

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

			<u>December 31, 2023</u>		<u>December 31, 2022</u>	
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 0.17	
2580	Non-current lease liabilities	4 and 6(7)	13,557 0.42	14,695 0.44	
2640	Net defined benefit liability, non-current	4, 5 and 6(8)	- -	15,432 0.46	
2645	Guarantee deposits received		133 0.00	200 0.01	
25××	Total non-current liabilities		25,478 0.78	35,862 1.08	
2××	Total liabilities		490,668 14.99	545,093 16.46	
31××	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT				
3110	Ordinary share	6(9)	756,617 23.11	756,617 22.84	
3210	Capital surplus, additional paid-in capital	6(9)	150,801 4.61	150,801 4.55	
3300	Retained earnings	6(9)			
3310	Legal reserve		480,974 14.69	459,608 13.88	
3320	Special reserve		65,920 2.01	97,955 2.96	
3350	Unappropriated retained earnings		1,082,485 33.06	1,041,715 31.45	
3400	Other equity interest	6(9)			
3410	Exchange differences on translation of foreign financial statements		(80,932) (2.47)	(65,920) (1.99)	
31××	Total equity attributable to owners of parent		2,455,865 75.01	2,440,776 73.69	
36××	NON-CONTROLLING INTERESTS	6(9)	327,358 10.00	326,160 9.85	
3××	Total equity		2,783,223 85.01	2,766,936 83.54	
3×2×	TOTAL LIABILITIES AND EQUITY		\$ 3,273,891 100.00	\$ 3,312,029 100.00	

(See accompanying notes to consolidated financial statements.)

FINE BLANKING & TOOL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the years ended December 31, 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		<u>566,577</u>	<u>19.81</u>	<u>608,396</u>	<u>19.37</u>
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		<u>153</u>	<u>0.01</u>	<u>257</u>	<u>0.01</u>
Total operating expenses		<u>(233,156)</u>	<u>(8.16)</u>	<u>(231,704)</u>	<u>(7.38)</u>
6900 NET OPERATING INCOME		<u>333,421</u>	<u>11.65</u>	<u>376,692</u>	<u>11.99</u>
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		<u>(128)</u>	<u>(0.00)</u>	<u>215</u>	<u>0.01</u>
Total non-operating income and expenses		<u>39,449</u>	<u>1.38</u>	<u>41,503</u>	<u>1.33</u>
7900 PROFIT BEFORE INCOME TAX		<u>372,870</u>	<u>13.03</u>	<u>418,195</u>	<u>13.32</u>
7950 INCOME TAX EXPENSE	4 and 6(12)	<u>(99,787)</u>	<u>(3.49)</u>	<u>(111,717)</u>	<u>(3.56)</u>
8200 PROFIT FOR THE PERIOD		<u>273,083</u>	<u>9.54</u>	<u>306,478</u>	<u>9.76</u>
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		<u>(23,248)</u>	<u>(0.81)</u>	<u>53,627</u>	<u>1.71</u>
OTHER COMPREHENSIVE INCOME(LOSS), NET OF INCOME TAX		<u>(23,248)</u>	<u>(0.81)</u>	<u>53,902</u>	<u>1.72</u>
8500 TOTAL COMPREHENSIVE INCOME		<u>\$ 249,835</u>	<u>8.73</u>	<u>\$ 360,380</u>	<u>11.48</u>
8600 PROFIT ATTRIBUTABLE TO					
8610 Owners of parent		\$ 181,424	6.34	\$ 213,388	6.79
8620 Non-controlling interests		<u>91,659</u>	<u>3.20</u>	<u>93,090</u>	<u>2.97</u>
		<u>\$ 273,083</u>	<u>9.54</u>	<u>\$ 306,478</u>	<u>9.76</u>
8700 COMPREHENSIVE INCOME ATTRIBUTABLE TO					
8710 Owners of parent		\$ 166,412	5.82	\$ 245,698	7.82
8720 Non-controlling interests		<u>83,423</u>	<u>2.91</u>	<u>114,682</u>	<u>3.66</u>
		<u>\$ 249,835</u>	<u>8.73</u>	<u>\$ 360,380</u>	<u>11.48</u>
9750 BASIC EARNINGS PER SHARE (NTD)	6(14)	<u>\$ 2.40</u>		<u>\$ 2.82</u>	

(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)

	<u>2023</u>	<u>2022</u>
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	<u>664</u>	<u>63</u>
Total changes in operating assets	<u>154,264</u>	<u>(38,260)</u>
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	<u>(8,194)</u>	<u>-</u>
Total changes in operating liabilities	<u>(52,674)</u>	<u>3,857</u>

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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)

	<u>2023</u>	<u>2022</u>
Cash inflow (outflow) generated from operations	591,849	493,793
Interest received	26,880	13,861
Interest paid	(554)	(575)
Income taxes paid	<u>(101,452)</u>	<u>(93,526)</u>
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	<u>(52,102)</u>	<u>(26,234)</u>
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	<u>(8,236)</u>	<u>21,592</u>
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	<u>874,855</u>	<u>898,053</u>
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.)