

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

Consolidated Balance Sheet

September 30, 2022, December 31 and September 30, 2021

(Reviewed as of September 30, 2022 and 2021, but not audited in accordance with generally accepted auditing standards)

Unit: NT\$ Thousand

Assets			September 30, 2022		December 31, 2021		September 30, 2021	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	IV/VI.1	\$644,479	8.85	\$533,974	8.06	\$690,975	10.99
1110	Financial assets at FVTPL - Current	IV/VI.2	277,421	3.81	405,060	6.11	117,881	1.88
1140	Contract assets - current	IV/VI.15&16	6,101	0.08	11,247	0.17	-	-
1150	Net notes receivable	IV/VI.4&16	423,466	5.82	291,979	4.41	209,121	3.33
1170	Net accounts receivable	IV/VI.5&16	1,409,965	19.37	1,165,878	17.59	1,185,950	18.87
130x	Inventories	IV/VI.6	1,575,588	21.65	1,527,628	23.05	1,485,133	23.62
1470	Other current assets	VIII	246,814	3.39	314,132	4.74	253,604	4.03
11xx	Total current assets		4,583,834	62.97	4,249,898	64.13	3,942,664	62.72
	Non-current assets							
1510	Financial assets at FVTPL - Non-current	IV/VI.2	53,700	0.74	55,313	0.83	55,313	0.88
1517	Financial assets at FVOCI - Non-current	IV/VI.3	57,903	0.80	-	-	-	-
1550	Investment accounted for using the equity method	4.	3,267	0.04	3,080	0.05	3,778	0.06
1600	Property, plant and equipment	IV/VI.7/VIII	1,783,697	24.50	1,616,639	24.40	1,570,774	24.99
1755	Right-of-use assets	IV/VI.17	156,611	2.15	155,561	2.35	158,846	2.53
1760	Net investment property	IV/VI.8/VIII	349,579	4.81	228,534	3.45	230,217	3.66
1780	Intangible assets	4.	70,726	0.97	77,950	1.18	69,379	1.10
1840	Deferred tax income assets	IV/VI.21	99,013	1.36	92,292	1.39	98,532	1.57
1900	Other non-current assets - others	IV/VI.4&5/VIII	120,611	1.66	147,280	2.22	156,668	2.49
15xx	Total non-current assets		2,695,107	37.03	2,376,649	35.87	2,343,507	37.28
1xxx	Total assets		\$7,278,941	100.00	\$6,626,547	100.00	\$6,286,171	100.00

(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, 2022, December 31 and September 30, 2021

(Reviewed as of September 30, 2022 and 2021, but not audited in accordance with generally accepted auditing standards)

Unit: NT\$ Thousand

Liabilities and Equity			September 30, 2022		December 31, 2021		September 30, 2021	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	IV/VI.9	\$772,271	10.61	\$596,343	8.99	\$587,219	9.34
2110	Short-term bills payable	IV/VI.10	19,982	0.27	-	-	19,995	0.32
2120	Financial liabilities measured at fair value through profit or loss - current	4.	224	-	-	-	102	-
2130	Contract liability	IV/VI.15	373,577	5.13	333,906	5.04	317,078	5.04
2150	Notes payable	4.	252,676	3.47	347,020	5.24	175,379	2.79
2170	Accounts payable	4.	703,898	9.67	786,284	11.87	791,477	12.59
2200	Other payables	4.	347,761	4.78	302,319	4.56	285,381	4.54
2230	Current tax liabilities	IV/VI.21	20,971	0.29	35,180	0.53	22,220	0.35
2280	Lease liabilities - current	IV/VI.17	1,280	0.02	1,206	0.02	1,142	0.02
2322	Long-term borrowings – current portion	IV/VI.12	79,538	1.09	86,228	1.30	87,901	1.40
2399	Other current liabilities – Others		26,888	0.37	3,312	0.05	4,918	0.08
21xx	Total current liabilities		2,599,066	35.70	2,491,798	37.60	2,292,812	36.47
	Non-current liabilities							
2530	Bonds payable	IV/VI.11	832,841	11.44	360,000	5.44	360,000	5.72
2540	Long-term borrowings	IV/VI.12	783,535	10.77	938,100	14.16	861,226	13.70
2570	Deferred income tax liabilities	IV/VI.21	535,476	7.36	482,353	7.28	470,617	7.49
2580	Lease liabilities – Non-current	IV/VI.17	25,278	0.35	25,486	0.38	25,560	0.41
2640	Net defined benefit liabilities - Non-current	IV/VI.13	42,455	0.58	44,265	0.67	42,827	0.68
2645	Deposits received		12,565	0.17	9,994	0.15	9,994	0.16
25xx	Total non-current liabilities		2,232,150	30.67	1,860,198	28.08	1,770,224	28.16
2xxx	Total Liabilities		4,831,216	66.37	4,351,996	65.68	4,063,036	64.63
31xx	Equity attributable to owners of the company							
3100	Share capital	VI.14						
3110	Common share capital		1,524,079	20.94	1,494,388	22.55	1,487,085	23.66
3150	Stock dividends to be distributed	VI.14	-	-	-	-	7,303	0.12
3200	Capital surplus	VI.14	42,453	0.58	23,649	0.36	23,649	0.38
3300	Retained earnings							
3310	Legal reserve	VI.14	149,928	2.06	138,371	2.09	138,371	2.20
3320	Special reserve	VI.14	188,685	2.59	188,685	2.85	188,685	3.00
3350	Unappropriated earnings	VI.14	453,526	6.23	411,150	6.20	393,314	6.26
	Total retained earnings		792,139	10.88	738,206	11.14	720,370	11.46
3400	Other equities	4.	(75,186)	(1.03)	(128,629)	(1.94)	(147,054)	(2.34)
3500	Treasury stocks	IV/VI.14	-	-	(12,263)	(0.19)	(33,031)	(0.53)
36xx	Non-controlling interests	VI.14	164,240	2.26	159,200	2.40	164,813	2.62
3xxx	Total equity		2,447,725	33.63	2,274,551	34.32	2,223,135	35.37
	Total liabilities and equities		\$7,278,941	100.00	\$6,626,547	100.00	\$6,286,171	100.00

(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, 2022 and 2021  
(Reviewed, not audited in accordance with generally accepted auditing standards)

Unit: NT\$ Thousand

Code	Accounting titles	Note	For the three months ended September 30, 2022		For the three months ended September 30, 2021		For the nine months ended September 30, 2022		For the nine months ended September 30, 2021	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	IV/VI.15	\$1,043,672	100.00	\$1,085,051	100.00	\$3,422,515	100.00	\$3,226,762	100.00
5000	Operating cost	IV/VI.18/VII	(753,128)	(72.16)	(817,390)	(75.33)	(2,506,455)	(73.23)	(2,443,424)	(75.72)
5900	Gross profit		290,544	27.84	267,661	24.67	916,060	26.77	783,338	24.28
6000	Operating expenses	VI.17&18/VII								
6100	Selling expenses		(152,758)	(14.64)	(134,204)	(12.37)	(455,820)	(13.32)	(413,719)	(12.82)
6200	Administrative expenses		(54,094)	(5.18)	(47,965)	(4.42)	(164,786)	(4.81)	(142,852)	(4.43)
6300	Research and development expenses		(28,791)	(2.76)	(23,908)	(2.20)	(82,661)	(2.42)	(67,562)	(2.09)
6450	Expected credit impairment gain (loss)	VI.16	969	0.09	137	0.01	(22,687)	(0.66)	(7,469)	(0.23)
	Total operating expenses		(234,674)	(22.49)	(205,940)	(18.98)	(725,954)	(21.21)	(631,602)	(19.57)
6900	Operating income		55,870	5.35	61,721	5.69	190,106	5.56	151,736	4.71
7000	Non-operating income and expense	IV/VI.19								
7010	Other income		18,553	1.78	13,267	1.22	54,931	1.60	43,233	1.34
7020	Other gains or losses		(14,012)	(1.34)	(2,136)	(0.20)	(25,201)	(0.74)	(9,815)	(0.31)
7050	Financial costs		(9,938)	(0.95)	(4,637)	(0.43)	(23,416)	(0.68)	(12,557)	(0.39)
7060	Share of profit or loss from associates and joint ventures accounted for using equity method		(2,047)	(0.20)	(1,208)	(0.11)	187	0.01	3,778	0.12
	Total non-operating incomes and expenses		(7,444)	(0.71)	5,286	0.48	6,501	0.19	24,639	0.76
7900	Net income before tax		48,426	4.64	67,007	6.17	196,607	5.75	176,375	5.47
7950	Income tax (expense)	IV/VI.21	(16,326)	(1.56)	(27,589)	(2.54)	(67,000)	(1.96)	(81,248)	(2.52)
8200	Current net profit		32,100	3.08	39,418	3.63	129,607	3.79	95,127	2.95
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		21,923	2.10	(9,086)	(0.84)	69,865	2.04	(41,373)	(1.28)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss		(4,339)	(0.42)	7,678	0.71	(13,360)	(0.39)	7,678	0.24
	Other comprehensive income of the current year (net amount after-tax)		17,584	1.68	(1,408)	(0.13)	56,505	1.65	(33,695)	(1.04)
8500	Total comprehensive income in the current period		\$49,684	4.76	\$38,010	3.50	\$186,112	5.44	\$61,432	1.91
8600	Net income (loss) attributable to:									
8610	Owners of the Company		\$32,490		\$39,202		\$128,630		\$97,739	
8620	Non-controlling interests		(390)		216		977		(2,612)	
			\$32,100		\$39,418		\$129,607		\$95,127	
8700	Total comprehensive income attributable to:									
8710	Owners of the Company		\$49,849		\$37,838		\$182,073		\$67,027	
8720	Non-controlling interests		(165)		172		4,039		(5,595)	
			\$49,684		\$38,010		\$186,112		\$61,432	
	Earnings per share (NT\$)	VI.22								
9750	Basic earnings per share		\$0.21		\$0.26		\$0.85		\$0.65	
9850	Diluted earnings per share		\$0.20		\$0.26		\$0.83		\$0.65	

(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, 2022 and 2021  
(Reviewed, not audited in accordance with generally accepted auditing standards)

Unit: NT\$ Thousand

	Items	Equity attributable to owners of the company									Non-controlling interests	Total Equity
		Share capital	Stock dividends to be distributed	Capital surplus	Retained earnings		Other items of equity			Total		
					Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of the financial	Treasury stocks			
Code		3110	3150	3200	3310	3320	3350	3410	3500	31XX	36XX	3XXX
A1	Balance as of January 1, 2021	\$1,487,085	\$ -	\$23,745	\$137,165	\$188,685	\$311,386	\$(116,342)	\$(33,031)	\$1,998,693	\$174,204	\$2,172,897
	Earnings appropriation and distribution for 2020											
B1	Provision of legal reserve	-	-	-	1,206	-	(1,206)	-	-	-	-	-
B5	Cash dividend from ordinary shares	-	-	-	-	-	(7,302)	-	-	(7,302)	-	(7,302)
B9	Stock dividend from ordinary shares	-	7,303	-	-	-	(7,303)	-	-	-	-	-
D1	Net income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	97,739	-	-	97,739	(2,612)	95,127
D3	Other comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	(30,712)	-	(30,712)	(2,983)	(33,695)
D5	Comprehensive income in the current period	-	-	-	-	-	97,739	(30,712)	-	67,027	(5,595)	61,432
I3	Conversion of bond conversion entitlement certificates	-	-	-	-	-	-	-	-	-	-	-
M7	Change in ownership interests in subsidiaries	-	-	(96)	-	-	-	-	-	(96)	639	543
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(4,435)	(4,435)
Z1	Balance as of September 30, 2021	<u>\$1,487,085</u>	<u>\$7,303</u>	<u>\$23,649</u>	<u>\$138,371</u>	<u>\$188,685</u>	<u>\$393,314</u>	<u>\$(147,054)</u>	<u>\$(33,031)</u>	<u>\$2,058,322</u>	<u>\$164,813</u>	<u>\$2,223,135</u>
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 bonds	-	-	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>

