



FINE BLANKING & TOOL CO., LTD.

2024 Annual General Shareholders' Meeting Minutes

Date: May 21, 2024 (Tuesday)

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

FINE BLANKING & TOOL CO., LTD.

2024 Annual General Shareholders' Meeting Minutes

Time: 10:00 am, May 21, 2024 (Tuesday)

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

Changhua County, Taiwan (Chuansing Industrial Park Service Center)

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

Total shares represented by shareholders present in person or by proxy :
61,337,175 shares (including exercised by way of electronic
Transmission 47,765,778 shares)

Percentage of shares held by shareholders present in person or by
proxy : 81.06%

Attendants as guest:

Director:

Chiuan-Dau Investment Co., Ltd. Representative :CHUNG -YI WU,
Fu Yen Investment Co., Ltd. Representative :JUI-CHANG LIN,
Idea Investment Co., Ltd. Representative :CHUNG-MING WU,
Chiuan-Tai Investment Corp. Representative: KUAN- HSING WU,
GSK Investment Development Corp.. Representative :CHUNG-WUU LI,
YU-MEI WU

Independent Director:

YI-MIN LIN (Audit and Remuneration Committee Convener),
CHIA-CHI KUO, CHENG-SHONG HONG

CPA :

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

Attorney :

Yen-Tzu Chang, Attorney of Justus Law Offices

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

Secretary : Ya-Ling Huang (corporate governance officer)

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

II. Opening remarks by the chairman (omitted)

III. Report items :

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

Explanation:

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.

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

(please refer to Attachments 1).

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

(please refer to Attachments 2)

IV. 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 audir FBT' s Financial tatements and has issued an audit report relating to the Financial Statements.

(3). FBT's 2023 Business Report 、2023 Audit Committee's review report 、Parent Company Only Financial Statements And Consolidated Financial Statements.
(please refer to Attachments 1, 2, 3 and 4).

(4).The Approval is hereby presented for ratification.

Resolution:

Voting Results : Shares represented at the time of voting : 61,337,175

Voting Type	Approval	Disapproval	Abstention	Invalidation
Live Votes	13, 528, 185	0	43, 212	0
Electronic Votes	47, 747, 526	4, 880	13, 372	0
Aggregated Votes	61, 275, 711	4, 880	56, 584	0
% of the total represented share present	99. 89%	0. 00%	0. 09%	0%

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

Approval No.2 (Proposed by the Board)**Proposal:** To approve the proposal for distribution of 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. (please refer to Attachments5)
- (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:**Voting Results** : Shares represented at the time of voting : 61,337,175

Voting Type	Approval	Disapproval	Abstention	Invalidation
Live Votes	13, 528, 185	0	43, 212	0
Electronic Votes	47, 724, 510	27, 880	13, 388	0
Aggregated Votes	61, 252, 695	27, 880	56, 600	0
% of the total represented share present	99. 86%	0. 04%	0. 09%	0%

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

V. Questions and Motions: None**VI. Adjournment** : 10:15 am, May 21, 2024.**VII.** There were no questions from shareholders at the Shareholders' Meeting.**Chairman:** CHUNG -YI WU**Secretary:** Ya-Ling Huang

(Attachment 1)

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	82.73%
OPERATING COSTS	(2,773,289)	(2,293,463)	82.70%
GROSS PROFIT FROM OPERATIONS	683,821	566,577	82.85%
Total operating expenses	(229,213)	(233,156)	101.72%
NET OPERATING INCOME	454,608	333,421	73.34%
NON-OPERATING INCOME AND EXPENSES	22,184	39,449	177.83%
PROFIT BEFORE INCOME TAX	476,792	372,870	78.20%
INCOME TAX EXPENSE	(131,244)	(99,787)	76.03%
PROFIT FOR THE PERIOD	345,548	273,083	79.03%
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)	82.30%
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX	(28,247)	(23,248)	82.30%
TOTAL COMPREHENSIVE INCOME	317,301	249,835	78.74%
PROFIT ATTRIBUTABLE TO			
Owners of parent	217,985	181,424	83.23%
Non-controlling interests	127,563	91,659	71.85%
	345,548	273,083	79.03%
COMPREHENSIVE INCOME ATTRIBUTABLE TO			
Owners of parent	196,828	166,412	84.55%
Non-controlling interests	120,473	83,423	69.25%
	317,301	249,835	78.74%
BASIC EARNINGS PER SHARE (NTD)	2.89	2.40	83.23%

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

II. Financial income and expenditure

Unit: In Thousands of New Taiwan Dollars; %

Items \ Year	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	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(69)	0	
Gains (losses) on remeasurements of defined benefit (net of Income tax)	275	0	
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%

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

Chairman: CHUNG -YI WU General Manager: CHUNG-MING WU Accountant: MEI-NIANG LIU

(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. 2024 Annual Shareholders' Meeting.

FINE BLANKING & TOOL CO., LTD.

chairman of the Audit Committee : YI-MIN LIN

February 27, 2024

(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

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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.

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.

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.

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.)

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	Ordinary Share	Capital Surplus	Retained Earnings			Others	Total
			Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	
BALANCE, JANUARY 1, 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)

	2023	2022
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)

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 inflow (outflow) generated from operations	243,258	190,756
Interest received	11,963	2,598
Interest paid	(31)	(38)
Income taxes paid	<u>(52,335)</u>	<u>(38,686)</u>
Net cash flows from (used in) operating activities	<u>202,855</u>	<u>154,630</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES :		
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	<u>(2,947)</u>	<u>(3,574)</u>
Net cash flows from (used in) investing activities	<u>65,601</u>	<u>15,717</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES :		
Payments of lease liabilities	(1,082)	(1,144)
Cash dividends	<u>(151,102)</u>	<u>(120,878)</u>
Net cash flows from (used in) financing activities	<u>(152,184)</u>	<u>(122,022)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	116,272	48,325
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>708,625</u>	<u>660,300</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 824,897</u>	<u>\$ 708,625</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION :		
Non-cash investing and financing activities:		
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



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

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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.

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.

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES

Consolidated 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)	\$ 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	0.2
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	December 31, 2023		December 31, 2022	
		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.)

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
	Ordinary Share	Capital Surplus	Retained Earnings			Others			
			Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements			
BALANCE, JANUARY 1, 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.)

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	<u>516,723</u>	<u>413,553</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES :		
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	<u>(147,858)</u>	<u>(292,270)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES :		
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	<u>(242,907)</u>	<u>(164,343)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(7,194)</u>	<u>19,862</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	118,764	(23,198)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	874,855	898,053
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u><u>\$ 993,619</u></u>	<u><u>\$ 874,855</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION :		
NON-CASH INVESTING AND FINANCING ACTIVITIES :		
Exchange differences on translation of foreign financial statements	<u><u>\$ (23,248)</u></u>	<u><u>\$ 53,627</u></u>

(See accompanying notes to consolidated financial statements.)

(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.	