

FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries

Consolidated Balance Sheet

September 30, 2023, December 31 and September 30, 2022

Unit: NT\$ Thousand

Assets			September 30, 2023		December 31, 2022		September 30, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	IV/VL.1	\$691,056	9.48	\$696,349	9.94	\$644,479	8.85
1110	Financial assets at FVTPL - Current	IV/VL.2	274,360	3.76	228,750	3.27	277,421	3.81
1140	Contract assets - current	IV/VL.15&16	9,375	0.13	2,288	0.03	6,101	0.08
1150	Net notes receivable	IV/VL.4&16	484,532	6.65	429,870	6.14	423,466	5.82
1170	Net accounts receivable	IV/VL.5&16	1,133,616	15.55	1,256,879	17.95	1,409,965	19.37
130x	Inventories	IV/VL.6	1,589,583	21.81	1,424,423	20.34	1,575,588	21.65
1470	Other current assets	VIII	210,086	2.89	234,107	3.34	246,814	3.39
11xx	Total current assets		<u>4,392,608</u>	<u>60.27</u>	<u>4,272,666</u>	<u>61.01</u>	<u>4,583,834</u>	<u>62.97</u>
	Non-current assets							
1510	Financial assets at FVTPL - Non-current	IV/VL.2	47,674	0.65	48,410	0.69	53,700	0.74
1517	Financial assets at FVOCI - Non-current	IV/VL.3	57,700	0.79	57,676	0.82	57,903	0.80
1550	Investment accounted for using the equity method	4.	9,085	0.12	13,286	0.19	3,267	0.04
1600	Property, plant and equipment	IV/VL.7/VIII	2,002,165	27.47	1,815,657	25.93	1,783,697	24.50
1755	Right-of-use assets	IV/VL.17	149,883	2.07	153,163	2.19	156,611	2.15
1760	Net investment property	IV/VL.8/VIII	333,273	4.57	333,874	4.77	349,579	4.81
1780	Intangible assets	4.	73,741	1.01	69,079	0.99	70,726	0.97
1840	Deferred tax income assets	IV/VL.21	108,225	1.49	110,252	1.57	99,013	1.36
1900	Other non-current assets - others	IV/VL.4&5/VIII	114,057	1.56	129,020	1.84	120,611	1.66
15xx	Total non-current assets		<u>2,895,803</u>	<u>39.73</u>	<u>2,730,417</u>	<u>38.99</u>	<u>2,695,107</u>	<u>37.03</u>
1xxx	Total assets		<u>\$7,288,411</u>	<u>100.00</u>	<u>\$7,003,083</u>	<u>100.00</u>	<u>\$7,278,941</u>	<u>100.00</u>

(Please refer to the notes to the consolidated financial statements.)

Chairman:

Manager:

Accounting Manager:

FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries  
Consolidated Balance Sheet (Cont'd)  
September 30, 2023, December 31 and September 30, 2022

Unit: NT\$ Thousand

Liabilities and Equity			September 30, 2023		December 31, 2022		September 30, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	IV/VI.9	\$328,157	4.50	\$590,659	8.43	\$772,271	10.61
2110	Short-term bills payable	IV/VI.10	124,762	1.71	-	-	19,982	0.27
2120	Financial liabilities measured at fair value through profit or loss - current	4.	-	-	-	-	224	-
2130	Contract liability	IV/VI.15	218,792	3.00	189,591	2.70	373,577	5.13
2150	Notes payable	4.	226,797	3.11	246,465	3.52	252,676	3.47
2170	Accounts payable	4.	786,201	10.79	619,135	8.84	703,898	9.67
2200	Other payables	4.	385,223	5.29	387,158	5.53	347,761	4.78
2230	Current tax liabilities	IV/VI.21	6,543	0.09	33,574	0.48	20,971	0.29
2280	Lease liabilities - current	IV/VI.17	1,315	0.02	1,274	0.02	1,280	0.02
2322	Long-term borrowings – current portion	IV/VI.12	524,902	7.20	115,601	1.65	79,538	1.09
2399	Other current liabilities – Others		12,665	0.17	5,263	0.08	26,888	0.37
21xx	Total current liabilities		<u>2,615,357</u>	<u>35.88</u>	<u>2,188,720</u>	<u>31.25</u>	<u>2,599,066</u>	<u>35.70</u>
	Non-current liabilities							
2530	Bonds payable	IV/VI.11	841,886	11.55	835,015	11.92	832,841	11.44
2540	Long-term borrowings	IV/VI.12	806,144	11.07	908,162	12.97	783,535	10.77
2570	Deferred income tax liabilities	IV/VI.21	545,166	7.48	542,727	7.75	535,476	7.36
2580	Lease liabilities – Non-current	IV/VI.17	23,635	0.32	24,587	0.35	25,278	0.35
2640	Net defined benefit liabilities - Non-current	IV/VI.13	32,407	0.44	39,168	0.56	42,455	0.58
2645	Deposits received		11,370	0.16	12,391	0.18	12,565	0.17
25xx	Total non-current liabilities		<u>2,260,608</u>	<u>31.02</u>	<u>2,362,050</u>	<u>33.73</u>	<u>2,232,150</u>	<u>30.67</u>
2xxx	Total Liabilities		<u>4,875,965</u>	<u>66.90</u>	<u>4,550,770</u>	<u>64.98</u>	<u>4,831,216</u>	<u>66.37</u>
31xx	Equity attributable to owners of the company							
3100	Share capital	VI.14						
3110	Common share capital		1,569,860	21.54	1,524,079	21.76	1,524,079	20.94
3130	Bond conversion entitlement certificates		-	-	57	-	-	-
3200	Capital surplus	VI.14	42,520	0.58	42,520	0.61	42,453	0.58
3300	Retained earnings							
3310	Legal reserve	VI.14	166,042	2.28	149,928	2.14	149,928	2.06
3320	Special reserve	VI.14	188,685	2.59	188,685	2.69	188,685	2.59
3350	Unappropriated earnings	VI.14	384,874	5.28	486,501	6.95	453,526	6.23
	Total retained earnings		<u>739,601</u>	<u>10.15</u>	<u>825,114</u>	<u>11.78</u>	<u>792,139</u>	<u>10.88</u>
3400	Other equities	4.	(105,042)	(1.44)	(110,861)	(1.58)	(75,186)	(1.03)
36xx	Non-controlling interests	VI.14	165,507	2.27	171,404	2.45	164,240	2.26
3xxx	Total equity		<u>2,412,446</u>	<u>33.10</u>	<u>2,452,313</u>	<u>35.02</u>	<u>2,447,725</u>	<u>33.63</u>
	Total liabilities and equities		<u>\$7,288,411</u>	<u>100.00</u>	<u>\$7,003,083</u>	<u>100.00</u>	<u>\$7,278,941</u>	<u>100.00</u>

(Please refer to the notes to the consolidated financial statements.)

Chairman:

Manager:

Accounting Manager:

FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries  
Consolidated Statements of Comprehensive Income  
For the nine months ended September 30, 2023 and 2022

Unit: NT\$ Thousand

Code	Accounting titles	Note	For the three months ended September 30, 2023		For the three months ended September 30, 2022		For the nine months ended September 30, 2023		For the nine months ended September 30, 2022	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	IV/VI.15	\$962,216	100.00	\$1,043,672	100.00	\$2,741,812	100.00	\$3,422,515	100.00
5000	Operating cost	IV/Vi.6&18/VII	(731,270)	(76.00)	(753,128)	(72.16)	(2,033,685)	(74.17)	(2,506,455)	(73.23)
5900	Gross profit		230,946	24.00	290,544	27.84	708,127	25.83	916,060	26.77
6000	Operating expenses	VI.17&18/VII								
6100	Selling expenses		(147,607)	(15.34)	(152,758)	(14.64)	(419,628)	(15.30)	(455,820)	(13.32)
6200	Administrative expenses		(59,724)	(6.21)	(54,094)	(5.18)	(172,784)	(6.30)	(164,786)	(4.81)
6300	Research and development expenses		(24,103)	(2.50)	(28,791)	(2.76)	(78,540)	(2.87)	(82,661)	(2.42)
6450	Expected credit impairment gain (loss)	VI.16	(10,401)	(1.08)	969	0.09	(19,671)	(0.72)	(22,687)	(0.66)
	Total operating expenses		(241,835)	(25.13)	(234,674)	(22.49)	(690,623)	(25.19)	(725,954)	(21.21)
6900	Operating (losses) gains		(10,889)	(1.13)	55,870	5.35	17,504	0.64	190,106	5.56
7000	Non-operating income and expense	IV/VI.19								
7010	Other income		25,913	2.69	18,553	1.78	66,643	2.43	54,931	1.60
7020	Other gains or losses		(10,318)	(1.07)	(14,012)	(1.34)	(8,619)	(0.32)	(25,201)	(0.74)
7050	Financial costs		(15,159)	(1.57)	(9,938)	(0.95)	(43,644)	(1.59)	(23,416)	(0.68)
7060	Share of profit or loss from associates and joint ventures accounted for using equity method		(2,014)	(0.21)	(2,047)	(0.20)	(4,201)	(0.15)	187	0.01
	Total non-operating incomes and expenses		(1,578)	(0.16)	(7,444)	(0.71)	10,179	0.37	6,501	0.19
7900	Net profit ( loss ) before tax		(12,467)	(1.29)	48,426	4.64	27,683	1.01	196,607	5.75
7950	Income tax benefits ( expenses )	IV/VI.21	1,968	0.20	(16,326)	(1.56)	(21,207)	(0.77)	(67,000)	(1.96)
8200	Net income (loss)		(10,499)	(1.09)	32,100	3.08	6,476	0.24	129,607	3.79
8300	Other comprehensive income	IV/VI.20,21								
8360	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on translation of the financial statements of foreign operations		72,573	7.54	21,923	2.10	(2,074)	(0.07)	69,865	2.04
8399	Income tax relating to items that may be reclassified subsequently to profit or loss		(12,245)	(1.27)	(4,339)	(0.42)	1,455	0.05	(13,360)	(0.39)
	Other comprehensive income of the current year (net amount after-tax)		60,328	6.27	17,584	1.68	(619)	(0.02)	56,505	1.65
8500	Total comprehensive income in the current period		\$49,829	5.18	\$49,684	4.76	\$5,857	0.22	\$186,112	5.44
8600	Net income (loss) attributable to:									
8610	Owners of the Company		\$(7,638)		\$32,490		\$5,935		\$128,630	
8620	Non-controlling interests		(2,861)		(390)		541		977	
			\$ (10,499)		\$32,100		\$6,476		\$129,607	
8700	Total comprehensive income attributable to:									
8710	Owners of the Company		\$52,981		\$49,849		\$11,754		\$182,073	
8720	Non-controlling interests		(3,152)		(165)		(5,897)		4,039	
			\$49,829		\$49,684		\$5,857		\$186,112	
	Earnings per share (NT\$)	VI.22								
9750	Basic earnings per share		\$(0.05)		\$0.21		\$0.04		\$0.82	
9850	Diluted earnings per share		\$(0.05)		\$0.20		\$0.04		\$0.81	

(Please refer to the notes to the consolidated financial statements)

Chairman:

Manager:

Accounting Manager:

## FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries

## Consolidated Statement of Changes in Equity

For the nine months ended September 30, 2023 and 2022

Unit: NT\$ Thousand

	Items	Equity attributable to owners of the company									Non- controlling interests	Total Equity
		Share capital	Bond conversion entitlement certificates	Capital surplus	Retained earnings		Other items of equity		Treasury stocks	Total		
					Legal reserve	Special reserve	Unappropriat ed earnings	Exchange differences on translation of the financial				
Code		3110	3130	3200	3310	3320	3350	3410	3500	31XX	36XX	3XXX
A1	Balance as of January 1, 2022	\$1,494,388	\$ -	\$23,649	\$138,371	\$188,685	\$411,150	\$(128,629)	\$(12,263)	\$2,115,351	\$159,200	\$2,274,551
	Earnings appropriation and distribution for 2021											
B1	Provision of legal reserve	-	-	-	11,557	-	(11,557)	-	-	-	-	-
B5	Cash dividend from ordinary shares	-	-	-	-	-	(44,536)	-	-	(44,536)	-	(44,536)
B9	Stock dividend from ordinary shares	29,691	-	-	-	-	(29,691)	-	-	-	-	-
C5	Recognition of equity components due to the issuance of convertible c	-	-	18,804	-	-	-	-	-	18,804	-	18,804
D1	Net income for the nine months ended September 30, 2022	-	-	-	-	-	128,630	-	-	128,630	977	129,607
D3	Other comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	-	53,443	-	53,443	3,062	56,505
D5	Comprehensive income in the current period	-	-	-	-	-	128,630	53,443	-	182,073	4,039	186,112
M7	Change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	1,001	1,001
N1	Transfer of treasury stocks to employees	-	-	-	-	-	(470)	-	12,263	11,793	-	11,793
Z1	Balance as of September 30, 2022	<u>\$1,524,079</u>	<u>\$-</u>	<u>\$42,453</u>	<u>\$149,928</u>	<u>\$188,685</u>	<u>\$453,526</u>	<u>\$(75,186)</u>	<u>\$ -</u>	<u>\$2,283,485</u>	<u>\$164,240</u>	<u>\$2,447,725</u>
A1	Balance as of January 1, 2023	\$1,524,079	\$57	\$42,520	\$149,928	\$188,685	\$486,501	\$(110,861)	\$ -	\$2,280,909	\$171,404	\$2,452,313
	Earnings appropriation and distribution for 2022											
B1	Provision of legal reserve	-	-	-	16,114	-	(16,114)	-	-	-	-	-
B5	Cash dividend from ordinary shares	-	-	-	-	-	(45,724)	-	-	(45,724)	-	(45,724)
B9	Stock dividend from ordinary shares	45,724	-	-	-	-	(45,724)	-	-	-	-	-
D1	Net income for the nine months ended September 30 , 2023	-	-	-	-	-	5,935	-	-	5,935	541	6,476
D3	Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	5,819	-	5,819	(6,438)	(619)
D5	Comprehensive income in the current period	-	-	-	-	-	5,935	5,819	-	11,754	(5,897)	5,857
I3	Conversion of bond conversion entitlement certificates	57	(57)	-	-	-	-	-	-	-	-	-
Z1	Balance as of September 30, 2023	<u>\$1,569,860</u>	<u>\$ -</u>	<u>\$42,520</u>	<u>\$166,042</u>	<u>\$188,685</u>	<u>\$384,874</u>	<u>\$(105,042)</u>	<u>\$ -</u>	<u>\$2,246,939</u>	<u>\$165,507</u>	<u>\$2,412,446</u>

(Please refer to the notes to the consolidated financial statements)

Chairman:

Manager:

Accounting Manager:

FU CHUN SHIN MACHINERY MANUFACTURE CO., LTD. and its Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2023 and 2022

Unit: NT\$ Thousand

Code	Items	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022	Code	Items	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	27,683	196,607	B00100	Purchase of financial assets at fair value through profit o	(922,532)	(1,292,952)
A20000	Adjustment items:			B00200	Disposal of financial assets at FVTPL	881,335	1,433,561
A20010	Income/expenses items:			B02700	Acquisition of property, plant and equipment	(270,249)	(321,176)
A20100	Depreciation expense	92,592	74,203	B02800	Disposal of property, plant and equipment	6,188	2,694
A20200	Amortization expenses	8,244	9,913	B04500	Acquisition of intangible assets	(12,886)	(1,948)
A20300	Expected credit impairment losses	19,671	22,687	B05400	Acquisition of investment property	(187)	-
A20400	Net (gain) on financial assets at FVTPL	(3,095)	(100)	BBBB	Net cash (outflow) from investing activities	(318,331)	(179,821)
A20900	Interest expenses	43,644	23,416				
A21200	Interest revenue	(21,848)	(17,621)	CCCC	Cash flows from financing activities:		
A22300	Share of loss (gains) on associates and joint ventures recogniz	4,201	(187)	C00100	Increase in short-term borrowings	632,223	1,405,345
A22500	Losses on disposal of property, plant and equipment	3,313	1,400	C00200	Decrease in short-term borrowings	(897,357)	(1,260,564)
A30000	Changes in operating assets/ liabilities:			C00500	Increase in short-term notes and bills payable	124,762	19,982
A31125	(Increase) decrease in contract assets	(7,087)	5,146	C01200	Issuance of bonds	-	494,850
A31130	(Increase) in notes receivable	(52,557)	(132,748)	C01600	Proceeds from long-term borrowings	491,418	525,932
A31150	Decrease (increase) in accounts receivable	91,136	(255,297)	C01700	Repayments of long-term borrowings	(187,367)	(701,773)
A31200	(Increase) in inventories	(158,792)	(40,408)	C03000	Increase (decrease) in deposits received	(1,021)	2,571
A31240	Decrease in other current assets	24,021	9,634	C04020	Repayment of principal portion of lease	(947)	(918)
A31990	Decrease of other non-current assets	27,105	4,537	C04500	Allocation of cash dividends	-	(44,536)
A32125	Increase in contract liability	29,201	39,671	C05100	Employees' subscription for treasury stocks	-	11,793
A32130	Notes payable (decrease)	(19,668)	(94,344)	C05800	Increase in non-controlling interests	-	1,001
A32150	Increase (decrease) in accounts payable	167,066	(82,386)	CCCC	Net cash inflow from financing activities	161,711	453,683
A32180	(Decrease) increase in other payables	(47,313)	44,515				
A32230	Increase of other current liabilities	7,402	23,576	DDDD	Effect of exchange rate changes on cash and cash equivalents	(16,333)	63,221
A32240	(Decrease) in net defined benefit liabilities	(6,761)	(1,810)				
A33000	Cash inflow (outflow) from operations	228,158	(169,596)	EEEE	(Decrease) increase in cash and cash equivalents for the cu	(5,293)	110,505
A33100	Interest received	21,848	17,621	E00100	Cash and cash equivalents at the beginning of the year	696,349	533,974
A33300	Interest paid	(37,119)	(21,735)	E00200	Cash and cash equivalents at the end of the year	\$691,056	\$644,479
A33500	Income tax paid	(45,227)	(52,868)				
AAAA	Net cash inflows (outflows) from operating activities	167,660	(226,578)				

(Please refer to the notes to the consolidated financial statements)

Chairman:

Manager:

Accounting Manager: