

**Shieh Yih Machinery Industry Co., Ltd. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2021 and 2020 and  
Independent Auditors' Review Report**

# SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		September 30, 2020 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 2,207,878	36	\$ 2,440,540	41	\$ 1,866,513	35
Financial assets at fair value through profit or loss	494,112	8	473,637	8	588,300	11
Financial assets at amortized cost	112,842	2	99,752	2	98,221	2
Contract assets	228,123	4	35,774	1	54,142	1
Notes receivable	260,013	4	183,983	3	103,372	2
Trade receivables	284,243	4	214,226	4	231,283	4
Other receivables	13,249	-	13,758	-	11,675	-
Current tax assets	32,456	-	6,536	-	4,011	-
Inventories	1,098,084	18	1,018,877	17	995,087	18
Prepayments	57,325	1	34,109	-	30,069	1
Other current assets	1,395	-	2,569	-	670	-
Total current assets	<u>4,789,720</u>	<u>77</u>	<u>4,523,761</u>	<u>76</u>	<u>3,983,343</u>	<u>74</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through other comprehensive income	96,193	2	95,788	2	95,880	2
Financial assets at amortized cost - non-current	88,888	2	6,407	-	6,326	-
Investments accounted for using the equity method	-	-	-	-	77,806	1
Property, plant and equipment	872,828	14	940,267	16	956,875	18
Right-of-use assets	65,543	1	81,717	2	42,791	1
Investment properties	110,965	2	111,825	2	112,111	2
Intangible assets	6,133	-	6,778	-	7,283	-
Deferred tax assets	140,128	2	125,956	2	106,228	2
Refundable deposits	6,897	-	7,855	-	8,718	-
Other non-current assets	23,839	-	14,678	-	9,139	-
Total non-current assets	<u>1,411,414</u>	<u>23</u>	<u>1,391,271</u>	<u>24</u>	<u>1,423,157</u>	<u>26</u>
<b>TOTAL</b>	<u>\$ 6,201,134</u>	<u>100</u>	<u>\$ 5,915,032</u>	<u>100</u>	<u>\$ 5,406,500</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings	\$ 489,014	8	\$ 374,606	6	\$ 392,136	7
Short-term notes and bills payable	130,000	2	-	-	-	-
Contract liabilities	617,435	10	604,684	10	402,441	8
Notes payable	402,284	7	293,440	5	310,470	6
Trade payables	921,756	15	590,865	10	510,848	10
Other payables	164,127	3	134,660	2	108,357	2
Current tax liabilities	14,542	-	11,259	-	8,561	-
Lease liabilities	19,901	-	23,160	1	14,578	-
Current portion of long-term borrowings	250,000	4	100,000	2	100,000	2
Other current liabilities	11,227	-	14,673	-	14,764	-
Total current liabilities	<u>3,020,286</u>	<u>49</u>	<u>2,147,347</u>	<u>36</u>	<u>1,862,155</u>	<u>35</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings	685,760	11	1,189,420	20	1,048,630	19
Deferred tax liabilities	51,007	1	96,459	2	78,445	2
Lease liabilities	36,836	-	48,151	1	16,141	-
Net defined benefit liabilities	52,448	1	58,383	1	61,777	1
Guarantee deposits received	903	-	849	-	824	-
Total non-current liabilities	<u>826,954</u>	<u>13</u>	<u>1,393,262</u>	<u>24</u>	<u>1,205,817</u>	<u>22</u>
Total liabilities	<u>3,847,240</u>	<u>62</u>	<u>3,540,609</u>	<u>60</u>	<u>3,067,972</u>	<u>57</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>						
Share capital						
Ordinary shares	1,584,341	26	1,584,341	27	1,584,341	29
Capital surplus	213,219	3	244,906	4	244,906	5
Retained earnings						
Legal reserve	249,077	4	247,277	4	247,277	5
Special reserve	202,893	3	180,800	3	180,800	3
Unappropriated earnings	327,522	6	319,992	6	295,512	5
Total retained earnings	<u>779,492</u>	<u>13</u>	<u>748,069</u>	<u>13</u>	<u>723,589</u>	<u>13</u>
Other equity	(223,158)	(4)	(202,893)	(4)	(214,308)	(4)
Total equity	<u>2,353,894</u>	<u>38</u>	<u>2,374,423</u>	<u>40</u>	<u>2,338,528</u>	<u>43</u>
<b>TOTAL</b>	<u>\$ 6,201,134</u>	<u>100</u>	<u>\$ 5,915,032</u>	<u>100</u>	<u>\$ 5,406,500</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 9, 2021)

## SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
GROSS SALES	\$ 1,039,392	100	\$ 709,327	100	\$ 2,744,202	100	\$ 1,978,022	100
LESS: SALES RETURNS	18	-	43	-	119	-	4,439	-
LESS: SALES ALLOWANCE	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34</u>	<u>-</u>
NET SALES	1,039,374	100	709,250	100	2,744,083	100	1,973,549	100
OPERATING COSTS	<u>819,862</u>	<u>79</u>	<u>546,689</u>	<u>77</u>	<u>2,143,595</u>	<u>78</u>	<u>1,536,763</u>	<u>78</u>
GROSS PROFIT	<u>219,512</u>	<u>21</u>	<u>162,561</u>	<u>23</u>	<u>600,488</u>	<u>22</u>	<u>436,786</u>	<u>22</u>
OPERATING EXPENSES								
Selling and marketing expenses	119,394	12	87,645	13	327,476	12	282,213	14
General and administrative expenses	55,522	5	47,475	7	161,087	6	155,086	8
Research and development expenses	27,163	3	23,280	3	91,636	3	71,149	3
Expected credit loss (gain)	<u>3,860</u>	<u>-</u>	<u>15,573</u>	<u>2</u>	<u>16,365</u>	<u>1</u>	<u>13,771</u>	<u>1</u>
Total operating expenses	<u>205,939</u>	<u>20</u>	<u>173,973</u>	<u>25</u>	<u>596,564</u>	<u>22</u>	<u>522,219</u>	<u>26</u>
PROFIT FROM OPERATIONS	<u>13,573</u>	<u>1</u>	<u>(11,412)</u>	<u>(2)</u>	<u>3,924</u>	<u>-</u>	<u>(85,433)</u>	<u>(4)</u>
NON-OPERATING INCOME AND EXPENSES								
Interest income	10,978	1	9,337	1	32,936	1	27,456	1
Rental income	1,537	-	1,538	-	4,611	-	4,616	-
Dividends income	239	-	1,957	-	2,671	-	4,057	-
Other income	13,589	1	12,864	2	31,771	1	37,612	2
Loss on disposal of property, plant and equipment	-	-	-	-	(64)	-	(850)	-
Gain on disposal of investment	3,897	-	844	-	3,897	-	844	-
Foreign exchange gain (loss)	(5,140)	-	(6,421)	(1)	(32,795)	(1)	(27,325)	(1)
Loss on valuation of financial instruments	(4,318)	-	(3,581)	-	(543)	-	(3,420)	-
Miscellaneous expenses	(160)	-	(2,311)	-	(692)	-	(3,126)	-
Share of the profit or loss of associates	-	-	1,316	-	-	-	32,804	2
Interest expenses	<u>(5,952)</u>	<u>-</u>	<u>(6,320)</u>	<u>(1)</u>	<u>(18,623)</u>	<u>-</u>	<u>(18,983)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>14,670</u>	<u>2</u>	<u>9,223</u>	<u>1</u>	<u>23,169</u>	<u>1</u>	<u>53,685</u>	<u>3</u>
PROFIT (LOSS) BEFORE TAX	28,243	3	(2,189)	(1)	27,093	1	(31,748)	(1)
INCOME TAX BENEFIT/EXPENSE	<u>(8,282)</u>	<u>(1)</u>	<u>(2,160)</u>	<u>-</u>	<u>4,330</u>	<u>-</u>	<u>25,265</u>	<u>1</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>19,961</u>	<u>2</u>	<u>(4,349)</u>	<u>(1)</u>	<u>31,423</u>	<u>1</u>	<u>(6,483)</u>	<u>-</u>

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# SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2021		2020		2021		2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(9,091)	(1)	(404)	-	2,475	-	(14,081)	(1)
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating to profit operations	(564)	-	11,205	1	(26,996)	(1)	(17,677)	(1)
Unrealized gain/(loss) on investments in debt instruments at fair value through other comprehensive income	(610)	-	(2,150)	-	(1,241)	-	(8,377)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>121</u>	-	<u>(2,342)</u>	-	<u>5,497</u>	-	<u>6,627</u>	-
Other comprehensive income for the period, net of income tax	<u>(10,144)</u>	<u>(1)</u>	<u>6,309</u>	<u>1</u>	<u>(20,265)</u>	<u>(1)</u>	<u>(33,508)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 9,817</u>	<u>1</u>	<u>\$ 1,960</u>	<u>-</u>	<u>\$ 11,158</u>	<u>-</u>	<u>\$ (39,991)</u>	<u>(2)</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owner of the Company	<u>\$ 19,961</u>	<u>2</u>	<u>\$ (4,349)</u>	<u>(1)</u>	<u>\$ 31,423</u>	<u>1</u>	<u>\$ (6,483)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owner of the Company	<u>\$ 9,817</u>	<u>1</u>	<u>\$ (1,960)</u>	<u>-</u>	<u>\$ 11,158</u>	<u>-</u>	<u>\$ (39,991)</u>	<u>(2)</u>
EARNINGS PER SHARE								
Basic	<u>\$ 0.13</u>		<u>\$ (0.03)</u>		<u>\$ 0.02</u>		<u>\$ (0.04)</u>	
Diluted	<u>\$ 0.13</u>				<u>\$ 0.02</u>			

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 9, 2021)

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**SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)  
(Reviewed, Not Audited)

	Equity Attributable to Owners to the Company										Total Equity	
	Capital Surplus						Retained Earnings			Other Equity		
	Share Capital	Share Premiums	Conversion of Bonds	Treasury Shares Transactions	Changes in Percentage of Ownership Interest in Subsidiaries	Employee Stock Options - Expired	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations		Unrealized Loss on Financial Assets at FVTOCI
BALANCE AT JANUARY 1, 2020	\$ 1,584,341	\$ 227,169	\$ 47,180	\$ 5,129	\$ 1,602	\$ 3,435	\$ 245,736	\$ 135,210	\$ 349,126	\$ (150,247)	\$ (30,553)	\$ 2,418,128
Appropriation of 2019 earnings												
Legal reserve	-	-	-	-	-	-	1,541	-	(1,541)	-	-	-
Special reserve	-	-	-	-	-	-	-	45,590	(45,590)	-	-	-
Cash dividends distributed by the Company	-	(39,609)	-	-	-	-	-	-	-	-	-	(39,609)
	-	(39,609)	-	-	-	-	1,541	45,590	(47,131)	-	-	(39,609)
Net profit for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	(6,483)	-	-	(6,483)
Other comprehensive income (loss) for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	-	-	-	-	(12,195)	(21,313)	(33,508)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	-	-	-	(6,483)	(12,195)	(21,313)	(39,991)
BALANCE AT SEPTEMBER 30, 2020	\$ 1,584,341	\$ 187,560	\$ 47,180	\$ 5,129	\$ 1,602	\$ 3,435	\$ 247,277	\$ 180,800	\$ 295,512	\$ (162,442)	\$ (51,866)	\$ 2,338,528
BALANCE AT JANUARY 1, 2021	\$ 1,584,341	\$ 187,560	\$ 47,180	\$ 5,129	\$ 1,602	\$ 3,435	\$ 247,277	\$ 180,800	\$ 319,992	\$ (150,760)	\$ (52,133)	\$ 2,374,423
Appropriation of 2018 earnings												
Legal reserve	-	-	-	-	-	-	1,800	-	(1,800)	-	-	-
Special reserve	-	-	-	-	-	-	-	22,093	(22,093)	-	-	-
Cash dividends distributed by the Company	-	(31,687)	-	-	-	-	-	-	-	-	-	(31,687)
	-	(31,687)	-	-	-	-	1,800	22,093	(23,893)	-	-	(31,687)
Net profit for the for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	31,423	-	-	31,423
Other comprehensive income (loss) for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	-	-	-	-	(21,596)	1,331	(20,265)
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	-	-	31,423	(21,596)	1,331	11,158
BALANCE AT SEPTEMBER 30, 2021	\$ 1,584,341	\$ 155,873	\$ 47,180	\$ 5,129	\$ 1,602	\$ 3,435	\$ 249,077	\$ 202,893	\$ 327,522	\$ (172,356)	\$ (50,802)	\$ 2,353,894

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 9, 2021)

# SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 27,093	\$ (31,748)
Adjustments for:		
Depreciation expenses	91,103	94,809
Amortization expenses	5,571	6,680
Expected credit loss recognized on trade receivables/impairment		
(gain) loss reversed on trade receivables	16,365	13,771
Gain (loss) on valuation of financial assets instruments	543	3,420
Interest expenses	18,623	18,983
Interest income	(32,936)	(27,456)
Dividends income	(2,671)	(4,057)
Share of profit of associates	-	(32,804)
Loss on disposal of property, plant and equipment	64	850
Gain on disposal of investment	(3,897)	(844)
Reversal of write-downs of inventories	8,710	26,490
Gain on foreign currency exchange	17,295	17,833
Changes in operating assets and liabilities:		
Contract assets	(192,944)	4,577
Notes receivable	(76,030)	510
Trade receivables	(85,193)	92,110
Other receivables	2,052	3,727
Inventories	(87,323)	81,932
Prepayments	(22,476)	4,416
Other current assets	1,174	611
Contract liabilities	12,751	(23,091)
Notes payable	108,844	125,878
Trade payables	330,891	(149,447)
Trade payables to related parties	-	(554)
Other payables	17,816	(55,387)
Other current liabilities	8,154	12,512
Net defined benefit liabilities	(5,935)	(21,075)
Cash generated from operations	157,644	162,646
Interest paid	(18,574)	(19,127)
Income tax paid	(73,896)	(7,731)
Net cash generated from operating activities	<u>65,174</u>	<u>135,788</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets at amortized cost	-	173,621
Purchase of financial assets at amortized cost	(95,571)	-
Purchase of financial assets at FVOCI	-	(67,261)

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# SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Nine Months Ended September 30	
	2021	2020
Purchase of financial assets at fair value through profit or loss	(120,269)	(401,110)
Proceeds from sale of financial assets at fair value through profit or loss	103,148	8,950
Payments for property, plant and equipment	(10,885)	(13,053)
Proceeds from disposal of property, plant and equipment	-	281,330
(Increase)/decrease in refundable deposits	958	386
Payments for intangible assets	(14,930)	(2,577)
Decrease in other non-current assets	953	1,373
Interest received	31,393	24,303
Dividend received	<u>2,671</u>	<u>4,057</u>
Net cash (used in) generated from investing activities	<u>(102,532)</u>	<u>10,019</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of short-term borrowings	114,408	183,604
Proceeds of short-term notes and bills payable	130,000	-
Proceeds from long-term borrowings	138,000	350,000
Repayments of long-term borrowings	(492,450)	(200,000)
Proceeds from guarantee deposits received	54	20
Repayment of the principal portion of lease liabilities	<u>(17,037)</u>	<u>(15,770)</u>
Payment of cash dividends	<u>(31,687)</u>	<u>(39,609)</u>
Net cash (used in) generated from financing activities	<u>(158,712)</u>	<u>278,245</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>(36,592)</u>	<u>(27,649)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(232,662)	396,403
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>2,440,540</u>	<u>1,470,110</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 2,207,878</u>	<u>\$ 1,866,513</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 9, 2021)

(Concluded)