(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, 2022 and 2021

(Reviewed, not audited in accordance with generally accepted auditing standards)

						Unit: NT\$ Thousand	
Code	Items	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021	Code	Items	For the nine months ended September 30, 2022	For the nine months ended September 30, 2021
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$196,607	\$176,375	B00100	Purchase of financial assets at fair value through profit or loss	(1,292,952)	(1,480,135)
A20000	Adjustment items:			B00200	Disposal of financial assets at FVTPL	1,433,561	1,896,993
A20010	Income/expenses items:			B02000	(Increase) in prepayments for investments	-	(57,315)
A20100	Depreciation expense	74,203	75,266	B02700	Acquisition of property, plant and equipment	(321,176)	(217,379)
A20200	Amortization expenses	9,913	9,072	B02800	Disposal of property, plant and equipment	2,694	2,490
A20300	Expected credit impairment losses	22,687	7,469	B04500	Acquisition of intangible assets	(1,948)	(5,273)
A20400	Net (gain) on financial assets at FVTPL	(100)	(8,504)	BBBB	Net cash ( outflow ) inflow from investing activities	(179,821)	139,381
A20900	Interest expenses	23,416	12,557				
A21200	Interest revenue	(17,621)	(22,998)	CCCC	Cash flows from financing activities:		
A22300	Share of (gains) on associates and joint ventures accounted for	(187)	(3,778)	C00100	Increase in short-term borrowings	1,405,345	1,599,305
A22500	Losses on disposal of property, plant and equipment	1,400	2,384	C00200	Decrease in short-term borrowings	(1,260,564)	(1,604,954)
A23700	Loss on non-financial asset impairment	-	461	C00500	Decrease ( increase ) of short-term notes payable	19,982	(29,966)
A30000	Changes in operating assets/ liabilities:			C01200	Issuance of bonds	494,850	-
A31125	Decrease in contract assets	5,146	-	C01600	Proceeds from long-term borrowings	525,932	275,098
A31130	Decrease (increase) of notes receivable	(132,748)	72,805	C01700	Repayments of long-term borrowings	(701,773)	(106,587)
A31150	(Increase) in accounts receivable	(255,297)	(109,684)	C03000	Increase in deposits received	2,571	-
A31200	(Increase) in inventories	(40,408)	(229,753)	C03100	Guarantee deposits received ( decrease )	-	(75)
A31240	Decrease in other current assets	9,634	121,962	C04020	Repayment of principal portion of lease	(918)	(742)
A31990	Decrease (increase) in other non-current assets	4,537	(38,685)	C04500	Allocation of cash dividends	(44,536)	-
A32125	Increase in contract liability	39,671	54,882	C05100	Employees' subscription for treasury stocks	11,793	-
A32130	Notes payable ( decrease )	(94,344)	(171,230)	C05800	Increase (decrease) of non-controlling interests	1,001	(3,892)
A32150	(Decrease) increase in accounts receivable	(82,386)	156,772	CCCC	Net cash inflow from financing activities	453,683	128,187
A32180	Increase in other payables	44,515	4,528				
A32230	Increase (decrease) in other current liabilities	23,576	(6,411)	DDDD	Effect of exchange rate changes on cash and cash equivalents	63,221	(19,916)
A32240	(Decrease) in net defined benefit liabilities	(1,810)	(4,394)				
A33000	Cash (outflow) from operations	(169,596)	99,096	EEEE	Increase in cash and cash equivalents for the current period	110,505	297,753
A33100	Interest received	17,621	22,998	E00100	Cash and cash equivalents at the beginning of the year	533,974	393,222
A33300	Interest paid	(21,735)	(12,712)	E00200	Cash and cash equivalents at the end of the year	\$644,479	\$690,975
A33500	Income tax paid	(52,868)	(59,281)				
AAAA	Net cash (outflow) inflow from operating activities	(226,578)	50,101				

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

Chairman:

Manager:

Accounting Manager: