal before the date of the notice of the general shareholders' meeting and shall include in the notice of the meeting those motions which comply with the requirements of the Article. For shareholder proposals not included in a motion, the Board of Directors shall state the reasons for non-inclusion at a shareholders' meeting.

At each shareholders' meeting, the shareholders may appoint a proxy to attend the meeting by issuing a letter of proxy issued by the Company stating the scope of authority.

A shareholder shall issue a power of attorney and shall be limited to one person, which shall be delivered to the Company not later than five days before the date of the shareholders' meeting, and in the event of any duplication of proxies, the first one to be delivered shall prevail. However, this restriction does not apply to those who declare the revocation of the previous proxy.

If a shareholder wishes to attend a shareholders' meeting in person or to exercise his voting rights in writing or by electronic means after the proxy form has been delivered to the Company, he/she shall give notice of revocation of the proxy in writing to the Company not later than two days before the date of the shareholders' meeting; if the proxy is revoked after that date, the voting rights exercised by the authorized agent shall prevail.

If a shareholder wishes to attend a shareholders' meeting by video after the proxy form has been delivered to the Company, he/she shall give notice of revocation of the proxy in writing to the Company not later than two days before the date of the shareholders' meeting; if the proxy is revoked after that date, the voting rights exercised by the authorized agent shall prevail.



## *Appendices*

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The Company shall specify in the notice of meeting the time and place of registration of shareholders, requesters and proxies (hereinafter referred to as shareholders) and other matters to be noted.

The above-mentioned time for accepting shareholder check-in shall be at least 30 minutes prior to the commencement of the meeting; the check-in area shall be clearly marked and adequate and appropriate personnel shall be assigned to handle the check-in; the video conference of shareholders' meeting shall be accepted at the video conference platform 30 minutes prior to the commencement of the meeting, and shareholders who have completed the check-in shall be deemed to attend the shareholders' meeting in person.

A shareholder or a proxy appointed by a shareholder (hereinafter referred to as a shareholder) shall attend the shareholders' meeting with an attendance card, sign-in card or other attendance documents. The Company shall not arbitrarily require additional documents to be provided in support of a shareholder's attendance; the requester of a requisition shall also bring proof of identity for verification purposes.

A sign-in book shall be kept by the Company for the sign-in of the shareholders present, or a sign-in card may be presented by the shareholders present to sign in their stead.

The number of shareholders present will be calculated on the basis of the sign-in book or the sign-in card.

The Company shall deliver to the shareholders present at the meeting the meeting handbook, annual report, attendance cards, speaking slips, voting papers and other materials for the meeting; in the case of election of Directors, a separate voting paper shall be attached.

Where a government or a corporation is a shareholder, no more than one representative may attend a shareholders' meeting. If a legal person is entrusted to attend a shareholders' meeting, only one representative shall be appointed to attend.

If the shareholders' meeting is held by video conference, shareholders who wish to attend by video should register with the Company two days prior to the shareholders' meeting.

If the shareholders' meeting is held by video conference, the Company shall upload the Meeting Handbook, annual report and other relevant information to the shareholders' meeting video conference platform at least 30 minutes prior to the start of the meeting and continue to disclose them until the end of the meeting.

Article 2.1: the Company shall hold a video conference of shareholders and shall specify the following in the notice convening the conference:

- I. Shareholders' participation in video conferences and methods of exercising their rights.
- II. The handling for obstacles to the video conference platform or participation by video means due to natural disasters, events or other force majeure events, including at least the following:
  - (I) The time of the adjournment or adjournment of the meeting due to the persistence of the obstruction before the occurrence and, if adjourned or postponed, the date of the meeting.



## *Appendices*

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- (II) Shareholders who have not registered to attend the original shareholders' meeting by video are not allowed to attend the adjourned or reconvened meeting.
- (III) Hold a video-assisted shareholders' meeting. If a video-assisted shareholders' meeting cannot be continued, the shareholders' meeting shall be continued if the total number of shares present reaches the quorum for the shareholders' meeting after deducting the number of shareholders present at the video-assisted shareholders' meeting, and the number of shares present at the video-assisted shareholders' meeting shall be counted as the total number of shares present, and all motions at the shareholders' meeting shall be deemed to be abstained.
- (IV) In the event that all the motions have been declared and no extempore motion has been moved, the manner of handling the matter.

