

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

Consolidated Balance Sheet

June 30, 2022, December 31 and June 30, 2021

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

Unit: NT\$ Thousand

Assets			June 30, 2022		December 31, 2021		June 30, 2021	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	IV/VI.1	\$596,238	8.39	\$533,974	8.06	\$546,976	9.03
1110	Financial assets at FVTPL - Current	IV/VI.2	276,267	3.89	405,060	6.11	247,603	4.09
1140	Contract assets - current	IV/VI.15&16	3,426	0.05	11,247	0.17	189,360	3.12
1150	Net notes receivable	IV/VI.4&16	454,570	6.39	291,979	4.41	248,950	4.11
1170	Net accounts receivable	IV/VI.5&16	1,340,528	18.85	1,165,878	17.59	974,934	16.09
130x	Inventories	IV/VI.6	1,560,411	21.94	1,527,628	23.05	1,310,465	21.62
1470	Other current assets	VIII	244,312	3.44	314,132	4.74	272,305	4.49
11xx	Total current assets		4,475,752	62.95	4,249,898	64.13	3,790,593	62.55
	Non-current assets							
1510	Financial assets at FVTPL - Non-current	IV/VI.2	55,313	0.78	55,313	0.83	54,087	0.89
1517	Financial assets at FVOCI - Non-current	IV/VI.3	57,784	0.81	-	-	-	-
1550	Investment accounted for using the equity method	4.	5,314	0.08	3,080	0.05	4,986	0.08
1600	Property, plant and equipment	IV/VI.7/VIII	1,712,445	24.08	1,616,639	24.40	1,538,129	25.38
1755	Right-of-use assets	IV/VI.17	156,601	2.20	155,561	2.35	160,158	2.64
1760	Net investment property	IV/VI.8/VIII	347,828	4.89	228,534	3.45	231,884	3.83
1780	Intangible assets	4.	73,631	1.04	77,950	1.18	69,467	1.15
1840	Deferred tax income assets	IV/VI.21	94,855	1.33	92,292	1.39	93,419	1.54
1900	Other non-current assets - others	IV/VI.4&5/VIII	131,110	1.84	147,280	2.22	117,580	1.94
15xx	Total non-current assets		2,634,881	37.05	2,376,649	35.87	2,269,710	37.45
1xxx	Total assets		\$7,110,633	100.00	\$6,626,547	100.00	\$6,060,303	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, 2022, December 31 and June 30, 2021

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

Unit: NT\$ Thousand

Liabilities and Equity			June 30, 2022		December 31, 2021		June 30, 2021	
Code	Accounting titles	Notes	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Short-term borrowings	IV/VI.9	\$680,572	9.57	\$596,343	8.99	\$612,079	10.10
2110	Short-term bills payable	IV/VI.10	19,993	0.28	-	-	49,981	0.83
2120	Financial liabilities measured at fair value through profit or loss - current	4.	125	-	-	-	1	-
2130	Contract liability	IV/VI.15	313,614	4.41	333,906	5.04	319,572	5.27
2150	Notes payable	4.	377,749	5.31	347,020	5.24	110,925	1.83
2170	Accounts payable	4.	815,256	11.47	786,284	11.87	738,040	12.18
2200	Other payables	4.	373,451	5.25	302,319	4.56	267,194	4.41
2230	Current tax liabilities	IV/VI.21	28,264	0.40	35,180	0.53	23,085	0.38
2280	Lease liabilities - current	IV/VI.17	1,257	0.02	1,206	0.02	1,091	0.02
2322	Long-term borrowings – current portion	IV/VI.12	91,455	1.29	86,228	1.30	87,818	1.45
2399	Other current liabilities – Others		7,339	0.10	3,312	0.05	7,896	0.13
21xx	Total current liabilities		2,709,075	38.10	2,491,798	37.60	2,217,682	36.60
	Non-current liabilities							
2530	Bonds payable	IV/VI.11	360,000	5.06	360,000	5.44	360,000	5.94
2540	Long-term borrowings	IV/VI.12	1,076,553	15.14	938,100	14.16	749,312	12.37
2570	Deferred income tax liabilities	IV/VI.21	516,633	7.27	482,353	7.28	457,089	7.54
2580	Lease liabilities – Non-current	IV/VI.17	25,408	0.36	25,486	0.38	25,885	0.43
2640	Net defined benefit liabilities - Non-current	IV/VI.13	43,052	0.60	44,265	0.67	43,480	0.72
2645	Deposits received		12,468	0.17	9,994	0.15	9,993	0.16
25xx	Total non-current liabilities		2,034,114	28.60	1,860,198	28.08	1,645,759	27.16
2xxx	Total Liabilities		4,743,189	66.70	4,351,996	65.68	3,863,441	63.76
31xx	Equity attributable to owners of the company							
3100	Share capital	VI.14						
3110	Common share capital		1,494,388	21.02	1,494,388	22.55	1,487,085	24.54
3150	Stock dividends to be distributed	VI.14	29,691	0.42	-	-	-	-
3200	Capital surplus	VI.14	23,649	0.33	23,649	0.36	23,649	0.39
3300	Retained earnings							
3310	Legal reserve	VI.14	149,928	2.11	138,371	2.09	137,165	2.26
3320	Special reserve	VI.14	188,685	2.65	188,685	2.85	188,685	3.11
3350	Unappropriated earnings	VI.14	421,506	5.93	411,150	6.20	369,923	6.10
	Total retained earnings		760,119	10.69	738,206	11.14	695,773	11.47
3400	Other equities	4.	(92,545)	(1.30)	(128,629)	(1.94)	(145,690)	(2.40)
3500	Treasury stocks	IV/VI.14	(12,263)	(0.17)	(12,263)	(0.19)	(33,031)	(0.55)
36xx	Non-controlling interests	VI.14	164,405	2.31	159,200	2.40	169,076	2.79
3xxx	Total equity		2,367,444	33.30	2,274,551	34.32	2,196,862	36.24
	Total liabilities and equities		\$7,110,633	100.00	\$6,626,547	100.00	\$6,060,303	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 six months ended June 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 June 30, 2022		For the three months ended June 30, 2021		For the six months ended June 30, 2022		For the six months ended June 30, 2021	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	IV/VI.15	\$1,321,475	100.00	\$1,175,648	100.00	\$2,378,843	100.00	\$2,141,711	100.00
5000	Operating cost	IV/VI.18/VII	(967,353)	(73.20)	(900,275)	(76.58)	(1,753,327)	(73.71)	(1,626,034)	(75.92)
5900	Gross profit		354,122	26.80	275,373	23.42	625,516	26.29	515,677	24.08
6000	Operating expenses	VI.17&18/VII								
6100	Selling expenses		(163,153)	(12.35)	(146,480)	(12.46)	(303,062)	(12.74)	(279,515)	(13.05)
6200	Administrative expenses		(60,941)	(4.61)	(48,671)	(4.14)	(110,692)	(4.65)	(94,887)	(4.43)
6300	Research and development expenses		(30,116)	(2.28)	(22,568)	(1.92)	(53,870)	(2.26)	(43,654)	(2.04)
6450	Expected credit impairment (losses)	VI.16	(18,033)	(1.36)	(5,062)	(0.43)	(23,656)	(0.99)	(7,606)	(0.36)
	Total operating expenses		(272,243)	(20.60)	(222,781)	(18.95)	(491,280)	(20.64)	(425,662)	(19.88)
6900	Operating income		81,879	6.20	52,592	4.47	134,236	5.65	90,015	4.20
7000	Non-operating income and expense	IV/VI.19								
7010	Other income		19,883	1.51	16,192	1.38	36,378	1.53	29,966	1.40
7020	Other gains or losses		(7,238)	(0.55)	(5,001)	(0.43)	(11,189)	(0.47)	(7,679)	(0.36)
7050	Financial costs		(7,393)	(0.56)	(4,586)	(0.39)	(13,478)	(0.57)	(7,920)	(0.37)
7060	Share of profit or loss from associates and joint ventures accounted for using equity method		3,317	0.25	4,986	0.42	2,234	0.09	4,986	0.23
	Total non-operating incomes and expenses		8,569	0.65	11,591	0.98	13,945	0.58	19,353	0.90
7900	Net income before tax		90,448	6.85	64,183	5.45	148,181	6.23	109,368	5.10
7950	Income tax (expense)	IV/VI.21	(27,078)	(2.05)	(29,523)	(2.51)	(50,674)	(2.12)	(53,659)	(2.50)
8200	Current net profit		63,370	4.80	34,660	2.94	97,507	4.11	55,709	2.60
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		(38,049)	(2.88)	(26,973)	(2.29)	47,942	2.02	(32,287)	(1.51)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss		6,985	0.53	-	-	(9,021)	(0.38)	-	-
	Other comprehensive income of the current year (net amount after-tax)		(31,064)	(2.35)	(26,973)	(2.29)	38,921	1.64	(32,287)	(1.51)
8500	Total comprehensive income in the current period		\$32,306	2.45	\$7,687	0.65	\$136,428	5.75	\$23,422	1.09
8600	Net income (loss) attributable to:									
8610	Owners of the Company		\$61,335		\$35,476		\$96,140		\$58,537	
8620	Non-controlling interests		2,035		(816)		1,367		(2,828)	
			\$63,370		\$34,660		\$97,507		\$55,709	
8700	Total comprehensive income attributable to:									
8710	Owners of the Company		\$33,395		\$9,997		\$132,224		\$29,189	
8720	Non-controlling interests		(1,089)		(2,310)		4,204		(5,767)	
			\$32,306		\$7,687		\$136,428		\$23,422	
	Earnings per share (NT\$)	VI.22								
9750	Basic earnings per share		\$0.42		\$0.24		\$0.65		\$0.40	
9850	Diluted earnings per share		\$0.41		\$0.24		\$0.64		\$0.40	

(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, 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		Treasury stocks	Total		
					Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of the financial				
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
D1	Net income (loss) for the six months ended June 30, 2021	-	-	-	-	-	58,537	-	-	58,537	(2,828)	55,709
D3	Other comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	-	-	(29,348)	-	(29,348)	(2,939)	(32,287)
D5	Comprehensive income in the current period	-	-	-	-	-	58,537	(29,348)	-	29,189	(5,767)	23,422
M7	Change in ownership interests in subsidiaries	-	-	(96)	-	-	-	-	-	(96)	639	543
Z1	Balance as of June 30, 2021	<u>\$1,487,085</u>	<u>\$ -</u>	<u>\$23,649</u>	<u>\$137,165</u>	<u>\$188,685</u>	<u>\$369,923</u>	<u>\$(145,690)</u>	<u>\$(33,031)</u>	<u>\$2,027,786</u>	<u>\$169,076</u>	<u>\$2,196,862</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)	-	-	-	-	-
D1	Net income 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	<u>\$1,494,388</u>	<u>\$29,691</u>	<u>\$23,649</u>	<u>\$149,928</u>	<u>\$188,685</u>	<u>\$421,506</u>	<u>\$(92,545)</u>	<u>\$(12,263)</u>	<u>\$2,203,039</u>	<u>\$164,405</u>	<u>\$2,367,444</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 six months ended June 30, 2022 and 2021

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

Unit: NT\$ Thousand

Code	Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021	Code	Items	For the six months ended June 30, 2022	For the six months ended June 30, 2021
		Amount	Amount			Amount	Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$148,181	\$109,368	B00100	Purchase of financial assets at fair value through profit or loss	(761,328)	(767,635)
A20000	Adjustment items:			B00200	Disposal of financial assets at FVTPL	899,782	1,053,160
A20010	Income/expenses items:			B02700	Acquisition of property, plant and equipment	(238,249)	(163,751)
A20100	Depreciation expense	49,350	50,510	B02800	Disposal of property, plant and equipment	1,409	1,423
A20200	Amortization expenses	6,567	6,062	B04500	Acquisition of intangible assets	(1,787)	(2,337)
A20300	Expected credit impairment losses	23,656	7,606	BBBB	Net cash (outflow) inflow from investing activities	(100,173)	120,860
A20400	Net (gain) on financial assets at FVTPL	(1,326)	(5,404)				
A20900	Interest expenses	13,478	7,920	CCCC	Cash flows from financing activities:		
A21200	Interest revenue	(10,800)	(15,030)	C00100	Increase in short-term borrowings	846,908	1,187,825
A22300	Share of (gains) on associates and joint ventures accounted for u	(2,234)	(4,986)	C00200	Decrease in short-term borrowings	(776,987)	(1,169,797)
A22500	Losses on disposal of property, plant and equipment	985	1,027	C00500	Increase in short-term notes and bills payable	19,993	20
A23700	Loss on non-financial asset impairment	-	461	C01600	Proceeds from long-term borrowings	291,740	141,089
A30000	Changes in operating assets/ liabilities:			C01700	Repayments of long-term borrowings	(156,384)	(84,088)
A31125	Decrease (increase) in contract assets	7,821	(77,024)	C03100	Increase (decrease) in deposits received	2,474	(76)
A31130	Decrease (increase) of notes receivable	(163,459)	32,976	C04020	Repayment of principal portion of lease	(609)	(494)
A31150	(Increase) in accounts receivable	(190,711)	(17,636)	C05800	Increase in non-controlling interests	1,001	543
A31200	(Increase) in inventories	(28,077)	(50,328)	CCCC	Net cash inflow from financing activities	228,136	75,022
A31240	Decrease in other current assets	12,136	45,946				
A31990	Decrease of other non-current assets	207	6,940	DDDD	Effect of exchange rate changes on cash and cash equivalents	37,280	(12,067)
A32125	(Decrease) decrease in contract assets	(20,292)	57,376				
A32130	Increase (decrease) in notes payable	30,729	(235,684)	EEEE	Increase in cash and cash equivalents for the current period	62,264	153,754
A32150	Increase in accounts payable	28,972	103,335	E00100	Cash and cash equivalents at the beginning of the year	533,974	393,222
A32180	Increase (decrease) of other payables	27,443	(5,791)	E00200	Cash and cash equivalents at the end of the year	\$596,238	\$546,976
A32230	Increase (decrease) in other current liabilities	4,027	(3,433)				
A32240	(Decrease) in net defined benefit liabilities	(1,213)	(3,741)				
A33000	Cash (outflow) from operations	(64,560)	10,470				
A33100	Interest received	10,800	15,030				
A33300	Interest paid	(14,325)	(8,641)				
A33500	Income tax paid	(34,894)	(46,920)				
AAAA	Net cash (outflow) from operating activities	(102,979)	(30,061)				

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

Chairman:

Manager:

Accounting Manager: