

1229 LIEN HWA INDUSTRIAL CORPORATION
2019Q2 Consolidated Financial Report

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Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2019/6/30	2018/12/31	2018/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	1,248,560	707,098	645,326
1110	Current financial assets at fair value through profit or loss	225,082	0	0
1120	Current financial assets at fair value through other comprehensive income	432,908	0	0
1140	Current contract assets	1,999,569	0	0
1150	Notes receivable, net	219,964	237,998	189,171
1170	Accounts receivable, net	1,107,664	559,044	590,974
1200	Other receivables	459,502	77,316	450,583
1220	Current tax assets	49,449	63,224	14,946
130X	Current inventories	1,197,896	941,986	956,493
1470	Other current assets	255,513	33,250	46,462
11XX	Total current assets	7,196,107	2,619,916	2,893,955
	Non-current assets			
1517	Non-current financial assets at fair value through other comprehensive income	19,114,736	6,102,295	5,752,233
1550	Investments accounted for using equity method	12,690,963	17,686,174	18,370,910
1600	Property, plant and equipment	4,430,154	1,806,474	1,830,392
1755	Right-of-use assets	164,979	0	0
1760	Investment property, net	2,029,323	2,070,323	2,042,759
1780	Intangible assets	103,846	14,975	14,975
1840	Deferred tax assets	137,296	12,680	2,681
1900	Other non-current assets	149,515	76,467	74,399
1920	Guarantee deposits paid	66,570	12,984	12,818
1985	Long-term Lease Prepayments	0	43,929	45,847
1990	Other non-current assets, others	82,945	19,554	15,734
1995	Other non-current assets, others	82,945	19,554	15,734
15XX	Total non-current assets	38,820,812	27,769,388	28,088,349
1XXX	Total assets	46,016,919	30,389,304	30,982,304
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	4,405,000	3,750,000	1,703,046
2110	Short-term notes and bills payable	734,735	499,900	299,961
2130	Current contract liabilities	200,198	0	0
2170	Accounts payable	801,522	94,977	86,150
2200	Other payables	2,223,149	209,984	1,950,481

2230	Current tax liabilities	78,496	58	37,063
2280	Current lease liabilities	29,570	0	0
2300	Other current liabilities	24,452	30,897	12,131
2399	Other current liabilities, others	24,452	30,897	12,131
21XX	Total current liabilities	8,497,122	4,585,816	4,088,832
	Non-current liabilities			
2540	Non-current portion of non-current borrowings	900,000	900,000	900,000
2570	Deferred tax liabilities	158,183	101,874	94,678
2573	Deferred tax liabilities, others	158,183	101,874	94,678
2580	Non-current lease liabilities	64,990	0	0
2600	Other non-current liabilities	209,653	181,012	175,352
2640	Net defined benefit liability, non-current	46,870	45,181	41,535
2645	Guarantee deposits received	61,575	57,534	56,810
2670	Other non-current liabilities, others	101,208	78,297	77,007
25XX	Total non-current liabilities	1,332,826	1,182,886	1,170,030
2XXX	Total liabilities	9,829,948	5,768,702	5,258,862
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	10,521,332	10,521,332	9,564,847
3150	Stock dividend to be distributed	526,067	0	956,485
3100	Total capital stock	11,047,399	10,521,332	10,521,332
	Capital surplus			
3200	Total capital surplus	756,764	766,253	737,281
	Retained earnings			
3310	Legal reserve	3,059,406	2,811,777	2,811,777
3320	Special reserve	141,843	141,843	141,843
3350	Unappropriated retained earnings (accumulated deficit)	8,209,988	8,015,257	6,648,599
3300	Total retained earnings	11,411,237	10,968,877	9,602,219
	Other equity interest			
3400	Total other equity interest	2,789,799	2,296,024	4,799,574
3500	Treasury shares	(184,763)	(2,393)	(2,393)
31XX	Total equity attributable to owners of parent	25,820,436	24,550,093	25,658,013
36XX	Non-controlling interests	10,366,535	70,509	65,429
3XXX	Total equity	36,186,971	24,620,602	25,723,442
3X2X	Total liabilities and equity	46,016,919	30,389,304	30,982,304
3998	Equivalent issue shares of advance receipts for ordinary share	0	0	0
3999	Number of shares in entity held by entity and by its subsidiaries	5,664,000	116,000	105,000

Unit: NT\$ thousands EPS Unit: NT\$

Statement of Comprehensive Income				
Code	Accounting Title	2019/4/1To6/30	2018/4/1To6/30	2019/1/1To6/30

	Operating revenue				
4000	Total operating revenue	2,024,633	1,263,849	3,253,332	2,488,302
	Operating costs				
	Cost of sales				
5110	Total cost of sales	1,698,882	1,057,900	2,726,267	2,078,908
5000	Total operating costs	1,698,882	1,057,900	2,726,267	2,078,908
5900	Gross profit (loss) from operations	325,751	205,949	527,065	409,394
5950	Gross profit (loss) from operations	325,751	205,949	527,065	409,394
	Operating expenses				
6100	Selling expenses	144,121	73,753	214,534	147,440
6200	Administrative expenses	95,567	51,169	147,345	99,451
6300	Research and development expenses	10,241	11,058	21,162	20,695
6000	Total operating expenses	249,929	135,980	383,041	267,586
6900	Net operating income (loss)	75,822	69,969	144,024	141,808
	Non-operating income and expenses				
	Other income				
7010	Total other income	6,954	6,537	10,906	8,519
	Other gains and losses				
7020	Other gains and losses, net	843	(5,630)	567,440	1,479
	Finance costs				
7050	Finance costs, net	15,083	7,112	27,126	14,318
	Share of profit (loss) of associates and joint ventures accounted for using equity method				
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	249,974	602,190	686,917	1,090,228
7000	Total non-operating income and expenses	242,688	595,985	1,238,137	1,085,908
7900	Profit (loss) from continuing operations before tax	318,510	665,954	1,382,161	1,227,716
	Tax expense (income)				
7951	Current tax expense (income)	83,432	21,796	96,928	38,364
7950	Total tax expense (income)	83,432	21,796	96,928	38,364
8000	Profit (loss) from continuing operations	235,078	644,158	1,285,233	1,189,352
8200	Profit (loss)	235,078	644,158	1,285,233	1,189,352
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	522,912	127,716	1,194,998	173,541
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	112,857	10,928	758,527	445,286
8310	Components of other comprehensive income that will not be reclassified to profit or loss	635,769	138,644	1,953,525	618,827
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(37,379)	29,843	74,108	24,837
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(74,127)	(15,797)	79,622	107,523
8360	Components of other comprehensive income that will be reclassified to profit or loss	(111,506)	14,046	153,730	132,360
8300	Other comprehensive income, net	524,263	152,690	2,107,255	751,187
		759,341	796,848	3,392,488	1,940,539

8500	Total comprehensive income				
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	259,612	646,035	1,309,712	1,190,651
8620	Profit (loss), attributable to non-controlling interests	(24,534)	(1,877)	(24,479)	(1,299)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	499,101	799,773	3,130,477	1,941,561
8720	Comprehensive income, attributable to non-controlling interests	260,240	(2,925)	262,011	(1,022)
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.25	0.61	1.25	1.13
9750	Total basic earnings per share	0.25	0.61	1.25	1.13
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.25	0.61	1.25	1.13
9850	Total diluted earnings per share	0.25	0.61	1.25	1.13

Unit: NT\$ thousands

Statements of Cash Flows				
Code	Accounting Title	2019/1/1To6/30	2018/1/1To6/30	
	Cash flows from (used in) operating activities, indirect method			
A00010	Profit (loss) from continuing operations before tax	1,382,161	1,227,716	
A10000	Profit (loss) before tax	1,382,161	1,227,716	
	Adjustments			
	Adjustments to reconcile profit (loss)			
A20100	Depreciation expense	148,260	103,318	
A20200	Amortization expense	7,143	6,387	
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(14,325)	405	
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(1,933)	0	
A20900	Interest expense	27,126	14,318	
A21200	Interest income	(7,574)	(6,937)	
A21300	Dividend income	(2,507)	(1,104)	
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(686,917)	(1,090,228)	
A22500	Loss (gain) on disposal of property, plan and equipment	11	884	
A23100	Loss (gain) on disposal of investments	(551,654)	0	
A29900	Other adjustments to reconcile profit (loss)	(10)	0	
A20010	Total adjustments to reconcile profit (loss)	(1,082,380)	(972,957)	
	Changes in operating assets and liabilities			
	Changes in operating assets			
A31125	Decrease (increase) in contract assets	(184,770)	0	
A31130	Decrease (increase) in notes receivable	38,646	11,355	
A31150	Decrease (increase) in accounts receivable	12,995	(967)	
A31180	Decrease (increase) in other receivable	73,212	56,266	
A31200	Decrease (increase) in inventories	(96,527)	51,237	
A31240	Decrease (increase) in other current assets	15,855	(22,919)	

A31000	Total changes in operating assets	(140,589)	94,972
	Changes in operating liabilities		
A32125	Increase (decrease) in contract liabilities	(11,837)	0
A32150	Increase (decrease) in accounts payable	111,345	(75,222)
A32180	Increase (decrease) in other payable	8,314	31,798
A32200	Increase (decrease) in provisions	649	437
A32230	Increase (decrease) in other current liabilities	(14,330)	(4,131)
A32240	Increase (decrease) in net defined benefit liability	(9,517)	(6,062)
A32000	Total changes in operating liabilities	84,624	(53,180)
A30000	Total changes in operating assets and liabilities	(55,965)	41,792
A20000	Total adjustments	(1,138,345)	(931,165)
A33000	Cash inflow (outflow) generated from operations	243,816	296,551
A33100	Interest received	7,558	8,438
A33200	Dividends received	857,164	1,123,418
A33300	Interest paid	(27,007)	(15,611)
A33500	Income taxes refund (paid)	14,341	(50,784)
AAAA	Net cash flows from (used in) operating activities	1,095,872	1,362,012
	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(206,324)	0
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	19,191	7,939
B00040	Acquisition of financial assets at amortised cost	(9)	0
B00100	Acquisition of financial assets at fair value through profit or loss	(377,699)	0
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	306,209	0
B01800	Acquisition of investments accounted for using equity method	0	(574,029)
B02700	Acquisition of property, plant and equipment	(61,354)	(132,218)
B02800	Proceeds from disposal of property, plant and equipment	71	638
B03700	Increase in refundable deposits	56,452	0
B03800	Decrease in refundable deposits	0	(162)
B05000	Net cash inflows from business combination	216,494	0
B05400	Acquisition of investment properties	(82)	(967)
B06700	Increase in other non-current assets	(35,285)	(6,930)
BBBB	Net cash flows from (used in) investing activities	(82,336)	(705,729)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	5,000	231,477
C00600	Decrease in short-term notes and bills payable	(447,821)	(1,000,000)
C01600	Proceeds from long-term debt	300,000	450,000
C01700	Repayments of long-term debt	(300,000)	(450,000)
C03000	Increase in guarantee deposits received	84	2,166
C04020	Payments of lease liabilities	(20,553)	0
C04400	Decrease in other non-current liabilities	(2,935)	0
CCCC	Net cash flows from (used in) financing activities	(466,225)	(766,357)

A1	Equity at beginning of period	9,564,847	0	9,564,847	747,487	2,514,375	141,843	7,919,360	10,575,578	(99,739)	0	4,433,684	4,333,945	(2,393)	25,219,464	66,451	25,285,915
A3	Effects of retrospective application and retrospective restatement	0	0	0	0	0	0	594,990	594,990	(129)	4,148,532	(4,433,684)	(285,281)	0	309,709	0	309,709
A5	Equity at beginning of period after adjustments	9,564,847	0	9,564,847	747,487	2,514,375	141,843	8,514,350	11,170,568	(99,868)	4,148,532	0	4,048,664	(2,393)	25,529,173	66,451	25,595,624
B1	Legal reserve appropriated					297,402		(297,402)	0						0		0
B5	Cash dividends of ordinary share							(1,721,672)	(1,721,672)						(1,721,672)		(1,721,672)
B9	Stock dividends of ordinary share	0	956,485	956,485				(956,485)	(956,485)						0		0
C7	Changes in equity of associates and joint ventures accounted for using equity method				(10,206)			(80,843)	(80,843)						(91,049)		(91,049)
D1	Profit (loss)							1,190,651	1,190,651						1,190,651	(1,299)	1,189,352
D3	Other comprehensive income									132,083	618,827	0	750,910		750,910	277	751,187
D5	Total comprehensive income							1,190,651	1,190,651	132,083	618,827	0	750,910		1,941,561	(1,022)	1,940,539
Y1	Total increase (decrease) in equity	0	956,485	956,485	(10,206)	297,402	0	(1,865,751)	(1,568,349)	132,083	618,827	0	750,910	0	128,840	(1,022)	127,818
Z1	Equity at end of period	9,564,847	956,485	10,521,332	737,281	2,811,777	141,843	6,648,599	9,602,219	32,215	4,767,359	0	4,799,574	(2,393)	25,658,013	65,429	25,723,442