Chapter 3. Attendance and voting at shareholders' meetings shall be calculated based on shares. The shareholders shall have one vote per share, except where restricted by the relevant Act, in which case their shares shall not be entitled to vote.

The Company shall convene a shareholders' meeting by electronic means and may exercise its voting rights in writing and, where it exercises its voting rights in writing or by electronic means, the method of exercise shall be specified in the notice convening the shareholders' meeting. A shareholder who exercises his/her voting rights in writing or by electronic means is deemed to be present in person at a shareholders' meeting. However, the extempore motion and the amendment to the original motion at that shareholders' meeting are deemed to be abstained from voting. It is therefore advisable for the Company to refrain from proposing extempore motions and amendments to the original motion.

Where the voting rights is exercised in writing or by electronic means, the intention shall be delivered to the Company not later than two days before the date of the shareholders' meeting and in the event of duplication of intention, the first to be delivered shall prevail. However, this restriction does not apply to those who declare the revocation of the previous intention.

If, after exercising his/her voting rights in writing or by electronic means, a shareholder wishes to attend a shareholders' meeting in person or by video, he/she shall revoke his/her previous intention to exercise his/her voting rights in the same manner as he/she exercised his/her voting rights two days before the shareholders' meeting; if the revocation is made afterwards, the voting rights exercised in writing or by electronic means shall prevail. Where voting rights are exercised in writing or by electronic means and a proxy is appointed to attend a shareholders' meeting by letter of proxy, the voting rights exercised by proxy shall prevail.

A shareholder shall not vote at a meeting if he/she has a personal interest in the matter which may be prejudicial to the interests of the Company and shall not exercise his/her right to vote on behalf of another shareholder.

Chapter 4. The place where the shareholders' meeting of the Company held shall be at the location of the Company or at a place convenient for shareholders to attend and suitable for holding a shareholders' meeting, and the meeting



shall commence no earlier than 9:00 a.m. or later than 3:00 p.m.

The opinions of the Independent Directors shall be fully considered as to the place and time of the meeting.

- Chapter 5. If the shareholders' meeting is convened by the Board of Directors, the chairman shall serve as the chairman. If the chairman requests leave or is unable to exercise his/her powers for any reason, the deputy chairman shall act on his/her behalf. If there is no deputy chairman or deputy chairman who also requests leave or is unable to exercise his/her powers for any reason, the chairman shall designate a managing director to act on his/her behalf; If there is no managing director appointed, a director shall be appointed as the proxy. If the chairman does not appoint a proxy, the managing director or Directors shall mutually recommend one person to act as the proxy.

The chairman referred to in the preceding paragraph shall be represented by a managing director or director who has served for at least six months and is familiar with the company's financial and business conditions. If the chairman is the representative of a corporate director, the same applies.

If the shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the chairman shall be held by the person with the right to convene. If there are two or more persons with the right to convene, one person shall be elected from among them to serve as the chairman.

The chairman of the Board of Directors should personally preside over the shareholders' meeting convened by the Board of Directors, and more than half of the Directors (including at least one Independent Director) and the convener of the audit committee should attend in person, and at least one representative of each functional committee member should attend, and the attendance should be recorded in the minutes of the shareholders' meeting.

If the shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the chairman shall be held by the person with the right to convene. If there are two or more persons with the right to convene, one person shall be elected from among them to serve as the chairman.

- Chapter 6. The company may appoint appointed lawyers, accountants, or related personnel to attend the shareholders' meeting as nonvoting delegates.

Personnel handling shareholder meetings should wear identification cards or armbands.

- Chapter 7. The company shall record or record all the proceedings of the shareholders' meeting and keep them for at least one year. However, if a shareholder brings a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

If the shareholders' meeting is held by video conference, the Company shall keep records of the shareholders' registration, attendance, questions, voting and the Company's vote counting results, and shall continuously and uninterruptedly record the entire video conference.

The information and audio and video recordings referred to in the preceding paragraph shall be properly preserved by the company during its existence, and the audio and video recordings shall be provided to the person entrusted with handling video conference affairs for safekeeping.





- If the shareholders' meeting is held by video conference, the Company shall record the operation interface of the backend of the video conference platform.
- Chapter 8. Attendance at shareholders' meetings shall be calculated based on shares. The number of attending shares shall be calculated based on the number of shares registered in the registration book or submitted attendance cards and the number of shares registered on the video conference platform, plus the number of shares exercising voting rights in written or electronic form. At the current meeting time, the chairman should immediately announce the meeting and also disclose relevant information such as the number of shares present.
- However, if shareholders representing more than half of the total number of issued shares are not present, the chairman may announce a postponement of the meeting, with a maximum of two postponements, and the total postponement time shall not exceed one hour. If there are still less than one-third or more shareholders representing the total number of issued shares present after the second postponement, the chairman shall announce the adjournment of the meeting; if the shareholders' meeting is held by video conference, the Company shall also announce the meeting on the video conference platform of the shareholders' meeting.
- If the preceding paragraph is postponed for two times and the amount is still insufficient, and shareholders representing one-third or more of the total number of issued shares are present, they may make a false resolution in accordance with Article 175, Paragraph 1 of the Company Law, and notify each shareholder of the false resolution to convene a shareholders' meeting within one month; if the shareholders' meeting is held by video conference, shareholders who wish to attend by video shall re-register with the Company in accordance with Article 2.
- Before the end of the current meeting, if the number of shares represented by the attending shareholders reaches more than half of the total number of issued shares, the chairman may, in accordance with Article 174 of the Company Law, resubmit the fake resolution made to the meeting for voting.
- Chapter 9. If the shareholders' meeting is convened by the Board of Directors, the agenda shall be determined by the Board of Directors. Relevant proposals (including temporary motions and amendments to original proposals) shall be decided by vote on a case by case basis. The meeting shall proceed according to the scheduled agenda, and no changes shall be made without a resolution of the shareholders' meeting.
- If the shareholders' meeting is convened by a person with the right to convene other than the Board of Directors, the provisions of the preceding paragraph shall apply mutatis mutandis.
- The agenda scheduled in the first two paragraphs shall not be adjourned by the chairman without a resolution before the conclusion of the meeting (including temporary motions); If the chairman violates the rules of procedure and declares the adjournment of the meeting, other members of the Board of Directors shall promptly assist the attending shareholders in establishing procedures in accordance with the law, and with the consent of more than half of the voting rights of the attending shareholders, elect one person as the chairman to continue the meeting.



## *Appendices*

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- The chairman shall provide ample opportunity for explanation and discussion of the proposal and any amendments or extempore motions proposed by shareholders. When the chairman believes that the degree of voting is reached, he/she may announce the cessation of discussion, propose for voting, and arrange for sufficient voting time.
- Chapter 10. Before attending a shareholder's speech, it is necessary to fill out a speech note that specifies the purpose of the speech, shareholder account number (or attendance serial number), and account name. The chairman shall determine the order of their speech.
- Attending shareholders who only provide a statement without speaking will be considered as not speaking. If there is a description between the content of the speech and the record in the speech, the content of the speech shall prevail.
- When attending a shareholder's speech, other shareholders shall not interfere with their speech except with the consent of the chairman and the speaking shareholder. Violators shall be stopped by the chairman.
- Chapter 11. Each shareholder speaking on the same proposal shall not exceed two times without the consent of the chairman, and each time shall not exceed five minutes.
- If a shareholder's speech violates the provisions of the preceding paragraph or exceeds the scope of the agenda, the chairman may stop them from speaking.
- Chapter 12. If a legal person is entrusted to attend a shareholders' meeting, the legal person may only appoint one representative to attend.
- When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one person may speak on the same proposal.
- Chapter 13. After attending the shareholder's speech, the chairman may personally or designate relevant personnel to respond.
- If the shareholders' meeting is held by video conference, shareholders who participate through video conferencing may ask questions in writing on the shareholders' meeting video conferencing platform after the chairman announces the meeting and before the announcement of adjournment. The number of questions for each proposal shall not exceed two, and each question shall be limited to 200 words. The provisions of Articles 10 to 12 shall not apply.
- If the question mentioned in the preceding paragraph does not violate regulations or does not exceed the scope of the proposal, it is advisable to disclose the question on the video conference platform of the shareholders' meeting as well known.
- Chapter 14. When the chairman believes that the discussion of a motion has reached the level of voting, he may announce the cessation of the discussion and put it to the vote.
- Chapter 15. The scrutineers and counters for voting on proposals shall be designated by the chairman, but the scrutineers shall have shareholder status. The counting of votes for shareholders' meetings or election proposals shall be publicly held in the shareholders' meeting, and the voting results, including





the weight of the statistics, shall be announced on the spot after the counting of votes is completed, and a record shall be kept.

The company holds a shareholders' meeting via video conferencing. After the chairman announces the meeting, shareholders who participate through video conferencing should vote on various proposals and election proposals through the video conferencing platform. The voting should be completed before the chairman announces the end of the voting. If the voting is delayed, it will be deemed as abstention.

If the shareholders' meeting is held by video conference, the vote shall be counted in one go after the chairman announces the end of voting, and the voting and election results shall be announced.

When the company holds a video assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting by video in accordance with Article 2 and wish to attend the physical shareholders' meeting in person shall cancel their registration in the same manner as the registration two days before the shareholders' meeting; Those who have overdue the cancellation may only attend the shareholders' meeting via video conferencing.

Those who exercise their voting rights in written or electronic form, have not revoked their declaration of will, and participate in the shareholders' meeting by video, shall not exercise their voting rights on the original proposal, or propose amendments to the original proposal, or exercise their voting rights on amendments to the original proposal, except for extempore motions.

When the shareholders' meeting elects Directors, it shall be conducted in accordance with the relevant election standards set by the company, and the election results shall be announced on site, including the list of elected Directors and their number of election rights, as well as the list of elected Directors and their number of election rights obtained.

The election tickets for the election matters mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, properly kept, and kept for at least one year. However, if a shareholder brings a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

Chapter 16. During the meeting, the chairman has the discretion to announce a break.

Chapter 17. The vote on a proposal shall be passed with the consent of a majority of the voting rights of the shareholders present, unless otherwise provided by the Company Law and the articles of association.

When voting, the chairman or his designated personnel may announce the total number of voting rights of shareholders present on a case by case basis, and the shareholders shall vote on a case by case basis. The results of shareholders' consent, opposition, and abstention shall be entered into the public information observation station on the day after the shareholders' meeting is held.

Chapter 18. When there are amendments or substitutions to the same proposal, the chairman shall determine the order of their votes in conjunction with the original proposal. If one of the motions has been passed, the other motions will be considered rejected and there is no need to vote again.



Chapter 19. The chairman shall command the inspector (or security personnel) to assist in maintaining order in the venue. When inspectors (or security personnel) are present to assist in maintaining order, they should wear armbands with the word "inspector".

Shareholders should obey the instructions of the chairman, inspector, or security personnel regarding the maintenance of order. For those who obstruct the progress of the meeting and fail to comply after being stopped, the chairman, inspector, or security personnel may drive them away.

Chapter 20. 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 shall be clearly disclosed in the shareholders' meeting venue on the date of the shareholders' meeting in a statistical form prepared in accordance with the prescribed format; if the shareholders' meeting is held by video conference, the Company shall upload the aforementioned information to the video conference platform of the shareholders' meeting at least 30 minutes before the meeting starts and continue to disclose it until the meeting ends.

The company holds a shareholders' meeting via video conference. When announcing the meeting, the total number of attending shareholders' shares should be disclosed on the video conference platform. If there is another count of attendance weights during the meeting, the same applies.

If the shareholders' meeting is held by video conference, the Company shall immediately disclose the voting results and election results of various proposals on the shareholders' meeting video conferencing platform in accordance with regulations after the voting is completed, and shall continue to disclose them for at least 15 minutes after the chairman announces the adjournment of the meeting.

When the Company holds a video shareholders' meeting, the chairman and recorder should be at the same location in China, and the chairman should announce the address of that location during the meeting.

The resolutions of the shareholders' meeting shall be recorded in minutes, signed or stamped by the chairman, and distributed to all shareholders within 20 days after the meeting. The distribution of the proceedings referred to in the preceding paragraph may be made by public announcement.

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.

The minutes of the meeting should accurately record the year, month, day, venue, name of the chairman, resolution method, essentials of the meeting process, and voting results (including statistical weights). When electing Directors, the voting weights of each candidate should be disclosed. During the existence of the company, it shall be permanently preserved.

If the shareholders' meeting is held by video conference, in addition to the matters required to be recorded in accordance with the preceding paragraph, the minutes of the meeting shall also include the start and end time of the shareholders' meeting, the method of convening the meeting, the name of



the chairman and the minutes, and the handling method and situation in case of obstacles to the video conferencing platform or participation through video conferencing due to natural disasters or other force majeure events.

Chapter 21. 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.

If the shareholders' meeting is held by video conference, the chairman shall, at the time of announcement of the meeting, declare that, except for the circumstances stipulated in Article 44-20, Paragraph 4 of the Guidelines for the Handling of Shares of Publicly Traded Companies that do not require the adjournment or continuation of a meeting, if, before the chairman announces the adjournment of the meeting, there is an impediment to participation on the video conference platform or by video for a period of 30 minutes or more due to a natural disaster, event or other force majeure, the date of the meeting shall be postponed or renewed within five days, without the provisions of Article 182 of the Company Act being applicable.

In the event of an adjournment or an adjournment of a meeting, the shareholders who have not registered to attend the original shareholders' meeting by video are not allowed to attend the adjourned or reconvened meeting in accordance with the preceding paragraph.

According to the provisions of the second paragraph, shareholders who have registered to participate in the original shareholders' meeting by video and have completed their registration shall be counted in the total number of shares, voting rights, and voting rights of shareholders present at the original shareholders' meeting, as well as the number of voting and voting rights exercised, and voting rights of shareholders who have not participated in the postponed or resumed meeting.

When adjourning or resuming a shareholders' meeting in accordance with the provisions of the second paragraph, there is no need to conduct further discussions or resolutions on proposals that have completed the voting and counting of votes, and have announced the voting results or the list of Directors elected.

When the company holds a video assisted shareholders' meeting and the second paragraph fails to continue the video meeting, if the total number of shares present at the shareholders' meeting still reaches the statutory quota after deducting the number of shares present through video, the shareholders' meeting shall continue without the need to postpone or continue the meeting in accordance with the second paragraph.

If the situation referred to in the preceding paragraph requires the continuation of the shareholders' meeting, the number of shares attended by shareholders through video conferencing shall be included in the total number of shares held by the attending shareholders. However, all proposals made at the shareholders' meeting shall be deemed as waivers.

If the Company adjourns or renews a meeting in accordance with the Paragraph 2, the Company shall comply with the provisions set forth in



## *Appendices*

Article 44, Paragraph 27 of the Guidelines for the Handling of Shares of Publicly Traded Companies, and shall complete the relevant preliminaries in accordance with the date of the original shareholders' meeting and the provisions of each such Article.

If a public company attends a shareholders' meeting using the period specified in the latter paragraph of Article 12 and Paragraph 3 of Article 13 of the Rules Governing the Use of Proxy Forms, Paragraph 2 of Article 44-5, Article 44-15 and Paragraph 1 of Article 44-17 of the Guidelines Governing the Handling of Shares by Public Companies, the Company shall postpone or renew the date of the shareholders' meeting in accordance with the provisions of Paragraph 2.

Chapter 22. These rules shall come into effect after being approved by the shareholders' meeting, and the same shall apply when modified.

Chapter 23. Date of formulation and amendment

The Code was established on August 28, 2001.

The 1st amendment was made on June 28, 2002.

The 2nd amendment was made on June 14, 2006.

The 3rd amendment was made on June 26, 2012.

The 4th amendment was made on June 17, 2013.

The 5th amendment was made on June 23, 2015.

The 6th amendment was made on June 18, 2020.

The 7th amendment was made on July 26, 2021.

The 8th amendment was made on May 24, 2022.

The 9th amendment was made on May 30, 2023.



## (Appendices 2)

### FINE BLANKING & TOOL CO., LTD. Articles of Incorporation

#### Chapter 1. General Provisions

- Article 1: The Company is incorporated under the provisions of the Companies Act as Fine Blanking & Tool Co., Ltd.
- Article 2: The business of the Company is as follows:
1. Manufacturing and trading of molds and parts.
  2. Manufacturing and trading of metals and plastic parts.
  3. Manufacturing of machine tools.
  4. Import and export trade of raw materials, products, and machinery relating to the above.
- Article 3: The Company is established in Changhua County, Taiwan, and may establish branches or offices domestically and internationally as deemed necessary with the approval of the Board resolution.
- Article 3.1: (Delete)
- Article 3.2: The Company may make such external guarantees and reinvestments as may be necessary for the purposes of its business and the total amount of such external reinvestments shall not be limited to the proportion of investments specified in Article 13 of the Companies Act.

#### Chapter 2. Share

- Article 4: The total capital of the company is set at NT\$1,200 million, divided into 120 million common shares of NT\$10 each, with unissued shares authorized to be issued by the Board of Directors in tranches.
- Article 5: The share certificates of the Company shall be in registered form and shall be issued under the signatures or seals of the Directors representing the Company and shall be licensed by the competent authority or its approved issuing registrar. Shares issued by the Company may be issued without a share certificate but shall be registered with a central securities depository.
- Article 6: The share affairs are handled in accordance with the "Guidelines for the Handling of Shares of Publicly Traded Companies".
- Article 7: (Delete)
- Article 8: No application for transfer shall be made within 60 days before the date of each Annual General Meeting, or within 30 days before the date of the Provisional General Meeting, or within 5 days before the date on which the Company resolves to distribute dividends, bonuses, or other benefits.

#### Chapter 3. Shareholders' meeting

- Article 9: Shareholders' meetings are divided into Annual General Meeting and Extempore meeting. Annual General meetings are held once a year, within six months of the end of each financial year. Extempore meeting is convened when necessary in accordance with the relevant Acts. The foregoing shareholders' meetings shall be convened by the Board unless otherwise provided in the Companies Act.



## *Appendices*

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If a shareholder is unable to attend the shareholders' meeting for any reason, he/she may appoint a proxy by presenting a letter of proxy issued by the Company specifying the scope of authority to attend.

In addition to the provisions set forth in Article 177 of the Company Act, proxies for attendance at shareholders' meetings are handled in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" promulgated by the competent authorities.

Article 9.1: Shareholders of the Company may propose agenda items for the annual shareholders' meeting in writing, limited to one item per proposal. Proposals with more than one item will not be included on the agenda, and related procedures will be conducted in accordance with the Company Law and relevant regulations.

Article 9.2: Meetings of the Company's shareholders may be held by video conference or in such other manner as may be announced by the Ministry of Economic Affairs.

Article 10: Resolutions at shareholders' meetings shall be made by the consent of a majority of the shareholders present in person or by proxy, representing a majority of the total number of issued shares, unless otherwise provided for in the relevant laws and regulations.

In accordance with the regulations of the competent authorities, the shareholders of the Company may also exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are deemed to be present in person and their relevant matters are handled in accordance with the regulations of the Law.

Article 11: The shareholders of the Company shall have one vote per share, except where restricted by the relevant Act, in which case their shares shall not be entitled to vote.

Article 12: When a shareholders' meeting is held, the chairman of the board shall preside. In case the chairman is absent due to any reason, a director designated by the chairman shall act as the proxy. If the chairman fails to designate a proxy, the Directors shall elect one among themselves. If the meeting is convened by a person other than the Board of Directors, the convener shall act as the chairman. If there are two or more conveners, they shall elect one among themselves to act as the chairman.

Article 13: The resolutions of the shareholder's meeting shall be recorded in the minutes, which shall include the year, month, day, venue, name of the chairman, method of resolution, key points of the proceedings and the results thereof. The minutes shall be signed or stamped by the chairman and distributed to all shareholders within twenty days after the meeting. The foregoing minutes may be prepared and distributed by electronic or published form.



### Chapter 4. Director

- Article 14: 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. The total number of shares held by all Directors shall not be less than a certain percentage of the total number of issued shares of the Company, as determined by the competent authority. Independent Directors and non-Independent Directors should be elected together and the number of elected places should be calculated separately.
- Article 14.1: In accordance with Article 14-4 of the Securities and Exchange Act, the Company established an "Audit Committee". The number, term of office, terms of reference, and rules of procedure of the Audit Committee shall be governed by the relevant provisions of the Regulations Governing the Exercise of Powers and Functions by Audit Committees of Public Companies, and shall be governed by separate regulations governing the organization of the Audit Committee.
- Article 15: The Directors shall constitute a Board of Directors and shall elect from amongst themselves a Chairman to represent the Company.
- Article 15.1: The meeting of the Board of Directors of the Company shall be called by seven days' notice to the Directors and may be called by the Company at any time in case of urgent business. The meeting of the Board of Directors of the Company may be convened in writing, by e-mail or by fax.
- Article 16: Except as otherwise provided in the Companies Act, a resolution of the Board of Directors shall be made by more than half of the Directors present and shall be carried out by the consent of more than half of the Directors present and shall be recorded in the minutes.
- Article 17: The chairman of the Board of Directors shall be the chairman of the meeting. If the chairman of the Board of Directors is absent for any reason, the chairman of the Board of Directors may appoint a director to act as chairman of the Board of Directors, or if the chairman of the Board of Directors does not appoint a chairman, the Directors shall elect one of their number to act as chairman of the Board of Directors. A director may appoint another director to act as his proxy at a meeting of the Board, but the proxy shall be limited to the appointment of one person. The Independent Directors shall attend in person and shall not appoint a non-Independent Directors to act on their behalf when the matters required to be brought before the Board under Article 14-3 of the Securities and Exchange Act are proposed. If unable to attend, the provisions of Article 7 of the Rules of Procedure for Board of Directors of Public Companies shall apply.





## *Appendices*

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Article 17.1: The Company may take out liability insurance for all Directors to protect the interests of all shareholders and to reduce the risk of the Company's operations.

Important staff of the Company are required to apply mutatis mutandis.

Article 18: The terms of reference of the Board are as follows:

1. Determining Operating Policy.
2. Validation of important rules and contracts.
3. Appointment and removal of staff at Vice President level and above.
4. Preparation of the budget.
5. Proceedings in relation to the issue of shares.
6. Preparation of surplus distribution.
7. Execution of resolutions at Shareholders' meeting.
8. Establishment and abolition of branch offices
9. Decisions on other material issues

Article 19: (Delete)

### Chapter 5. Managers and Staff

Article 20: There shall be a President of the Company, who shall be nominated by the Chairman of the Board of Directors and appointed and removed by more than half of the Board of Directors; and there shall be several Vice Presidents, who shall be appointed and removed by the President with the consent of more than half of all the Directors.

Article 21: (Delete)

### Chapter 6. Accounting

Article 22: The accounting year of the Company shall be from 1 January to 31 December of the Chinese calendar, and after the year-end accounts have been finalized, the Board shall prepare the following register in accordance with the law and submit it to the ordinary general meeting for recognition.

1. Business Report.
2. Financial statements.
3. Motion for distribution of surplus or appropriation of deficit.

Article 23: The Company is in the auto parts industry and the industry is changing and the company is growing. In order to consider capital expenditure requirements, actual operational needs and a sound financial structure, if the Company makes a profit at the end of the year, at least 2% of the profit shall be paid to the employees and not more than 5% to the Directors. However, profits must first be taken to offset against cumulative losses if any. Earnings concluded from a financial year are first subject to taxation, makeup of previous losses, and applicable adjustments for undistributed earnings in the current year, followed by provision for statutory reserve and provision/reversal of special reserve. Any surplus remaining will be added to undistributed earnings accumulated from previous years, for which the Board of Directors will





## Appendices

propose an earnings distribution plan and seek resolution in a shareholder meeting before distribution. At least 10% of distributable earnings in a year shall be distributed as dividends, of which no less than 20% shall be paid in cash. However, the Board of Directors may adjust dividend rules depending on the current year's profitability and capital availability and present the proposal for resolution in a shareholder meeting.

Article 23.1: The remuneration of the Directors is delegated to the Board of Directors based on the extent of their participation and the value of their contribution to the operations of the Company and with reference to the usual standards in the industry.

### Chapter 7. Supplementary provisions

Article 24: The Company's constitution and articles of association shall be prescribed separately.

Article 25: Matters not provided for in these Articles of Incorporation are handled in accordance with the Company Act and other applicable laws and regulations.

Article 26: These Articles of Incorporation were established on March 5, 1988.

The 1st amendment was made on February 20, 1994

The 2nd amendment was made on July 2, 1996

The 3rd amendment was made on May 23, 1998

The 4th amendment was made on September 14, 1998

The 5th amendment was made on June 22, 1999

The 6th amendment was made on December 27, 1999

The 7th amendment was made on June 21, 2000

The 8th amendment was made on June 27, 2001

The 9th amendment was made on June 28, 2002

The 10th amendment was made on June 25, 2004.

The 11th amendment was made on June 29, 2005.

The 12th amendment was made on June 14, 2006.

The 13th amendment was made on June 13, 2007.

The 14th amendment was made on June 27, 2008.

The 15th amendment was made on June 16, 2009.

The 16th amendment was made on June 17, 2010.

The 17th amendment was made on June 26, 2012.

The 18th amendment was made on June 17, 2013.

The 19th amendment was made on June 14, 2016.

The 20th amendment was made on June 18, 2019.

The 21st amendment was made on June 18, 2020.

The 22th amendment was made on May 24, 2022.

FINE BLANKING & TOOL CO., LTD.

Chairman: CHUNG -YI WU



### (Appendices 3)

#### FINE BLANKING & TOOL CO., LTD.

#### Shareholdings of All Directors

Book closure date: March 22, 2024

I. The paid-in capital of the Company was NT\$756,617,400 with 75,661,740 shares in issue.

II. In accordance with Article 26 of the Securities and Exchange Act and Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, the minimum number of shares to be held is as follows:

Statutory minimum number of shares required to be held by all Directors: 6,052,940 shares.

III. The number of shares held by each and all Directors on the register of members as at the date of closure of the shareholders' meeting is set out in the table below, which has met the criteria for the percentage required under Article 26 of the Securities Exchange Act and Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies:



## Appendices

Book closure date: March 22, 2024

Position	Name	Date elected	term	Shareholding while elected		Current shareholding	
				Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
Chairman	Chiuan-Dau INVESTMENT Co., Ltd. Representative: CHUNG -YI WU	May 30, 2023	three-year	6,104,668	8.0684%	6,828,668	9.0253%
Directors	IDEA INVESTMENT Co., Ltd. Representative: CHUNG-MING WU	May 30, 2023	three-year	55,000	0.0727%	88,000	0.1163%
	Chiuan-Tai INVESTMENT CORP. Representative: KUAN- HSING WU	May 30, 2023	three-year	14,462,693	19.1149%	14,462,693	19.1149%
	Fu Yen Investment Co., Ltd Representative: JUI-CHANG LIN	May 30, 2023	three-year	774,510	1.0236%	774,510	1.0236%
	GSK INVESTMENT DEVELOPMENT CORP. Representative: CHUNG-WUU LI	May 30, 2023	three-year	10,352,725	13.6829%	10,352,725	13.6829%
	CHING YUAN INVESTMENT Co., Ltd. Representative: YEN-HSING WU	May 30, 2023	three-year	566,000	0.7481%	566,000	0.7481%
	YU-MEI WU	May 30, 2023	three-year	1,146,484	1.5153%	1,146,484	1.5153%
independent directors :	CHIA-CHI KUO	May 30, 2023	three-year	0	0.00%	0	0.00%
	YI-MIN LIN	May 30, 2023	three-year	0	0.00%	0	0.00%
	CHENG-SHONG HONG	May 30, 2023	three-year	0	0.00%	0	0.00%
Total number of shares held by all Directors				33,462,080	44.2259%	34,219,080	45.2264%