



Shape A Better World

50th

Since 1974

鑫業五十・創新不止

**FU CHUN SHIN MACHINERY
MANUFACTURE CO., LTD. (6603)**

Company Profile

Disclaimer

The profile is prepared by Fu Chun Shin Machinery Manufacture Co., Ltd. (hereinafter referred to as the "Company") and has not been independently verified. It contains forward-looking outlooks that reflect the Company's expectations for the future. These outlooks are subject to risks, uncertainties and assumptions beyond the Company's control that could cause actual results to differ from those anticipated. Readers should not rely solely on this profile information to make the investment decisions.

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Basic Information of FCS Group

- ◆ **Chairman: Po Hsun Wang**
- ◆ **General Manager: Alan Wang**
- ◆ **Founded in 1974**
- ◆ **Number of employees: 961 (as of June 2024)**
- ◆ **Capital amount: NTD 1,569,859,270 (as of June 2024)**
- ◆ **Main business: R&D, manufacturing, sales and output of customized precision plastic injection molding machines**
- ◆ **Production bases:**



| Item \ Business department | FCS (Taiwan) | FCS (Dongguan) | FCS (Ningbo) | Hangzhou Bay, Ningbo | FCS (India) (Ahmedabad) |
|----------------------------|-----------------------|-----------------------|-------------------------------------|--|-------------------------|
| Year of foundation | 1974 | 1994 | 2001 | 2019 | 2019 |
| Production capacity (note) | 1,200 units | 1,000 units | 2,000 units | 3,000 units Officially opened in October 2024 | 300 units |
| Number of employees | 267 | 178 | 323 | 149 | 44 |
| land area | 84,468 m ² | 14,000 m ² | 33,400 m ² (50 acres) | 66,990m ² (100 acres) | - |
| Plant area | 47,100 m ² | 10,000 m ² | 19,770 m ² | 97,792m ² | 3,600m ² |

Note: The production capacity is calculated based on NTD 1 million per unit. As injection molding machines are priced by model and ton, there is a significant difference in unit price between different models.

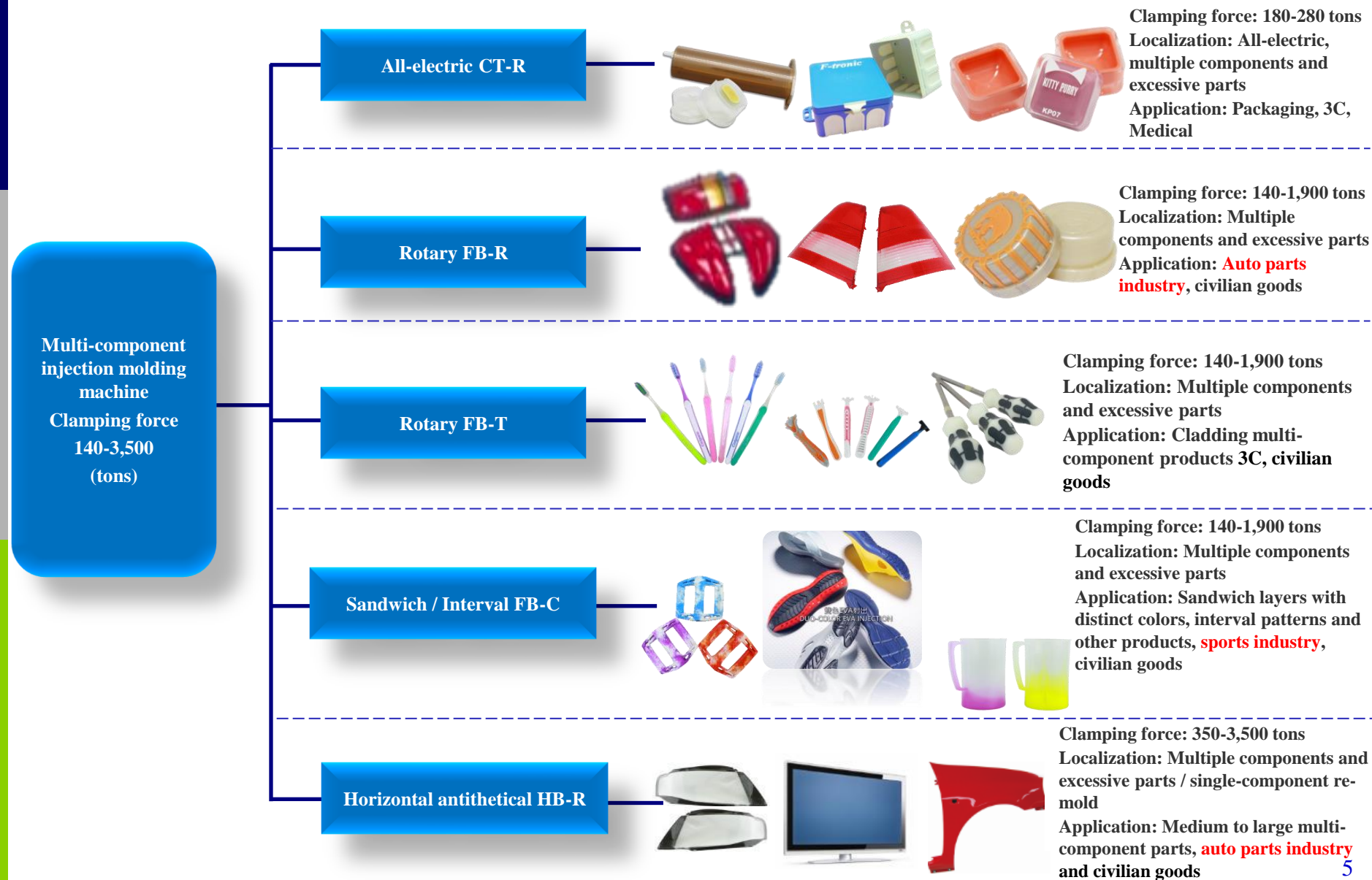
Positioning of production base

| Item \ Business department | FCS (Taiwan) | FCS (Dongguan) | FCS (Ningbo) | Hangzhou Bay, Ningbo | FCS (India) (Ahmedabad) |
|------------------------------|--|--|--|---|--|
| Business Department Strategy | • Differentiation | • Cost-led | • Differentiation | • Differentiation | • Cost-led |
| Production location | <ul style="list-style-type: none"> • Complete solution • Intelligent manufacturing integration • Full series factory output | <ul style="list-style-type: none"> • Small and medium-sized standard single-component machine • Small-sized standard multi-component injection molding machine | <ul style="list-style-type: none"> • Customization of large-sized single-component machine • Customization of medium and large-sized multi-component injection molding machine | <ul style="list-style-type: none"> • Complete solution • Intelligent manufacturing integration • Large, super large - full range customization | <ul style="list-style-type: none"> • Small and medium-sized standard single-component machine |
| Sales area | <ul style="list-style-type: none"> • Taiwan • Overseas high-end markets (Europe, America, Japan) | <ul style="list-style-type: none"> • China • Overseas mid- and low-end market | <ul style="list-style-type: none"> • China • Overseas mid- and low-end market | <ul style="list-style-type: none"> • China • Overseas mid- and high-end market | <ul style="list-style-type: none"> • India |

Note: Small-sized machine: below 250 tons; medium-sized machine: 300-750 tons;

Large-sized machine: 850-2,350 tons, super-large-sized: more than 2,500 tons.

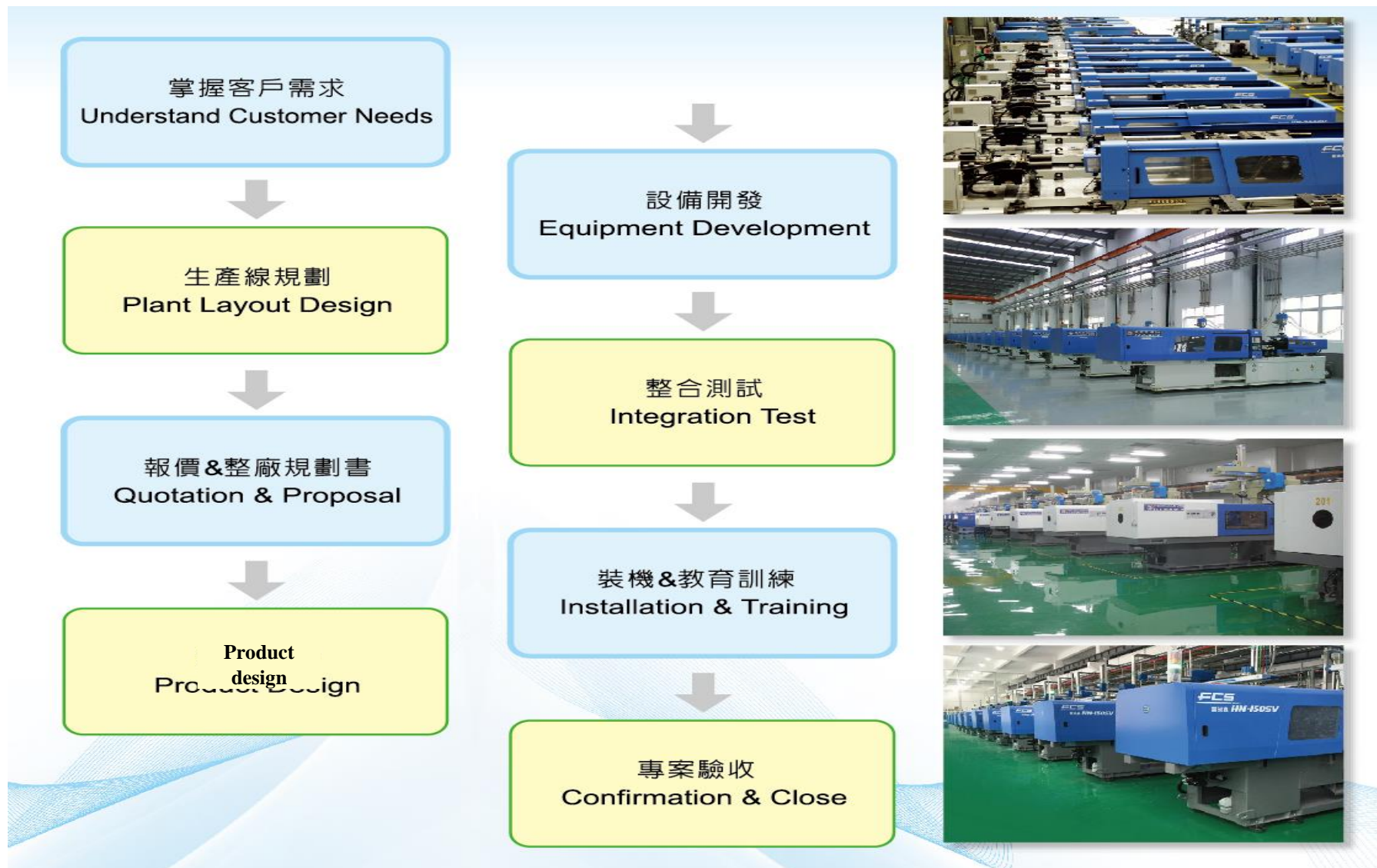
Comprehensive injection molding solution - multi-component injection molding machine (revenue accounting for 55.6%)



Comprehensive injection molding solution - -Single-component machine (revenue accounting for 32.7%)



Customized Design and System Integration Service Capability



- **With rich integration experience,** the Company provides one-stop value-added services, including injection molding machines, molds, Smart Auxiliary, and molding technology

Leading the industry with smart molding solutions

iMF 4.0 Empowers intelligent ManuFactory **Smart Molding**

- ▶ Smart Manufacturing Solutions
- ▶ Cloud Data Analysis and Calculation
- ▶ Eliminate Waste and Reduce Costs

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SCROLL DOWN

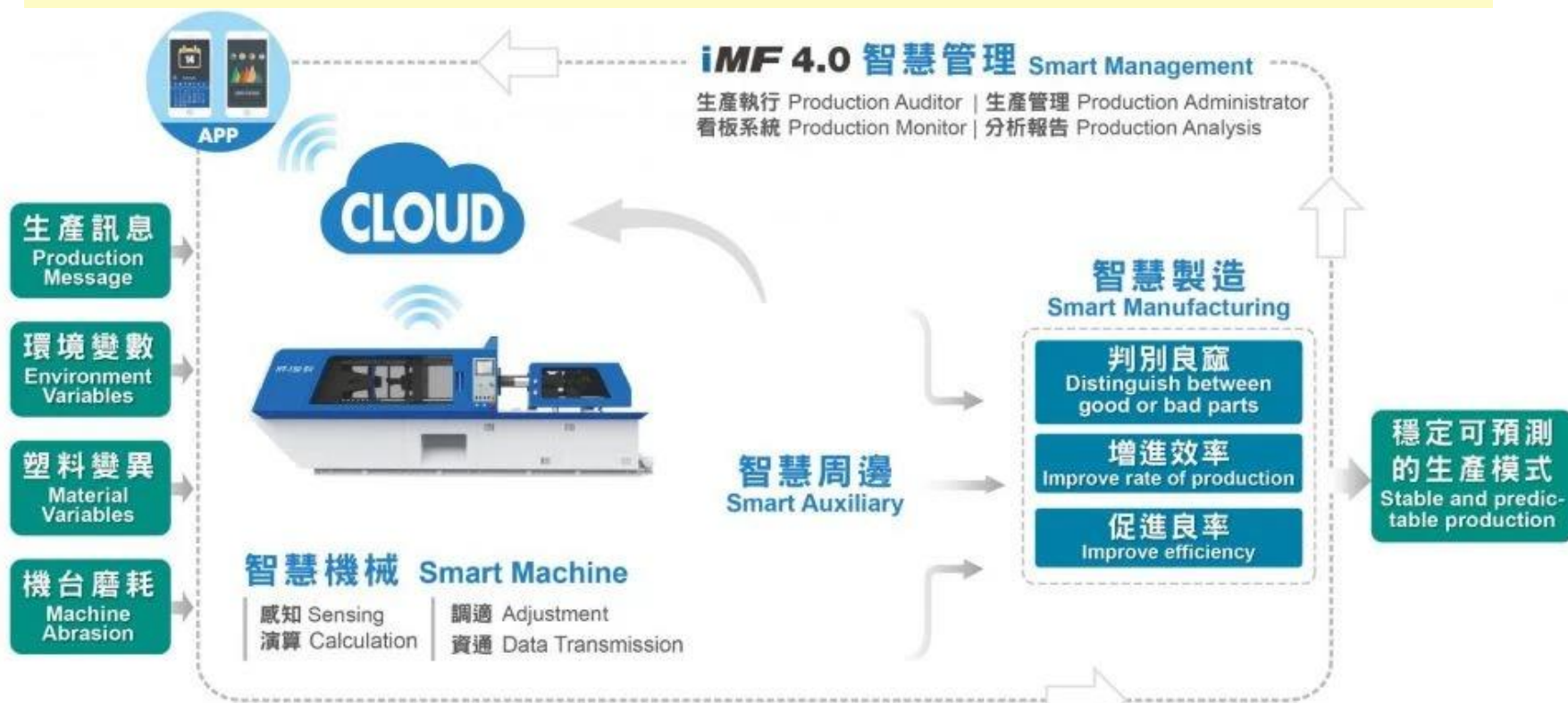
Three reasons to choose FCS

1. Having been engaged in the plastic injection molding industry for 50 years, FCS is a specialist in molding equipment. We understand the difficulties encountered by the industry.
2. FCS provides professional consulting services, so that digital transformation is not blindly following trends, but obtaining visible increase in benefits.
3. Different from the "theoretical" smart factory solutions in the market, FCS's **iMF 4.0 Intelligent ManuFactory System** is **based on practical experience to accurately target hidden costs and carbon emissions in the factory. As of now, nearly 500 sets have been sold.**

Introducing AI technology, equipment technologization

iMF 4.0 智慧製造工廠 intelligent ManuFactory

Has won the "TAIPEIPLAS Intelligent Manufacturing Factory System Excellence Award" several times, and passed the Ministry of Economic Affairs' scientific and technological review.



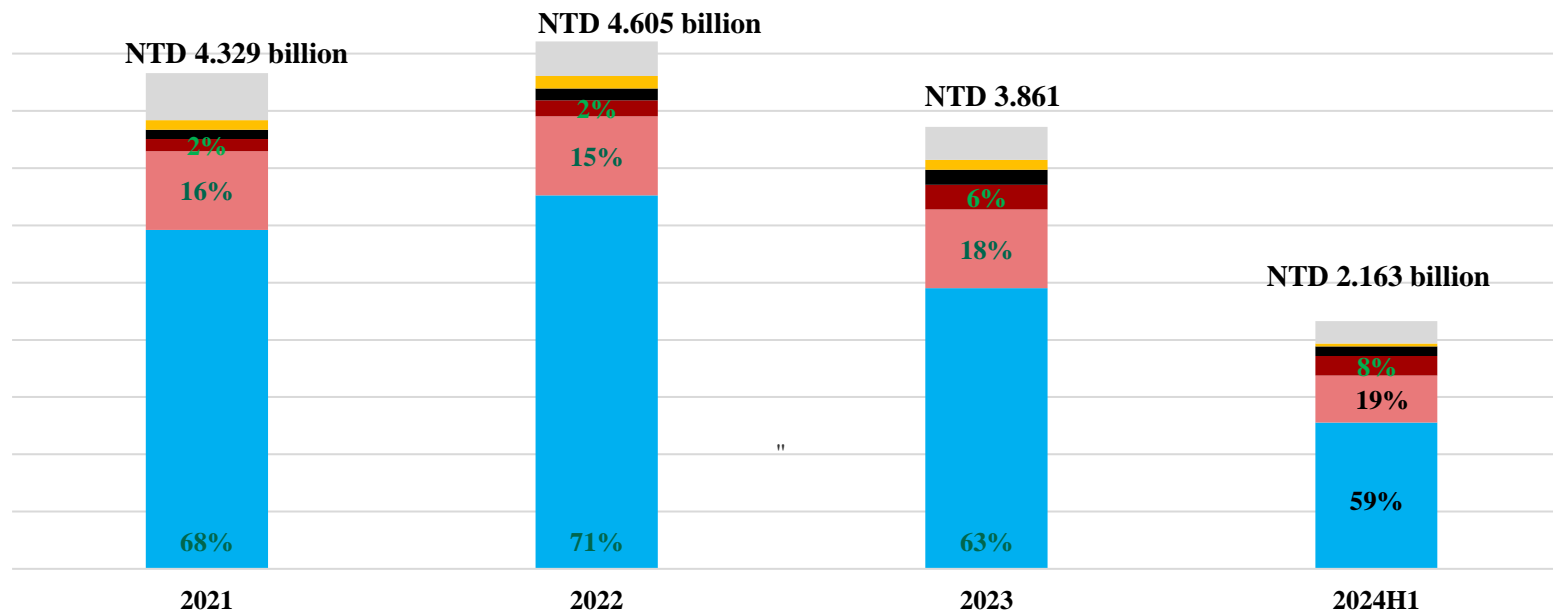
iMF 4.0 Intelligent Manufacturing Factory System tailored intelligent manufacturing solution for plastic processing industry

The iMF 4.0 intelligent ManuFactory system is installed on the injection molding machine and interconnects with surrounding information to adjust and control the quality parameters autonomously. The injection molding machine applies smart sensor module to improve product yield, reduce production waste, and initiate warning through the engineering monitoring and feedback function to avoid losses due to unexpected downtime. FCS is seizing the "smart" manufacturing opportunities for you.

Global Marketing Channels



Top five sales countries

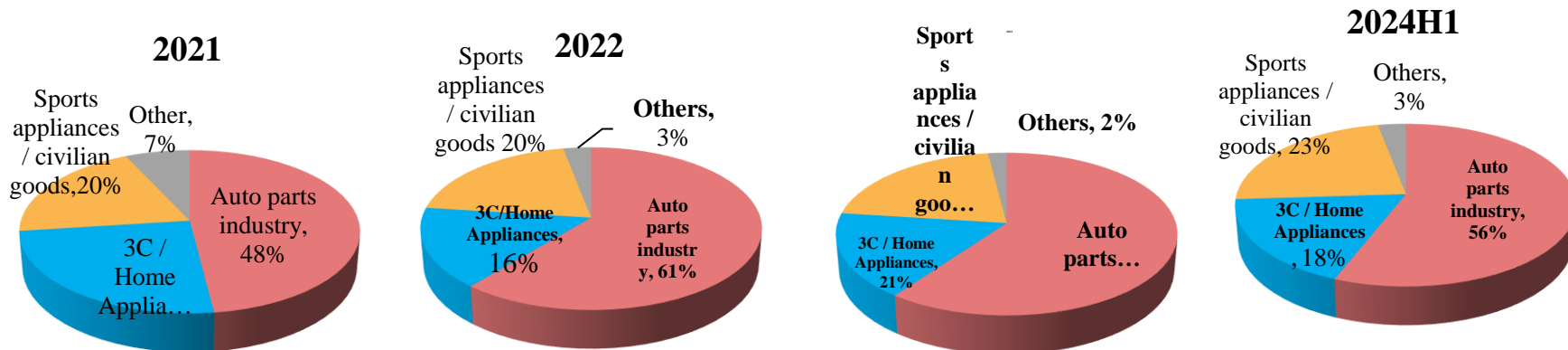


■ China ■ Taiwan ■ India ■ Vietnam ■ United States and Mexico ■ Other Unit: NTD thousand

| Year | 2021 | | | 2022 | | | | 2023 | | | | 2024 H1 | | |
|--------------------------|-----------|------------|-------------|--------------------------|-----------|------------|-------------|--------------------------|-----------|------------|-------------|--------------------------|-----------|------------|
| Country | Amount | Proportion | Growth rate | Country | Amount | Proportion | Growth rate | Country | Amount | Proportion | Growth rate | Country | Amount | Proportion |
| China | 2,960,474 | 68% | 26.6% | China | 3,262,322 | 71% | 9.3% | China | 2,450,485 | 63% | -33.1% | China | 1,278,870 | 59% |
| Taiwan | 687,972 | 16% | 23.0% | Taiwan | 690,522 | 15% | 0.4% | Taiwan | 689,509 | 18 percent | -0.1% | Taiwan | 409,177 | 19 percent |
| India | 104,179 | 2% | 25.9% | Vietnam | 138,158 | 3% | 39.7% | India | 213,609 | 6% | 50.5% | India | 171,348 | 8% |
| Vietnam | 83,315 | 2% | 30.3% | India | 105,823 | 2% | 1.6% | United States and Mexico | 131,100 | 3% | 17.9% | Vietnam | 82,188 | 4% |
| United States and Mexico | 82,236 | 2% | 32.3% | United States and Mexico | 107,657 | 2% | 23.6% | Vietnam | 87,804 | 2% | -57.3% | United States and Mexico | 25,269 | 1% |
| Others | 410,331 | 9% | 58.5% | Others | 300,722 | 7% | -36.4% | Others | 288,498 | 7% | -4.2% | Others | 196,150 | 9% |
| Total | 4,328,507 | 100% | 29.2% | Total | 4,605,204 | 100% | 6.0% | Total | 3,861,005 | 100% | -19.3% | Total | 2,163,002 | 100% |

Customer Industry Revenue Analysis

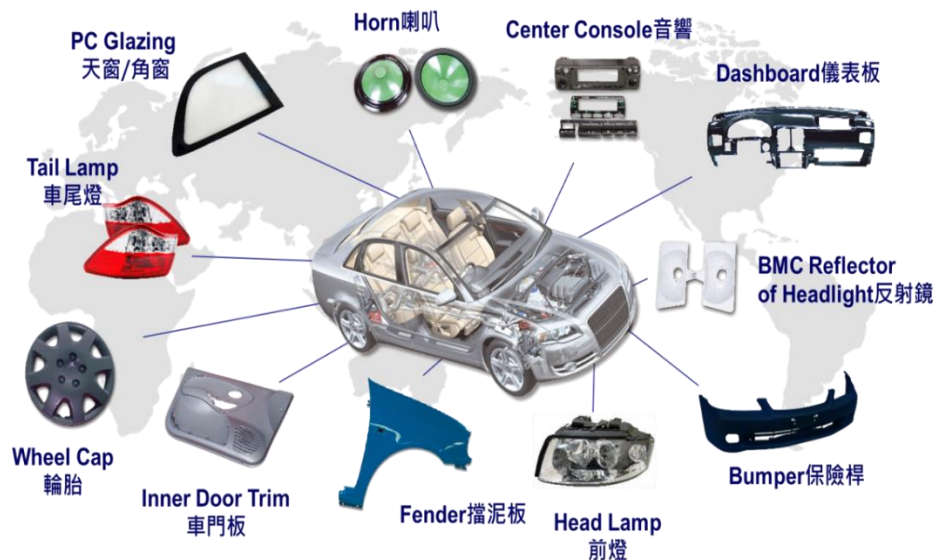
■ Auto Parts ■ 3C and Home Appliances ■ Sports Appliances/Civilian Goods ■ Others



Unit: NTD 1,000

| Year Category | 2021 | | | 2022 | | | 2023 | | | 2024H1 | |
|------------------------------------|-----------|------------|-------------|-----------|------------|-------------|-----------|------------|-------------|-----------|------------|
| | Amount | Proportion | Growth rate | Amount | Proportion | Growth rate | Amount | Proportion | Growth rate | Amount | Proportion |
| Auto parts industry | 2,077,683 | 48% | 94% | 2,809,209 | 61% | 35% | 2,316,602 | 60% | -18% | 1,211,281 | 56% |
| 3C/Home Appliances | 1,082,127 | 25% | 4% | 736,842 | 16% | -32% | 656,371 | 17% | -11% | 389,340 | 18 percent |
| Sports appliances / civilian goods | 865,701 | 20% | 57% | 921,052 | 20% | 6% | 810,811 | 21% | -12% | 497,490 | 23% |
| Others | 302,995 | 7% | -24% | 138,101 | 3% | -54% | 77,221 | 2% | -44% | 64,890 | 3% |
| Total | 4,328,507 | 100% | 41% | 4,605,204 | 100% | 6% | 3,861,005 | 100% | -16% | 2,163,002 | 100% |

Customer Industry-Auto Parts (56% of revenue)



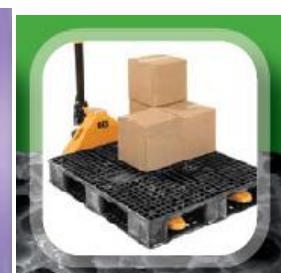
- We are the top seller of **multi-component injection molding machines in the auto parts industry**, with a cumulative sales volume of over 5,000 units and over a thousand application cases. We have built a comprehensive knowledge base to solve various production bottlenecks.

Global Indicator Customer

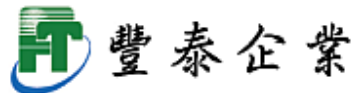


Customer Industry -Sports Appliances/Civilian Goods

(23% of revenue)

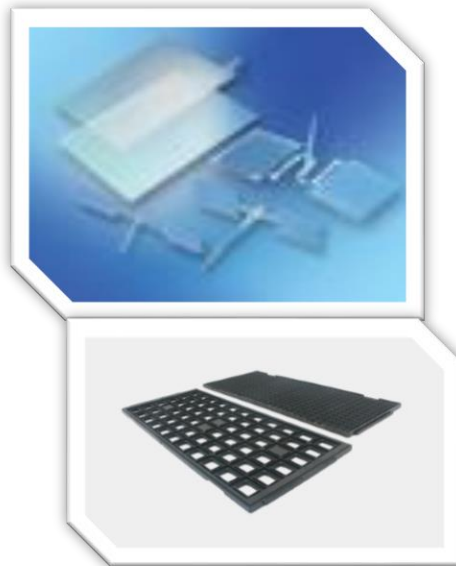


Global Indicator Customer



Customer Industry -3C and Home Appliances

(18% of revenue)



Global Indicator Customer



Panasonic



Haier



CHANGHONG 长虹
—— 快乐创造 C 生活 ——

Canon



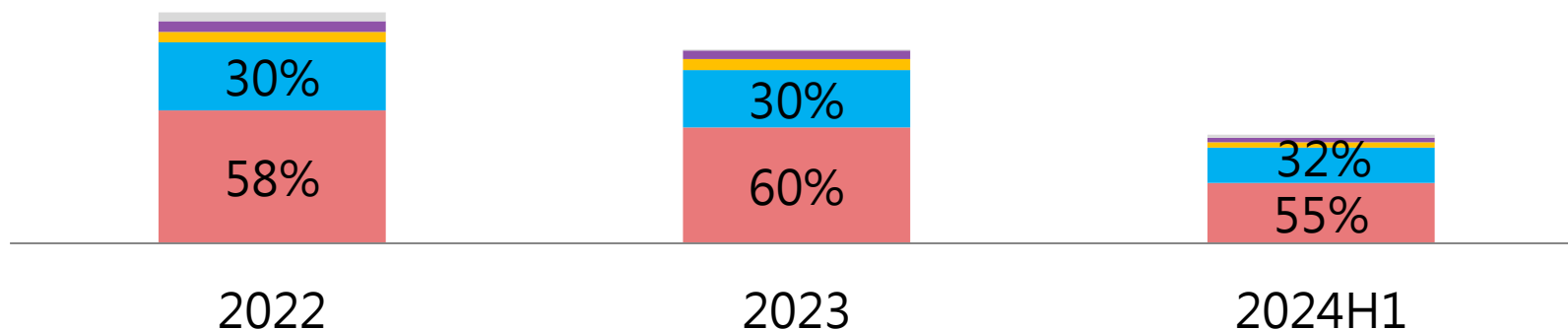
泰金寶電通
Cal-Comp Electronics & Communications

Chicony

TYMPHANY
迪芬尼



Product Revenue Analysis



Green energy and others

Enameled wire revenue

After-sales service revenue and peripherals

Sales revenue of single-component plastic injection molding machine

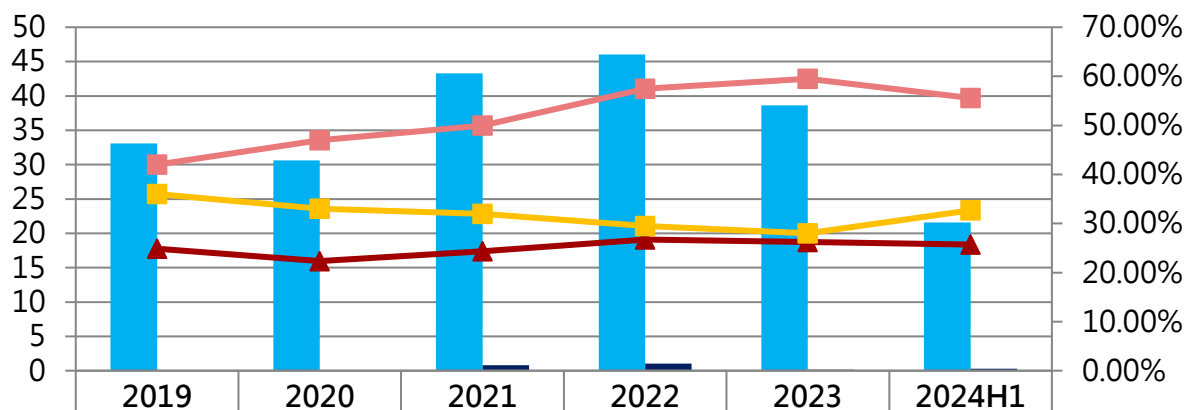
Sales revenue of multi-component plastic injection molding machine

Unit: NTD thousand

| Product category \ Year | 2022 | | | 2023 | | | 2024H1 | |
|---|-----------|------------|-------------|-----------|------------|-------------|-----------|------------|
| | Amount | Proportion | Growth rate | Amount | Proportion | Growth rate | Amount | Proportion |
| Sales revenue of multi-component plastic injection molding machine | 2,649,000 | 57.5% | 22% | 2,296,714 | 59.5% | -13% | 1,203,346 | 55.6% |
| Sales revenue of single-component plastic injection molding machine | 1,357,894 | 29.5% | -1% | 1,080,806 | 28.0% | -20% | 706,727 | 32.7% |
| After-sales service revenue and peripherals | 206,370 | 4.5% | -17% | 221,954 | 5.7% | 8% | 105,625 | 4.9% |
| Enameled wire revenue | 212,187 | 4.6% | -33% | 169,139 | 4.4% | -20% | 85,973 | 4.0% |
| Green energy and others | 179,753 | 3.9% | -14% | 92,392 | 2.4% | -49% | 61,331 | 2.8% |
| Total | 4,605,204 | 100.0% | 6% | 3,861,005 | 100.0% | -16% | 2,163,002 | 100.0% |

Revenue and Gross Margin Analysis

- Operating income (NTD 100 million)
- EPS(NTD)
- Gross margin (%)
- Proportion of revenue from multi-component injection molding machines (%)
- Proportion of revenue from single-component injection molding machines (%)



| | | | | | | |
|--|--------|--------|--------|--------|--------|--------|
| Operating income (NTD 100 million) | 33.1 | 30.63 | 43.29 | 46.05 | 38.61 | 21.6 |
| EPS(NTD) | 0.1 | 0.08 | 0.8 | 1.05 | 0.13 | 0.29 |
| Gross margin (%) | 24.83% | 22.34% | 24.35% | 26.73% | 26.23% | 25.73% |
| Proportion of revenue from multi-component injection molding machines (%) | 42.0% | 47.0% | 50.0% | 57.5% | 59.5% | 55.6% |
| Proportion of revenue from single-component injection molding machines (%) | 36.0% | 33.0% | 32.0% | 29.5% | 28.0% | 32.7% |

Operation Profile - statement of loss and profit for recent years

Unit: NTD thousand

| | 2022 | 2023 | YOY | 2023H1 | 2024H1 | YOY |
|---|-----------|-----------|----------|-----------|-----------|---------|
| Operating revenue | 4,605,204 | 3,861,005 | -16.16% | 1,779,596 | 2,163,002 | 21.54% |
| Operating costs | 3,374,074 | 2,848,137 | -15.59% | 1,302,415 | 1,609,329 | 23.56% |
| Gross operating profit | 1,231,130 | 1,012,868 | -17.73% | 477,181 | 553,673 | 16.03% |
| Gross profit margin | 26.73% | 26.23% | -0.50% | 26.81% | 25.73% | -1.08% |
| Operating expenses | 973,165 | 974,649 | 0.15% | 448,788 | 511,149 | 13.90% |
| Operating profit | 257,965 | 38,219 | -85.18% | 28,393 | 42,524 | 49.77% |
| Operating profit margin | 5.60% | 0.99% | -4.61% | 1.60% | 1.96% | 0.36% |
| Net non-operational income (expenditure) | -4,028 | 19,604 | -586.69% | 11,757 | 18,927 | 60.98% |
| Consolidated net profit before tax | 253,937 | 57,823 | -77.23% | 40,150 | 61,451 | 53.05% |
| Income tax (expense) | 83,960 | 34,500 | -58.91% | 23,175 | 21,591 | -6.83% |
| Net profit attributable to the parent company after tax | 159,455 | 23,323 | -85.37% | 13,573 | 45,327 | 233.95% |
| EPS(NTD) | 1.05 | 0.13 | -87.62% | 0.09 | 0.29 | 222.22% |

Consolidated Balance Sheet

Unit: NTD thousand

| Accounting item \ Year | December 31, 2023 | | June 30, 2023 | | June 30, 2024 | |
|--|-------------------|-------|---------------|-------|---------------|-------|
| | Amount | % | Amount | % | Amount | % |
| Cash and financial assets | 759,197 | 10.8 | 774,946 | 10.9 | 854,636 | 11.0 |
| Accounts receivable | 1,635,696 | 23.4 | 1,660,599 | 23.4 | 1,786,258 | 23.1 |
| Inventory | 1,589,608 | 22.7 | 1,493,509 | 21.0 | 1,717,242 | 22.2 |
| Other current assets | 260,111 | 3.7 | 229,485 | 3.2 | 230,644 | 3.0 |
| Real estate property, plant and equipment, net investment-based real estate property | 2,151,039 | 30.7 | 2,405,942 | 35.0 | 2,239,389 | 28.9 |
| Other non-current assets | 888,905 | 12.7 | 460,938 | 6.5 | 911,135 | 11.8 |
| Total assets | 7,284,556 | 104.0 | 7,025,419 | 100.0 | 7,739,304 | 100.0 |
| Current liabilities | 2,116,605 | 30.2 | 2,124,477 | 29.9 | 2,775,720 | 35.9 |
| Non-current liabilities | 2,786,529 | 39.8 | 2,538,325 | 36.9 | 2,559,106 | 33.1 |
| Total liabilities | 4,903,134 | 70.0 | 4,662,802 | 66.8 | 5,334,826 | 68.9 |
| Total shareholders' equity | 2,381,422 | 34.0 | 2,362,617 | 33.2 | 2,404,478 | 31.1 |

| | | | |
|---------------------------|-------|-------|-------|
| Net value per share (NTD) | 14.13 | 14.39 | 14.44 |
|---------------------------|-------|-------|-------|

Consolidated Statement of Cash Flows

Unit: NTD thousand

| Item | 2023H1 | 2024H1 | Difference in amount | Difference% |
|---|----------|----------|----------------------|-------------|
| Cash and equivalent cash balance at beginning of period | 696,349 | 489,397 | -206,952 | -29.72% |
| Net cash inflow (outflow) from operating activities | 13,390 | 118,402 | 105,012 | 784.26% |
| Net cash inflow (outflow) from investing activities | -155,351 | 11,034 | 166,385 | 107.10% |
| Net cash inflows (outflows) from financing activities | 44,343 | 100,152 | 55,809 | 125.86% |
| Effect of exchange rate changes on cash and equivalent cash | -3,685 | -6,944 | -3,259 | -88.44% |
| (Decrease) in cash and equivalent cash for the current period | -101,303 | 222,644 | 323,947 | 319.78% |
| Cash and equivalent cash balance at end of period | 595, 046 | 712, 041 | 116, 995 | 19.66% |

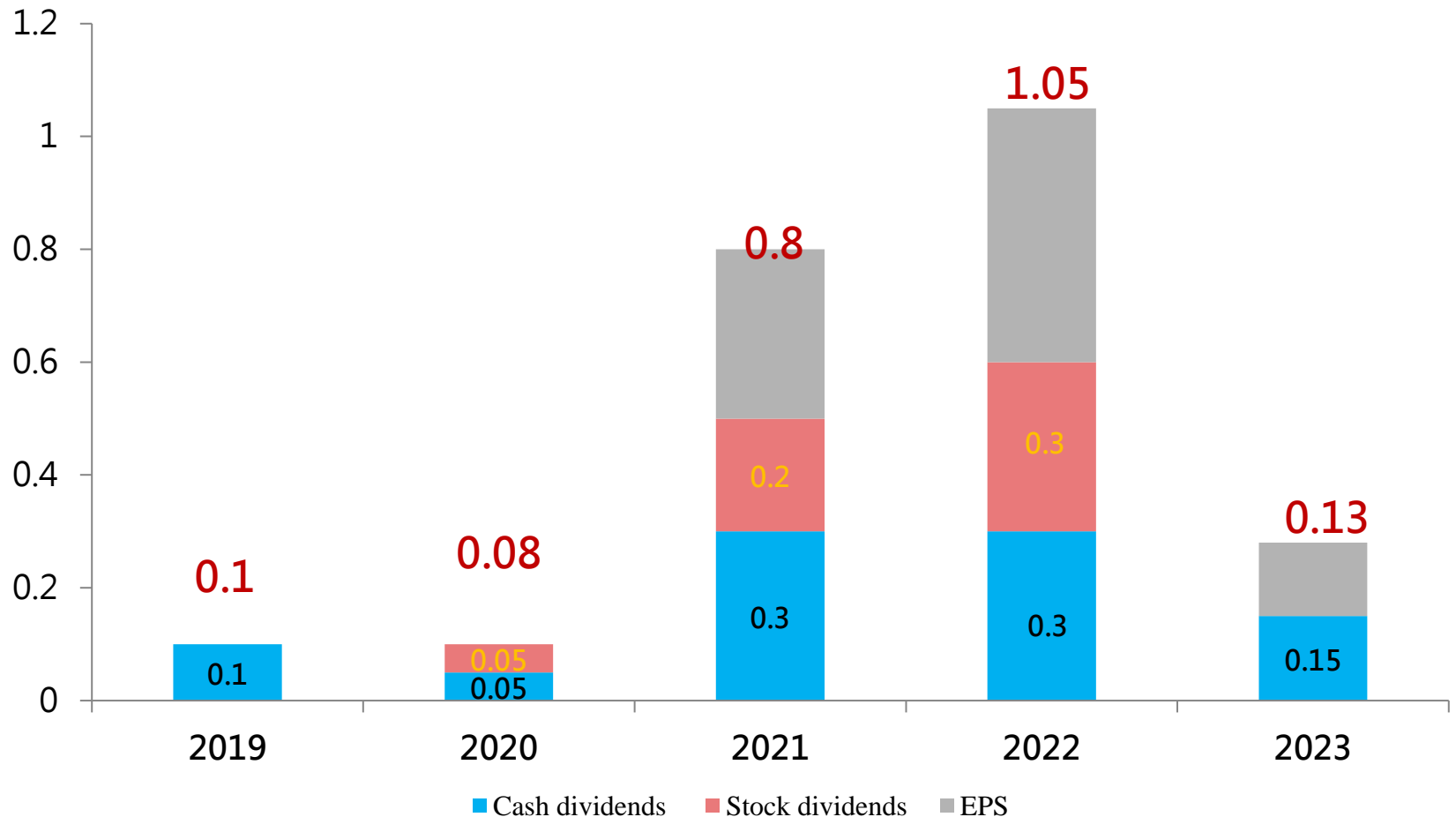
Financial ratio analysis

| Analytical Item | Year | 2023 | 2023H1 | 2024H1 | Comparison of 2023H1 and 2024H1 |
|-----------------------|------------------------------------|--------|--------|--------|---------------------------------|
| Financial structure % | Liabilities to assets ratio (%) | 67.31 | 66.37 | 68.93 | 2.56 |
| Repayment ability % | Current ratio (%) | 200.54 | 195.74 | 165.32 | -30.42 |
| | Quick ratio (%) | 117.27 | 117.95 | 97.51 | -20.44 |
| Business capability | Receivables turnover ratio (times) | 2.32 | 2.13 | 2.53 | 0.4 |
| | Inventory turnover (times) | 1.89 | 1.79 | 1.95 | 0.16 |
| Profitability | Return on assets (%) | 0.65 | 0.41 | 0.85 | 0.44 |
| | Return on equity (%) | 0.97 | 0.71 | 1.67 | 0.96 |
| | Net profit margin (%) | 0.6 | 0.95 | 1.84 | 0.89 |
| | Earnings per share (NTD) | 0.13 | 0.09 | 0.29 | 0.2 |

Dividend Policy

The average interest rate over the past five years is 72%

Unit: NTD/share



Core Competitive Advantages



Channel

- Our marketing network covers both domestic and international markets, with 34 direct sales bases and agents in 21 countries
- Our main marketing strategies are "customer satisfaction, quality assurance" and "chain service, customer first", which can make us quickly and effectively satisfy customer needs.
- We continue to increase our proprietary trading bases, including Vietnam, Thailand, Indonesia, India, and Brazil.



R&D / Products

- Our brand image is excellent, and we have won the Taiwan Excellence Award 9 times. According to a survey conducted by VOGEL in Germany, the Company ranks among the top five in terms of user brand awareness in Greater China
- Our highly customized development capabilities can meet customers' needs
- The multi-component molding machine is hailed as a pioneer in high-level precision molding technology
- The Company is currently one of the only three manufacturers in the world to mass produce horizontal multi-component machines, and also the only professional manufacturer in Asia that can mass produce them



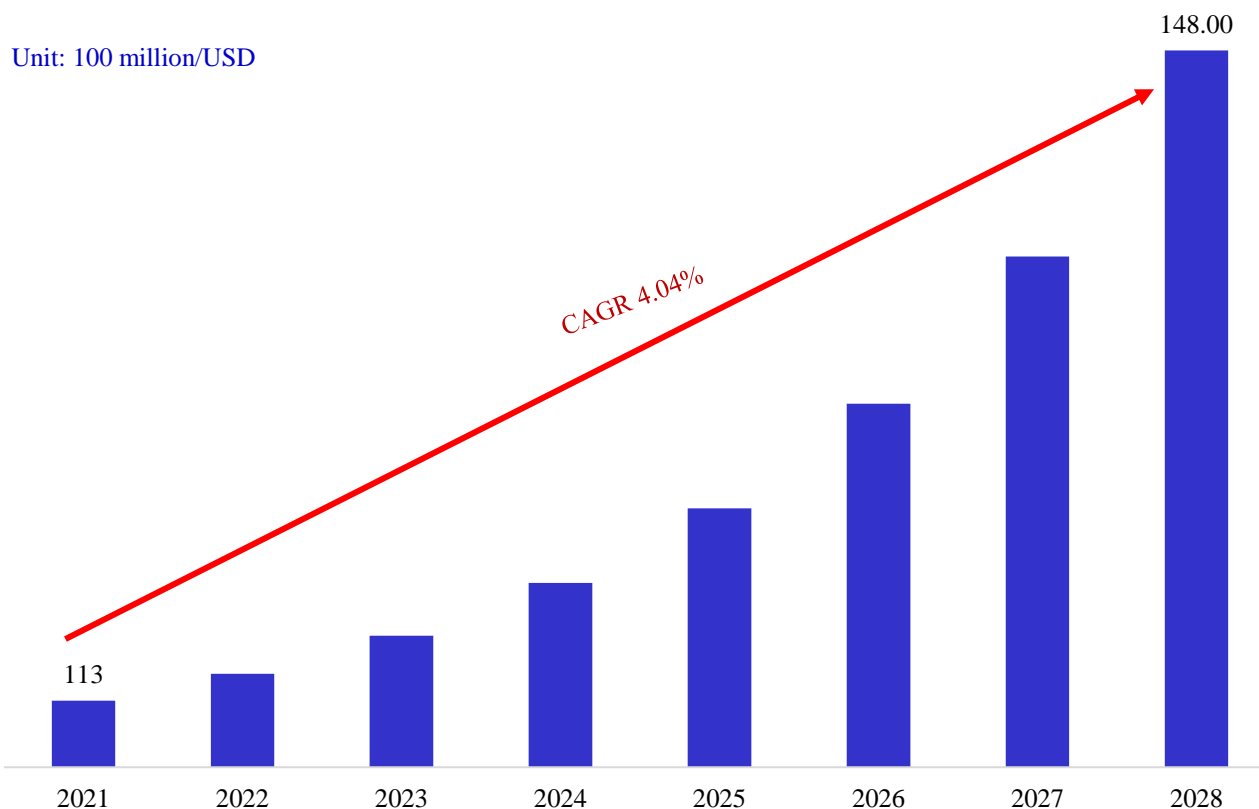
Production

- The global supply chain has changed from long chain to short chain, with 5 production bases around the world, which not only meets the huge domestic demand, but also helps to develop the market in South Asia and East Africa.
- Multi-site and multi-country production bases can avoid import tariff barriers and maximize operational efficiency, which is beneficial for global marketing operations

Growth Dynamics-Global Injection Molding Machine Market Scale Enlargement

- According to VPA Market Research Report, the market size of the **global injection molding machine is forecast to grow at a compound annual growth rate of 4.04%** from 2021 to 2028 and is expected to reach USD 14.8 billion by 2028.

Global Injection Molding Machine Market Scale

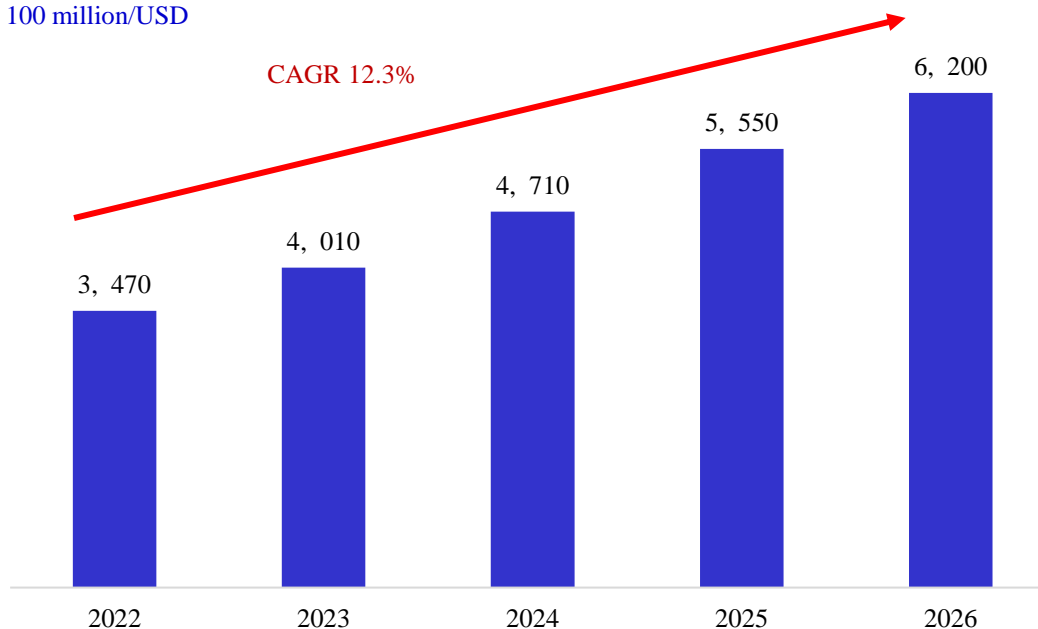


Growth Dynamics-Global intelligent manufacturing is on the rise

- The digital transformation and AI wave, as well as the overall solution of smart manufacturing, are market trends. In the post pandemic era, remote management is more important. Therefore, injection molding machine operators must have the ability to integrate software and hardware.

Global Smart Manufacturing Market Scale

Unit: 100 million/USD



According to TrendForce, the global market size of smart manufacturing will exceed USD 620 billion in 2026.

The compound growth rate from 2022 to 2026 will reach 12.3%.

●Source: TrendForce

<https://www.trendforce.com.tw/presscenter/news/20220817-11341.html>

Growth Dynamics-ESG Sustainable Development

- **Green development and circular economy:**
Driven by lightweight and environmental awareness, we achieve product lightweighting, environmental friendliness, and circular utilization through green alternative materials and new molding technologies.

- **Low carbon transformation:**
Energy conservation can no longer meet market demand. Through software assistance, optimizing machines and auxiliary equipment is the trend of low-carbon transformation.



Growth Dynamics-Taiwanese businessmen returning, New Southbound Effect

- According to the "Three Major Programs for Investing in Taiwan", it is obvious that the investment amount of returning Taiwan businessmen has exceeded NTD 2.3 trillion.

Total of three major programs for investing in Taiwan



As at August 23, 2024



Total investment amount is about NTD 2.3424 trillion



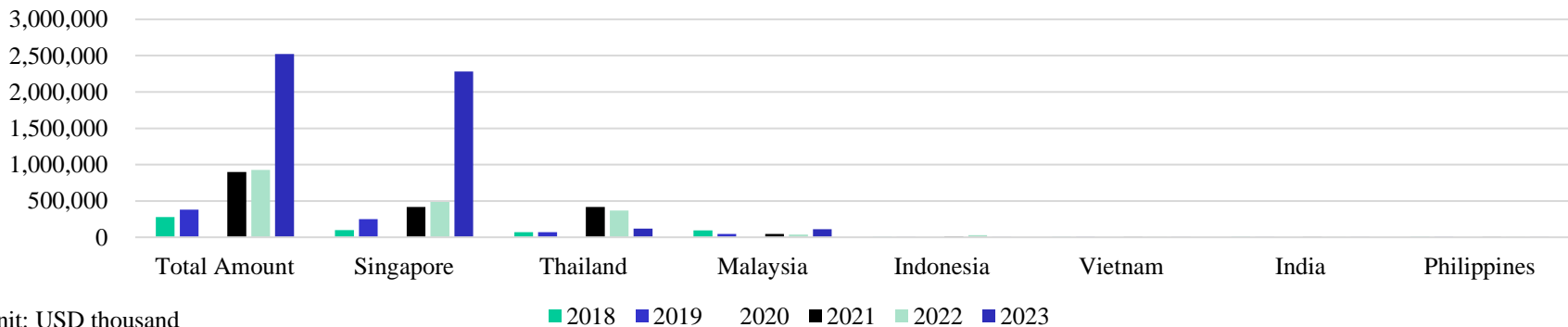
1,528 of them have passed the review



Estimated to create 153,752 jobs in Taiwan

According to the statistics on Taiwanese investment in countries implementing the New Southbound Policy approved by the Investment Review Committee of the Ministry of Economic Affairs, from January to March 2024, there were 80 approved (prepared) investments in these countries, with a total investment amount of USD 2.716 billion, an increase of 92.10% compared to the same period last year. The investments were mainly concentrated in Singapore, Vietnam, and Thailand.

Regional Statistics Table of Taiwanese Foreign Investment



Unit: USD thousand

●Source: Three Major Programs for Investing in Taiwan; the Investment Review Committee of the Ministry of Economic Affairs verifies and records the investment statistics of Taiwanese businessmen in countries implementing the New Southbound Policy. <https://investtaiwan.nat.gov.tw/showPagecht1135?lang=cht&search=1135>

Outlook



- **Create new value:** Improve comprehensive solutions, develop high-value equipment, new material applications, and AI elements, enhance competitiveness, and create new value.
- **Improve efficiency:** Build intelligent and accurate production, and create an efficient and visual production environment.
- **Expanding digital marketing:** Combine physical and digital networks to provide value-added services to customers.
- **Sustainable operation:** Improve corporate governance, be environmentally friendly, fulfill social responsibility, and practice sustainable management.



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