

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

Consolidated Balance Sheet

June 30, 2023, December 31 and June 30, 2022

Unit: NT\$ Thousand

Assets			June 30, 2023		December 31, 2022		June 30, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	IV/VI.1	\$595,046	8.47	\$696,349	9.94	\$596,238	8.39
1110	Financial assets at FVTPL - Current	IV/VI.2	179,900	2.56	228,750	3.27	276,267	3.89
1140	Contract assets - current	IV/VI.15&16	8,849	0.13	2,288	0.03	3,426	0.05
1150	Net notes receivable	IV/VI.4&16	448,445	6.38	429,870	6.14	454,570	6.39
1170	Net accounts receivable	IV/VI.5&16	1,203,305	17.13	1,256,879	17.95	1,340,528	18.85
130x	Inventories	IV/VI.6	1,493,509	21.26	1,424,423	20.34	1,560,411	21.94
1470	Other current assets	VIII	229,485	3.26	234,107	3.34	244,312	3.44
11xx	Total current assets		4,158,539	59.19	4,272,666	61.01	4,475,752	62.95
	Non-current assets							
1510	Financial assets at FVTPL - Non-current	IV/VI.2	47,723	0.68	48,410	0.69	55,313	0.78
1517	Financial assets at FVOCI - Non-current	IV/VI.3	57,235	0.81	57,676	0.82	57,784	0.81
1550	Investment accounted for using the equity method	4.	11,099	0.16	13,286	0.19	5,314	0.08
1600	Property, plant and equipment	IV/VI.7/VIII	1,924,237	27.39	1,815,657	25.93	1,712,445	24.08
1755	Right-of-use assets	IV/VI.17	146,507	2.09	153,163	2.19	156,601	2.20
1760	Net investment property	IV/VI.8/VIII	335,198	4.78	333,874	4.77	347,828	4.89
1780	Intangible assets	4.	75,504	1.07	69,079	0.99	73,631	1.04
1840	Deferred tax income assets	IV/VI.21	110,373	1.57	110,252	1.57	94,855	1.33
1900	Other non-current assets - others	IV/VI.4&5/VIII	159,004	2.26	129,020	1.84	131,110	1.84
15xx	Total non-current assets		2,866,880	40.81	2,730,417	38.99	2,634,881	37.05
1xxx	Total assets		\$7,025,419	100.00	\$7,003,083	100.00	\$7,110,633	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)
June 30, 2023, December 31 and June 30, 2022

Unit: NT\$ Thousand

Liabilities and Equity			June 30, 2023		December 31, 2022		June 30, 2022	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	IV/VI.9	\$486,379	6.92	\$590,659	8.43	\$680,572	9.57
2110	Short-term bills payable	IV/VI.10	-	-	-	-	19,993	0.28
2120	Financial liabilities measured at fair value through profit or loss - current	4.	-	-	-	-	125	-
2130	Contract liability	IV/VI.15	253,108	3.60	189,591	2.70	313,614	4.41
2150	Notes payable	4.	288,044	4.10	246,465	3.52	377,749	5.31
2170	Accounts payable	4.	633,194	9.01	619,135	8.84	815,256	11.47
2200	Other payables	4.	371,997	5.30	387,158	5.53	373,451	5.25
2230	Current tax liabilities	4.	7,877	0.11	33,574	0.48	28,264	0.40
2280	Lease liabilities - current	IV/VI.17	1,262	0.02	1,274	0.02	1,257	0.02
2322	Long-term borrowings – current portion	IV/VI.12	72,038	1.03	115,601	1.65	91,455	1.29
2399	Other current liabilities – Others		10,578	0.14	5,263	0.08	7,339	0.10
21xx	Total current liabilities		<u>2,124,477</u>	<u>30.23</u>	<u>2,188,720</u>	<u>31.25</u>	<u>2,709,075</u>	<u>38.10</u>
	Non-current liabilities							
2530	Bonds payable	IV/VI.11	839,584	11.95	835,015	11.92	360,000	5.06
2540	Long-term borrowings	IV/VI.12	1,090,841	15.54	908,162	12.97	1,076,553	15.14
2570	Deferred income tax liabilities	4.	540,369	7.69	542,727	7.75	516,633	7.27
2580	Lease liabilities – Non-current	IV/VI.17	23,247	0.33	24,587	0.35	25,408	0.36
2640	Net defined benefit liabilities - Non-current	IV/VI.13	32,917	0.47	39,168	0.56	43,052	0.60
2645	Deposits received		11,367	0.16	12,391	0.18	12,468	0.17
25xx	Total non-current liabilities		<u>2,538,325</u>	<u>36.14</u>	<u>2,362,050</u>	<u>33.73</u>	<u>2,034,114</u>	<u>28.60</u>
2xxx	Total Liabilities		<u>4,662,802</u>	<u>66.37</u>	<u>4,550,770</u>	<u>64.98</u>	<u>4,743,189</u>	<u>66.70</u>
31xx	Equity attributable to owners of the company							
3100	Share capital	VI.14						
3110	Common share capital		1,524,136	21.69	1,524,079	21.76	1,494,388	21.02
3130	Bond conversion entitlement certificates		-	-	57	-	-	-
3150	Stock dividends to be distributed	VI.14	45,724	0.65	-	-	29,691	0.42
3200	Capital surplus	VI.14	42,520	0.61	42,520	0.61	23,649	0.33
3300	Retained earnings							
3310	Legal reserve	VI.14	166,042	2.36	149,928	2.14	149,928	2.11
3320	Special reserve	VI.14	188,685	2.69	188,685	2.69	188,685	2.65
3350	Unappropriated earnings	VI.14	392,512	5.59	486,501	6.95	421,506	5.93
	Total retained earnings		<u>747,239</u>	<u>10.64</u>	<u>825,114</u>	<u>11.78</u>	<u>760,119</u>	<u>10.69</u>
3400	Other equities	4.	(165,661)	(2.36)	(110,861)	(1.58)	(92,545)	(1.30)
3500	Treasury stocks	IV/VI.14	-	-	-	-	(12,263)	(0.17)
36xx	Non-controlling interests	VI.14	168,659	2.40	171,404	2.45	164,405	2.31
3xxx	Total equity		<u>2,362,617</u>	<u>33.63</u>	<u>2,452,313</u>	<u>35.02</u>	<u>2,367,444</u>	<u>33.30</u>
	Total liabilities and equities		<u>\$7,025,419</u>	<u>100.00</u>	<u>\$7,003,083</u>	<u>100.00</u>	<u>\$7,110,633</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 six months ended June 30, 2023 and 2022

Unit: NT\$ Thousand

Code	Accounting titles	Note	For the three months ended June 30, 2023		For the three months ended June 30, 2022		For the six months ended June 30, 2023		For the six months ended June 30, 2022	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	IV/VI.15	\$993,553	100.00	\$1,321,475	100.00	\$1,779,596	100.00	\$2,378,843	100.00
5000	Operating cost	IV/Vi.6&18/VII	(737,829)	(74.26)	(967,353)	(73.20)	(1,302,415)	(73.19)	(1,753,327)	(73.71)
5900	Gross profit		255,724	25.74	354,122	26.80	477,181	26.81	625,516	26.29
6000	Operating expenses	VI.17&18/VII								
6100	Selling expenses		(144,809)	(14.57)	(163,153)	(12.35)	(272,021)	(15.29)	(303,062)	(12.74)
6200	Administrative expenses		(57,244)	(5.76)	(60,941)	(4.61)	(113,060)	(6.35)	(110,692)	(4.65)
6300	Research and development expenses		(23,361)	(2.35)	(30,116)	(2.28)	(54,437)	(3.06)	(53,870)	(2.26)
6450	Expected credit impairment (losses)	VI.16	(6,397)	(0.64)	(18,033)	(1.36)	(9,270)	(0.52)	(23,656)	(0.99)
	Total operating expenses		(231,811)	(23.32)	(272,243)	(20.60)	(448,788)	(25.22)	(491,280)	(20.64)
6900	Operating income		23,913	2.42	81,879	6.20	28,393	1.59	134,236	5.65
7000	Non-operating income and expense	IV/VI.19								
7010	Other income		12,664	1.27	19,883	1.51	40,730	2.29	36,378	1.53
7020	Other gains or losses		3,596	0.36	(7,238)	(0.55)	1,699	0.10	(11,189)	(0.47)
7050	Financial costs		(13,219)	(1.33)	(7,393)	(0.56)	(28,485)	(1.60)	(13,478)	(0.57)
7060	Share of profit or loss from associates and joint ventures accounted for using equity method		(1,009)	(0.10)	3,317	0.25	(2,187)	(0.12)	2,234	0.09
	Total non-operating incomes and expenses		2,032	0.20	8,569	0.65	11,757	0.67	13,945	0.58
7900	Net income before tax		25,945	2.62	90,448	6.85	40,150	2.26	148,181	6.23
7950	Income tax (expense)	IV/VI.21	(16,313)	(1.64)	(27,078)	(2.05)	(23,175)	(1.30)	(50,674)	(2.12)
8200	Current net profit		9,632	0.98	63,370	4.80	16,975	0.96	97,507	4.11
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		(88,241)	(8.88)	(38,049)	(2.88)	(74,647)	(4.19)	47,942	2.02
8399	Income tax relating to items that may be reclassified subsequently to profit or loss		16,203	1.63	6,985	0.53	13,700	0.77	(9,021)	(0.38)
	Other comprehensive income of the current year (net amount after-tax)		(72,038)	(7.25)	(31,064)	(2.35)	(60,947)	(3.42)	38,921	1.64
8500	Total comprehensive income in the current period		<u>\$(62,406)</u>	<u>(6.27)</u>	<u>\$32,306</u>	<u>2.45</u>	<u>\$(43,972)</u>	<u>(2.46)</u>	<u>\$136,428</u>	<u>5.75</u>
8600	Net profit attributed to:									
8610	Owners of the Company		\$8,561		\$61,335		\$13,573		\$96,140	
8620	Non-controlling interests		1,071		2,035		3,402		1,367	
			<u>\$9,632</u>		<u>\$63,370</u>		<u>\$16,975</u>		<u>\$97,507</u>	
8700	Total comprehensive income attributable to:									
8710	Owners of the Company		\$(56,252)		\$33,395		\$(41,227)		\$132,224	
8720	Non-controlling interests		(6,154)		(1,089)		(2,745)		4,204	
			<u>\$(62,406)</u>		<u>\$32,306</u>		<u>\$(43,972)</u>		<u>\$136,428</u>	
	Earnings per share (NT\$)	VI.22								
9750	Basic earnings per share		<u>\$0.06</u>		<u>\$0.41</u>		<u>\$0.09</u>		<u>\$0.63</u>	
9850	Diluted earnings per share		<u>\$0.06</u>		<u>\$0.40</u>		<u>\$0.09</u>		<u>\$0.63</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 Statement of Changes in Equity
For the six months ended June 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	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	3130	3150	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)	-	-	-	-	-
D1	Net for the six months ended June 30, 2022	-	-	-	-	-	-	96,140	-	-	96,140	1,367	97,507
D3	Other comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	-	-	-	36,084	-	36,084	2,837	38,921
D5	Comprehensive income in the current period	-	-	-	-	-	-	96,140	36,084	-	132,224	4,204	136,428
M7	Change in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	1,001	1,001
Z1	Balance as of June 30, 2022	\$1,494,388	\$-	\$29,691	\$23,649	\$149,928	\$188,685	\$421,506	\$(92,545)	\$(12,263)	\$2,203,039	\$164,405	\$2,367,444
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 six months ended June 30, 2023	-	-	-	-	-	-	13,573	-	-	13,573	3,402	16,975
D3	Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	-	(54,800)	-	(54,800)	(6,147)	(60,947)
D5	Comprehensive income in the current period	-	-	-	-	-	-	13,573	(54,800)	-	(41,227)	(2,745)	(43,972)
I3	Conversion of bond conversion entitlement certificates	57	(57)	-	-	-	-	-	-	-	-	-	-
Z1	Balance as of June 30, 2023	\$1,524,136	\$ -	\$45,724	\$42,520	\$166,042	\$188,685	\$392,512	\$(165,661)	\$ -	\$2,193,958	\$168,659	\$2,362,617

(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 six months ended June 30, 2023 and 2022

Unit: NT\$ Thousand

Code	Items	For the six months ended June 30, 2023	For the six months ended June 30, 2022	Code	Items	For the six months ended June 30, 2023	For the six months ended June 30, 2022
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$40,150	\$148,181	B00100	Purchase of financial assets at fair value through profit	(520,542)	(761,328)
A20000	Adjustment items:			B00200	Disposal of financial assets at FVTPL	567,160	899,782
A20010	Income/expenses items:			B02700	Acquisition of property, plant and equipment	(191,956)	(238,249)
A20100	Depreciation expense	61,010	49,350	B02800	Disposal of property, plant and equipment	2,479	1,409
A20200	Amortization expenses	5,453	6,567	B04500	Acquisition of intangible assets	(12,305)	(1,787)
A20300	Expected credit impairment losses	9,270	23,656	B05400	Acquisition of investment property	(187)	-
A20400	Net (gain) on financial assets at FVTPL	(2,180)	(1,326)	BBBB	Net cash (outflow) from investing activities	(155,351)	(100,173)
A20900	Interest expenses	28,485	13,478				
A21200	Interest revenue	(14,333)	(10,800)	CCCC	Cash flows from financing activities:		
A22300	Share of loss (gains) on associates and joint ventures recognized using the equity method	2,187	(2,234)	C00100	Increase in short-term borrowings	406,273	846,908
A22500	Losses on disposal of property, plant and equipment	1,135	985	C00200	Decrease in short-term borrowings	(448,092)	(776,987)
A30000	Changes in operating assets/ liabilities:			C00500	Increase in short-term notes and bills payable	-	19,993
A31125	(Increase) decrease in contract assets	(7,749)	7,821	C01600	Proceeds from long-term borrowings	206,963	291,740
A31130	(Increase) in notes receivable	(17,397)	(163,459)	C01700	Repayments of long-term borrowings	(119,147)	(156,384)
A31150	Decrease (increase) in accounts receivable	8,436	(190,711)	C03000	Increase (decrease) in deposits received	(1,024)	2,474
A31200	(Increase) in inventories	(92,770)	(28,077)	C04020	Repayment of principal portion of lease	(630)	(609)
A31240	Decrease(increase)in other current assets	(25,696)	12,136	C05800	Increase in non-controlling interests	-	1,001
A31990	Decrease of other non-current assets	7,289	207	CCCC	Net cash inflow from financing activities	44,343	228,136
A32125	Increase (decrease) of contract liabilities	63,517	(20,292)				
A32130	Increase in notes payable	41,579	30,729	DDDD	Effect of exchange rate changes on cash and cash equivalents	(3,685)	37,280
A32150	Increase in accounts payable	14,059	28,972				
A32180	(Decrease) increase in other payables	(60,699)	27,443	EEEE	(Decrease) increase in cash and cash equivalents for the current period	(101,303)	62,264
A32230	Increase of other current liabilities	5,315	4,027	E00100	Cash and cash equivalents at the beginning of the year	696,349	533,974
A32240	(Decrease) in net defined benefit liabilities	(6,251)	(1,213)	E00200	Cash and cash equivalents at the end of the year	\$595,046	\$596,238
A33000	Cash inflow (outflow) from operations	60,810	(64,560)				
A33100	Interest received	14,333	10,800				
A33300	Interest paid	(24,102)	(14,325)				
A33500	Income tax paid	(37,651)	(34,894)				
AAAA	Net cash inflow (outflow) from operating activities	13,390	(102,979)				

(Please refer to the Notes to the Consolidated Financial Statements)

Chairman:

Manager:

Accounting Manager: