

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
September 30, 2023, December 31, 2022, and September 30, 2022
(Expressed in Thousands of New Taiwan Dollars)

Items	Notes	September 30, 2023		December 31, 2022		September 30, 2022		
		Amount	%	Amount	%	Amount	%	
11××	CURRENT ASSETS:							
1100	Cash and cash equivalents	4 and 6(1)	\$ 921,505	28.42	\$ 874,855	26.41	\$ 789,648	24.46
1136	Current financial assets at amortized cost	4 and 6(2)	173,697	5.36	227,127	6.86	195,504	6.06
1150	Notes receivable, net	4 and 6(3)	5,377	0.17	6,708	0.20	12,779	0.40
1170	Accounts receivable, net	4, 5 and 6(3)	322,732	9.96	372,969	11.26	406,237	12.59
1180	Accounts receivable due from related parties, net	4, 5, 6(3) and 7	138,507	4.27	147,088	4.44	164,363	5.09
1200	Other receivables		7,071	0.22	8,103	0.24	7,549	0.23
130×	Inventories	4, 5 and 6(4)	407,626	12.57	469,937	14.19	446,843	13.84
1410	Prepayments		25,695	0.79	21,760	0.66	23,037	0.71
1470	Other current assets		708	0.02	1,202	0.04	1,276	0.04
11××	Total current assets		2,002,918	61.78	2,129,749	64.30	2,047,236	63.42
15××	NON-CURRENT ASSETS:							
1600	Property, plant and equipment	4, 6(5) and 8	1,050,060	32.39	1,035,423	31.26	1,032,739	31.99
1755	Right-of-use assets	4 and 6(6)	45,713	1.41	46,549	1.41	47,524	1.47
1801	Computer software, net		2,855	0.09	2,691	0.08	2,379	0.08
1805	Goodwill	4 and 5	15,594	0.48	15,521	0.47	15,570	0.48
1840	Deferred tax assets	4, 5 and 6(12)	21,093	0.65	18,489	0.56	18,107	0.56
1915	Prepayments for business facilities		28,952	0.89	12,608	0.38	19,009	0.59
1920	Guarantee deposits paid		10,268	0.32	10,415	0.31	10,423	0.32
1995	Other non-current assets, others		64,618	1.99	40,584	1.23	35,132	1.09
15××	Total non-current assets		1,239,153	38.22	1,182,280	35.70	1,180,883	36.58
1××	TOTAL ASSETS		\$ 3,242,071	100.00	\$ 3,312,029	100.00	\$ 3,228,119	100.00
21××	CURRENT LIABILITIES:							
2130	Currenct contract liabilities	4	\$ 21,393	0.66	\$ 18,988	0.57	\$ 18,543	0.58
2150	Notes payable	4	70	0.00	230	0.01	631	0.02
2170	Accounts payable	4	288,845	8.91	291,158	8.79	288,142	8.93
2180	Accounts payable to related parties	4 and 7	5,815	0.18	7,273	0.22	8,599	0.27
2200	Other payables		88,815	2.74	121,353	3.66	96,624	2.99
2230	Current tax liabilities	4 and 6(12)	57,164	1.76	64,817	1.96	56,765	1.76
2250	Current provisions	4	35	0.00	12	0.00	45	0.00
2280	Current lease liabilities	4 and 6(7)	1,213	0.04	1,165	0.04	1,009	0.03
2399	Other current liabilities, others		2,142	0.07	4,235	0.13	3,322	0.10
21××	Total current liabilities		465,492	14.36	509,231	15.38	473,680	14.68

(Continued)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
September 30, 2023, December 31, 2022, and September 30, 2022
(Expressed in Thousands of New Taiwan Dollars)

Items	Notes	September 30, 2023		December 31, 2022		September 30, 2022		
		Amount	%	Amount	%	Amount	%	
25××	NON-CURRENT LIABILITIES:							
2570	Deferred tax liabilities	4 and 6(12)	\$ 973	0.03	\$ 5,535	0.17	\$ 3,468	0.11
2580	Non-current lease liabilities	4 and 6(7)	14,331	0.44	14,695	0.44	14,858	0.46
2640	Net defined benefit liability, non-current	4, 5 and 6(8)	7,238	0.22	15,432	0.46	15,776	0.49
2645	Guarantee deposits received		138	0.00	200	0.01	204	0.00
25××	Total non-current liabilities		22,680	0.69	35,862	1.08	34,306	1.06
2××	Total liabilities		488,172	15.05	545,093	16.46	507,986	15.74
31××	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT:							
3110	Ordinary share	6(9)	756,617	23.34	756,617	22.84	756,617	23.44
3210	Capital surplus, additional paid-in capital	6(9)	150,801	4.65	150,801	4.55	150,801	4.67
3300	Retained earnings	6(9)						
3310	Legal reserve		480,974	14.84	459,608	13.88	459,608	14.24
3320	Special reserve		65,920	2.03	97,955	2.96	97,955	3.03
3350	Unappropriated retained earnings		1,035,086	31.93	1,041,715	31.45	998,096	30.92
3400	Other equity interest	6(9)						
3410	Exchange differences on translation of foreign financial statements		(50,956)	(1.57)	(65,920)	(1.99)	(54,724)	(1.70)
31××	Total equity attributable to owners of parent		2,438,442	75.22	2,440,776	73.69	2,408,353	74.60
36××	NON - CONTROLLING INTERESTS	6(9)	315,457	9.73	326,160	9.85	311,780	9.66
3××	Total equity		2,753,899	84.95	2,766,936	83.54	2,720,133	84.26
3×2×	TOTAL LIABILITIES AND EQUITY		\$ 3,242,071	100.00	\$ 3,312,029	100.00	\$ 3,228,119	100.00

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Items	Notes	For the three months ended September 30				For the nine months ended September 30			
		2023		2022		2023		2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 OPERATING REVENUE	4, 5, 6(10) and 7	\$ 722,230	100.00	\$ 809,516	100.00	\$ 2,089,334	100.00	\$ 2,338,426	100.00
5000 OPERATING COSTS	6(4)(13)	<u>(587,545)</u>	<u>(81.35)</u>	<u>(666,073)</u>	<u>(82.28)</u>	<u>(1,691,284)</u>	<u>(80.95)</u>	<u>(1,888,638)</u>	<u>(80.77)</u>
5900 GROSS PROFIT FROM OPERATIONS		<u>134,685</u>	<u>18.65</u>	<u>143,443</u>	<u>17.72</u>	<u>398,050</u>	<u>19.05</u>	<u>449,788</u>	<u>19.23</u>
6000 OPERATING EXPENSES	6(13)								
6100 Selling expenses		(11,032)	(1.53)	(13,382)	(1.65)	(33,362)	(1.60)	(35,374)	(1.51)
6200 Administrative expenses		(42,403)	(5.87)	(36,093)	(4.46)	(114,148)	(5.46)	(107,108)	(4.58)
6300 Research and development expenses		(6,717)	(0.93)	(5,345)	(0.66)	(20,260)	(0.97)	(16,910)	(0.72)
6450 Impairment loss determined in accordance with IFRS 9		<u>(248)</u>	<u>(0.03)</u>	<u>(172)</u>	<u>(0.02)</u>	<u>576</u>	<u>0.03</u>	<u>695</u>	<u>0.03</u>
Total operating expenses		<u>(60,400)</u>	<u>(8.36)</u>	<u>(54,992)</u>	<u>(6.79)</u>	<u>(167,194)</u>	<u>(8.00)</u>	<u>(158,697)</u>	<u>(6.78)</u>
6900 NET OPERATING INCOME		<u>74,285</u>	<u>10.29</u>	<u>88,451</u>	<u>10.93</u>	<u>230,856</u>	<u>11.05</u>	<u>291,091</u>	<u>12.45</u>
7000 NON-OPERATING INCOME AND EXPENSES	6(11)								
7100 Interest income		5,966	0.83	3,248	0.40	17,757	0.85	9,047	0.39
7010 Other income		2,781	0.39	1,797	0.22	7,642	0.37	4,869	0.21
7020 Other gains and losses		13,069	1.81	14,301	1.77	14,096	0.67	26,529	1.13
7510 Interest expense	6(7)	<u>(144)</u>	<u>(0.02)</u>	<u>(143)</u>	<u>(0.02)</u>	<u>(427)</u>	<u>(0.02)</u>	<u>(424)</u>	<u>(0.02)</u>
Total non-operating income and expenses		<u>21,672</u>	<u>3.01</u>	<u>19,203</u>	<u>2.37</u>	<u>39,068</u>	<u>1.87</u>	<u>40,021</u>	<u>1.71</u>
7900 PROFIT BEFORE INCOME TAX		95,957	13.30	107,654	13.30	269,924	12.92	331,112	14.16
7950 INCOME TAX EXPENSE	4 and 6(12)	<u>(24,596)</u>	<u>(3.41)</u>	<u>(29,086)</u>	<u>(3.59)</u>	<u>(72,087)</u>	<u>(3.45)</u>	<u>(87,924)</u>	<u>(3.76)</u>
8200 PROFIT FOR THE PERIOD		<u>71,361</u>	<u>9.89</u>	<u>78,568</u>	<u>9.71</u>	<u>197,837</u>	<u>9.47</u>	<u>243,188</u>	<u>10.40</u>
8300 OTHER COMPREHENSIVE INCOME, NET									
8360 Components of other comprehensive income that will be reclassified to profit or loss									
8361 Exchange differences on translation		<u>19,744</u>	<u>2.73</u>	<u>31,547</u>	<u>3.89</u>	<u>22,675</u>	<u>1.09</u>	<u>70,389</u>	<u>3.01</u>
OTHER COMPREHENSIVE INCOME(LOSS), NET OF INCOME TAX		<u>19,744</u>	<u>2.73</u>	<u>31,547</u>	<u>3.89</u>	<u>22,675</u>	<u>1.09</u>	<u>70,389</u>	<u>3.01</u>
8500 TOTAL COMPREHENSIVE INCOME		<u>\$ 91,105</u>	<u>12.62</u>	<u>\$ 110,115</u>	<u>13.60</u>	<u>\$ 220,512</u>	<u>10.56</u>	<u>\$ 313,577</u>	<u>13.41</u>
8600 PROFIT ATTRIBUTABLE TO									
Owners of parent		\$ 46,468	6.44	\$ 53,778	6.65	\$ 134,025	6.42	\$ 170,044	7.27
Non-controlling interests		<u>24,893</u>	<u>3.45</u>	<u>24,790</u>	<u>3.06</u>	<u>63,812</u>	<u>3.05</u>	<u>73,144</u>	<u>3.13</u>
		<u>\$ 71,361</u>	<u>9.89</u>	<u>\$ 78,568</u>	<u>9.71</u>	<u>\$ 197,837</u>	<u>9.47</u>	<u>\$ 243,188</u>	<u>10.40</u>
8700 COMPREHENSIVE INCOME ATTRIBUTABLE TO									
Owners of parent		\$ 62,602	8.67	\$ 72,697	8.98	\$ 148,989	7.13	\$ 213,275	9.12
Non-controlling interests		<u>28,503</u>	<u>3.95</u>	<u>37,418</u>	<u>4.62</u>	<u>71,523</u>	<u>3.43</u>	<u>100,302</u>	<u>4.29</u>
		<u>\$ 91,105</u>	<u>12.62</u>	<u>\$ 110,115</u>	<u>13.60</u>	<u>\$ 220,512</u>	<u>10.56</u>	<u>\$ 313,577</u>	<u>13.41</u>
9750 BASIC EARNINGS PER SHARE (NTD)	4 and 6(14)	<u>\$ 0.61</u>		<u>\$ 0.71</u>		<u>\$ 1.77</u>		<u>\$ 2.25</u>	

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the nine months ended September 30, 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					170,044		170,044	73,144	243,188
Other comprehensive income (loss) for the period									
Exchange differences on translation of foreign financial statements						43,231	43,231	27,158	70,389
BALANCE, SEPTEMBER 30, 2022	\$ 756,617	\$ 150,801	\$ 459,608	\$ 97,955	\$ 998,096	\$ (54,724)	\$ 2,408,353	\$ 311,780	\$ 2,720,133
BALANCE, JANUARY 1, 2023	\$ 756,617	\$ 150,801	\$ 459,608	\$ 97,955	\$ 1,041,715	\$ (65,920)	\$ 2,440,776	\$ 326,160	\$ 2,766,936
Appropriation of earnings:									
Legal reserve			21,366		(21,366)		-		-
Special reserve				(32,035)	32,035		-		-
Cash dividends					(151,323)		(151,323)	(82,226)	(233,549)
Profit for the period					134,025		134,025	63,812	197,837
Other comprehensive income (loss) for the period									
Exchange differences on translation of foreign financial statements						14,964	14,964	7,711	22,675
BALANCE, SEPTEMBER 30, 2023	\$ 756,617	\$ 150,801	\$ 480,974	\$ 65,920	\$ 1,035,086	\$ (50,956)	\$ 2,438,442	\$ 315,457	\$ 2,753,899

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	<u>For the nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES :		
Profit before income tax	\$ 269,924	\$ 331,112
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	79,901	70,607
Amortization expense	25,835	22,493
Expected credit loss (gain)	(576)	(694)
Interest expense	427	424
Interest income	(17,757)	(9,047)
Loss (gain) on disposal of property, plant and equipment	(841)	(2,634)
Loss (gain) on disposal of other assets	710	-
Impairment loss (gain on reversal) on non-financial assets	128	(215)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable, net	1,331	3,211
Decrease (increase) in accounts receivable, net	50,820	(44,915)
Decrease (increase) in accounts receivable due from related parties	8,574	(27,388)
Decrease (increase) in other receivables	1,147	(1,225)
Decrease (increase) in inventories	62,311	9,008
Decrease (increase) in prepayments	(2,043)	(8,630)
Decrease (increase) in other current assets	494	(11)
Total changes in operating assets	<u>122,634</u>	<u>(69,950)</u>
Increase (decrease) in contract liabilities	2,405	(2,909)
Increase (decrease) in notes payable	(160)	(2,328)
Increase (decrease) in accounts payable	(2,313)	(7,517)
Increase (decrease) in accounts payable to related parties	(1,458)	87
Increase (decrease) in other payable	(32,759)	(11,954)
Increase (decrease) in provisions	23	(71)
Increase (decrease) in other current liabilities	(2,093)	1,106
Increase (decrease) in net defined benefit liability	<u>(8,194)</u>	<u>-</u>
Total changes in operating liabilities	<u>(44,549)</u>	<u>(23,586)</u>
Cash inflow (outflow) generated from operations	435,836	318,510
Interest received	18,030	9,247
Interest paid	(574)	(585)
Income taxes paid	<u>(87,880)</u>	<u>(81,434)</u>
Net cash flows from (used in) operating activities	<u>365,412</u>	<u>245,738</u>

(Continued)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	<u>For the nine months ended September 30</u>	
	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES :		
Decrease (increase) in financial assets at amortized cost - current	53,430	(73,294)
Acquisition of property, plant and equipment	(50,039)	(93,260)
Proceeds from disposal of property, plant and equipment	843	15,113
Decrease (increase) in software charge	(817)	(445)
Decrease (increase) in prepayments for business facilities	(53,592)	(58,295)
Decrease (increase) in refundable deposits	147	(18)
Decrease (increase) in other non-current assets	<u>(49,802)</u>	<u>(12,925)</u>
Net cash flows from (used in) investing activities	<u>(99,830)</u>	<u>(223,124)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES :		
Payments of lease liabilities	(1,016)	(1,090)
Increase (decrease) in guarantee deposits received	(62)	136
Cash dividends	(233,328)	(184,623)
Change in non-controlling interests	<u>7,711</u>	<u>27,158</u>
Net cash flows from (used in) financing activities	<u>(226,695)</u>	<u>(158,419)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>7,763</u>	<u>27,400</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	46,650	(108,405)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	<u>874,855</u>	<u>898,053</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u><u>\$ 921,505</u></u>	<u><u>\$ 789,648</u></u>

(See accompanying notes to consolidated financial statements.)