

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

Consolidated Balance Sheet

March 31, 2023, December 31 and March 31, 2022

(Reviewed as of March 31, 2023 and 2022, but not audited in accordance with generally accepted auditing standards)

Unit: NT\$ Thousand

Assets			March 31, 2023		December 31, 2022		March 31, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	IV/VI.1	\$706,883	9.96	\$696,349	9.94	\$602,847	8.56
1110	Financial assets at FVTPL - Current	IV/VI.2	97,494	1.37	228,750	3.27	246,159	3.50
1140	Contract assets - current	IV/VI.14 & 15	38,526	0.54	2,288	0.03	21,406	0.30
1150	Net notes receivable	IV/VI.4 & 15	412,360	5.81	429,870	6.14	406,626	5.77
1170	Net accounts receivable	IV/VI.5 & 15	1,203,040	16.95	1,256,879	17.95	1,223,409	17.37
130x	Inventories	IV/VI.6	1,575,973	22.21	1,424,423	20.34	1,614,113	22.92
1470	Other current assets	VIII	208,141	2.94	234,107	3.34	383,450	5.46
11xx	Total current assets		4,242,417	59.78	4,272,666	61.01	4,498,010	63.88
	Non-current assets							
1510	Financial assets at FVTPL - Non-current	IV/VI.2	47,923	0.68	48,410	0.69	55,313	0.80
1517	Financial assets at FVOCI - Non-current	IV/VI.3	57,756	0.81	57,676	0.82	-	-
1550	Investment accounted for using the equity method	4.	12,108	0.17	13,286	0.19	1,997	0.03
1600	Property, plant and equipment	IV/VI.7/VIII	1,891,257	26.65	1,815,657	25.93	1,788,117	25.39
1755	Right-of-use assets	IV/VI.16	152,783	2.15	153,163	2.19	160,163	2.27
1760	Net investment property	IV/VI.8/VIII	331,862	4.68	333,874	4.77	225,733	3.21
1780	Intangible assets	4.	78,767	1.11	69,079	0.99	76,367	1.08
1840	Deferred tax income assets	IV/VI.20	114,408	1.61	110,252	1.57	91,860	1.30
1900	Other non-current assets - others	IV/VI.4,5/VIII	166,570	2.36	129,020	1.84	143,924	2.04
15xx	Total non-current assets		2,853,434	40.22	2,730,417	38.99	2,543,474	36.12
1xxx	Total assets		\$7,095,851	100.00	\$7,003,083	100.00	\$7,041,484	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)

March 31, 2023, December 31 and March 31, 2022

(Reviewed as of March 31, 2023 and 2022, but not audited in accordance with generally accepted auditing standards)

Unit: NT\$ Thousand

Liabilities and Equity			March 31, 2023		December 31, 2022		March 31, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	IV/VI.9	\$542,386	7.64	\$590,659	8.43	\$620,097	8.81
2120	Financial liabilities measured at fair value through profit or loss - current	4.	-	-	-	-	187	-
2130	Contract liability	IV/VI.14	329,850	4.65	189,591	2.70	390,257	5.54
2150	Notes payable	4.	253,267	3.57	246,465	3.52	482,162	6.85
2170	Accounts payable	4.	621,663	8.77	619,135	8.84	804,932	11.43
2200	Other payables	4.	314,211	4.42	387,158	5.53	267,478	3.80
2230	Current tax liabilities	IV/VI.20	11,565	0.16	33,574	0.48	25,960	0.37
2280	Lease liabilities - current	IV/VI.16	1,293	0.02	1,274	0.02	1,264	0.02
2322	Long-term borrowings – current portion	IV/VI.11	69,711	0.98	115,601	1.65	72,355	1.03
2399	Other current liabilities – Others		5,883	0.08	5,263	0.08	6,684	0.09
21xx	Total current liabilities		2,149,829	30.29	2,188,720	31.25	2,671,376	37.94
	Non-current liabilities							
2530	Bonds payable	IV/VI.10	837,294	11.80	835,015	11.92	360,000	5.11
2540	Long-term borrowings	IV/VI.11	1,012,018	14.27	908,162	12.97	1,042,871	14.81
2570	Deferred income tax liabilities	IV/VI.20	551,152	7.77	542,727	7.75	507,795	7.21
2580	Lease liabilities – Non-current	IV/VI.16	24,387	0.34	24,587	0.35	26,115	0.37
2640	Net defined benefit liabilities - Non-current	IV/VI.12	38,627	0.54	39,168	0.56	43,659	0.62
2645	Deposits received		11,797	0.17	12,391	0.18	9,994	0.14
25xx	Total non-current liabilities		2,475,275	34.89	2,362,050	33.73	1,990,434	28.26
2xxx	Total Liabilities		4,625,104	65.18	4,550,770	64.98	4,661,810	66.20
31xx	Equity attributable to owners of the company							
3100	Share capital	VI.13						
3110	Common share capital		1,524,136	21.48	1,524,079	21.76	1,494,388	21.22
3130	Bond conversion entitlement certificates		-	-	57	-	-	-
3200	Capital surplus	VI.13	42,520	0.60	42,520	0.61	23,649	0.34
3300	Retained earnings							
3310	Legal reserve	VI.13	149,928	2.11	149,928	2.14	138,371	1.97
3320	Special reserve	VI.13	188,685	2.66	188,685	2.69	188,685	2.68
3350	Unappropriated earnings	VI.13	491,513	6.93	486,501	6.95	445,955	6.33
	Total retained earnings		830,126	11.70	825,114	11.78	773,011	10.98
3400	Other equities	4.	(100,848)	(1.42)	(110,861)	(1.58)	(64,605)	(0.92)
3500	Treasury stocks	IV/VI.13	-	-	-	-	(12,263)	(0.17)
36xx	Non-controlling interests	VI.13	174,813	2.46	171,404	2.45	165,494	2.35
3xxx	Total equity		2,470,747	34.82	2,452,313	35.02	2,379,674	33.80
	Total liabilities and equities		\$7,095,851	100.00	\$7,003,083	100.00	\$7,041,484	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 three months ended March 31, 2023 and 2022
(Reviewed, not audited in accordance with auditing standards)

Unit: NT\$ Thousand

Code	Accounting titles	Note	For the three months ended March 31, 2023		For the three months ended March 31, 2022	
			Amount	%	Amount	%
4000	Operating revenue	IV/VI.14	\$786,043	100.00	\$1,057,368	100.00
5000	Operating cost	IV/VI.6 & 17/VII	(564,586)	(71.83)	(785,974)	(74.33)
5900	Gross profit		221,457	28.17	271,394	25.67
6000	Operating expenses	VI.16,17/VII				
6100	Selling expenses		(127,212)	(16.18)	(139,909)	(13.23)
6200	Administrative expenses		(55,816)	(7.10)	(49,751)	(4.71)
6300	Research and development expenses		(31,076)	(3.95)	(23,754)	(2.25)
6450	Expected credit impairment losses	VI.15	(2,873)	(0.37)	(5,623)	(0.53)
	Total operating expenses		(216,977)	(27.60)	(219,037)	(20.72)
6900	Operating income		4,480	0.57	52,357	4.95
7000	Non-operating income and expense	IV/VI.18				
7010	Other income		28,066	3.57	16,495	1.56
7020	Other gains or losses		(1,897)	(0.24)	(3,951)	(0.37)
7050	Financial costs		(15,266)	(1.94)	(6,085)	(0.58)
7060	Share of profit or loss from associates and joint ventures accounted for u		(1,178)	(0.15)	(1,083)	(0.10)
	Total non-operating incomes and expenses		9,725	1.24	5,376	0.51
7900	Net income before tax		14,205	1.81	57,733	5.46
7950	Income tax expenses	IV/VI.20	(6,862)	(0.87)	(23,596)	(2.23)
8200	Current net profit		7,343	0.94	34,137	3.23
8300	Other comprehensive income	IV/VI.19&20				
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		13,594	1.73	85,991	8.13
8399	Income tax relating to items that may be reclassified subsequently to profit or loss		(2,503)	(0.32)	(16,006)	(1.51)
	Other comprehensive income of the current year (net amount after-tax)		11,091	1.41	69,985	6.62
8500	Total comprehensive income in the current period		\$18,434	2.35	\$104,122	9.85
8600	Net income (loss) attributable to:					
8610	Owners of the Company		\$5,012		\$34,805	
8620	Non-controlling interests		2,331		(668)	
			\$7,343		\$34,137	
8700	Total comprehensive income attributable to:					
8710	Owners of the Company		\$15,025		\$98,829	
8720	Non-controlling interests		3,409		5,293	
			\$18,434		\$104,122	
	Earnings per share(NT\$)	VI.21				
9750	Basic earnings per share		\$0.03		\$0.23	
9850	Diluted earnings per share		\$0.03		\$0.23	

(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 three months ended March 31, 2023 and 2022

(Reviewed, not audited in accordance with auditing standards)

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			Total		
					Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of the financial	Treasury stocks			
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
D1	Net income (loss) for the three months ended March 31, 2022	-	-	-	-	-	34,805	-	-	34,805	(668)	34,137
D3	Other comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	-	-	64,024	-	64,024	5,961	69,985
D5	Total comprehensive income in the current period	-	-	-	-	-	34,805	64,024	-	98,829	5,293	104,122
M7	Change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	1,001	1,001
Z1	Balance as of March 31 , 2022	<u>\$1,494,388</u>	<u>\$ -</u>	<u>\$23,649</u>	<u>\$138,371</u>	<u>\$188,685</u>	<u>\$445,955</u>	<u>\$(64,605)</u>	<u>\$(12,263)</u>	<u>\$2,214,180</u>	<u>\$165,494</u>	<u>\$2,379,674</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
D1	Net income for the three months ended March 31, 2023	-	-	-	-	-	5,012	-	-	5,012	2,331	7,343
D3	Other comprehensive income (loss) for the three months ended March31, 2023	-	-	-	-	-	-	10,013	-	10,013	1,078	11,091
D5	Total comprehensive income in the current period	-	-	-	-	-	5,012	10,013	-	15,025	3,409	18,434
I3	Conversion of bond conversion entitlement certificates	57	(57)	-	-	-	-	-	-	-	-	-
Z1	Balance as of March 31, 2023	<u>\$1,524,136</u>	<u>\$ -</u>	<u>\$42,520</u>	<u>\$149,928</u>	<u>\$188,685</u>	<u>\$491,513</u>	<u>\$(100,848)</u>	<u>\$ -</u>	<u>\$2,295,934</u>	<u>\$174,813</u>	<u>\$2,470,747</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 three months ended March 31, 2023 and 2022

(Reviewed, not audited in accordance with auditing standards)

Unit: NT\$ Thousand

Code	Items	For the three months ended March 31, 2023	For the three months ended March 31, 2022	Code	Items	For the three months ended March 31, 2023	For the three months ended March 31, 2022
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$14,205	\$57,733	B00100	Purchase of financial assets at fair value through profit or	(301,889)	(361,487)
A20000	Adjustment items:			B00200	Disposal of financial assets at FVTPL	436,273	532,600
A20010	Income/expenses items:			B02700	Acquisition of property, plant and equipment	(98,044)	(163,240)
A20100	Depreciation expense	29,460	24,608	B02800	Disposal of property, plant and equipment	2,148	800
A20200	Amortization expenses	2,670	3,235	B04500	Acquisition of intangible assets	(12,274)	(1,040)
A20300	Expected credit impairment losses	2,873	5,623	BBBB	Net cash inflow from investing activities	26,214	7,633
A20400	Net (gain) on financial assets at FVTPL	(1,288)	(1,265)				
A20900	Interest expenses	15,266	6,085	CCCC	Cash flows from financing activities:		
A21200	Interest revenue	(6,199)	(5,480)	C00100	Increase in short-term borrowings	192,452	467,148
A22300	Share of losses on affiliates and joint ventures accounted for using the equity method	1,178	1,083	C00200	Decrease in short-term borrowings	(241,389)	(455,765)
A22500	Disposal of property, plant and equipment (gains) losses	(221)	540	C01600	Proceeds from long-term borrowings	120,000	134,061
A30000	Changes in operating assets/ liabilities:			C01700	Repayments of long-term borrowings	(63,780)	(51,912)
A31125	Contract assets (increase)	(36,238)	(10,159)	C04020	Repayment of principal portion of lease	(316)	(302)
A31130	Decrease (increase) in notes receivable	18,107	(114,364)	C03100	Decrease in guarantee deposits received	(594)	-
A31150	Decrease (increase) in accounts receivable	51,734	(62,627)	C05800	Increase in non-controlling interests	-	1,001
A31200	(Increase) in inventories	(147,969)	(81,744)	CCCC	Net cash inflow from financing activities	6,373	94,231
A31240	Decrease(increase) in other current assets	25,966	(68,751)				
A31990	(Increase) in other non-current assets	(33,490)	(1,553)	DDDD	Effect of exchange rate changes on cash and cash equivalents	(935)	59,532
A32125	Increase in contract liability	140,259	56,351	EEEE	Increase in cash and cash equivalents for the current period	10,534	68,873
A32130	Increase in notes payable	6,802	135,142	E00100	Cash and cash equivalents at the beginning of the year	696,349	533,974
A32150	Increase in accounts payable	2,528	18,648	E00200	Cash and cash equivalents at the end of the year	\$706,883	\$602,847
A32180	Other payables (decrease)	(72,708)	(36,424)				
A32230	Increase of other current liabilities	620	3,372				
A32240	(Decrease) in net defined benefit liabilities	(541)	(606)				
A33000	Cash inflow (outflow) from operations	13,014	(70,553)				
A33100	Interest received	6,199	5,480				
A33300	Interest paid	(13,226)	(4,502)				
A33500	Income tax paid	(27,105)	(22,948)				
AAAA	Net cash (outflow) from operating activities	(21,118)	(92,523)				

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

Chairman:

Manager:

Accounting Manager: