

1229 Lien Hwa Industrial Holdings Corporation
2020Q2 Consolidated Financial Report

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Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2020/6/30	2019/12/31	2019/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	1,860,214	1,758,023	1,248,560
1110	Current financial assets at fair value through profit or loss	140,312	285,264	225,082
1120	Current financial assets at fair value through other comprehensive income	431,809	440,588	432,908
1140	Current contract assets	2,221,102	1,781,951	1,999,569
1150	Notes receivable, net	160,563	174,615	219,964
1170	Accounts receivable, net	1,043,050	1,241,682	1,107,664
1200	Other receivables	1,735,773	29,153	459,502
1220	Current tax assets	2	48,460	49,449
130X	Current inventories	1,163,126	1,155,720	1,197,896
1470	Other current assets	302,749	313,896	255,513
11XX	Total current assets	9,058,700	7,229,352	7,196,107
	Non-current assets			
1517	Non-current financial assets at fair value through other comprehensive income	22,012,952	19,376,709	19,114,736
1550	Investments accounted for using equity method	12,942,379	13,020,127	12,690,963
1600	Property, plant and equipment	4,374,268	4,440,149	4,430,154
1755	Right-of-use assets	152,273	158,649	164,979
1760	Investment property, net	1,852,606	1,894,733	2,029,323
1780	Intangible assets	100,734	98,650	103,846
1840	Deferred tax assets	110,167	124,301	137,296
1900	Other non-current assets	162,587	202,273	149,515
1920	Guarantee deposits paid	119,235	152,995	66,570
1975	Net defined benefit asset, non-current	20,391	20,830	0
1990	Other non-current assets, others	22,961	28,448	82,945
1995	Other non-current assets, others	22,961	28,448	82,945
15XX	Total non-current assets	41,707,966	39,315,591	38,820,812
1XXX	Total assets	50,766,666	46,544,943	46,016,919
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	4,950,000	5,050,000	4,405,000
2110	Short-term notes and bills payable	1,339,321	1,039,800	734,735
2130	Current contract liabilities	484,079	101,787	200,198
2150	Notes payable	4,516	22,648	4,643
2170	Accounts payable	864,419	810,459	796,879

2200	Other payables	2,385,540	445,511	2,223,149
2230	Current tax liabilities	64,406	107,671	78,496
2280	Current lease liabilities	33,422	34,030	29,570
2300	Other current liabilities	26,573	20,426	24,452
2399	Other current liabilities, others	26,573	20,426	24,452
21XX	Total current liabilities	10,152,276	7,632,332	8,497,122
	Non-current liabilities			
2540	Non-current portion of non-current borrowings	1,300,000	900,000	900,000
2570	Deferred tax liabilities	148,805	148,013	158,183
2573	Deferred tax liabilities, others	148,805	148,013	158,183
2580	Non-current lease liabilities	55,746	58,969	64,990
2600	Other non-current liabilities	167,979	175,438	209,653
2640	Net defined benefit liability, non-current	13,129	13,293	46,870
2645	Guarantee deposits received	60,112	63,956	61,575
2670	Other non-current liabilities, others	94,738	98,189	101,208
25XX	Total non-current liabilities	1,672,530	1,282,420	1,332,826
2XXX	Total liabilities	11,824,806	8,914,752	9,829,948
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	11,047,399	11,047,399	10,521,332
3150	Stock dividend to be distributed	1,767,584	0	526,067
3100	Total Share Capital	12,814,983	11,047,399	11,047,399
	Capital surplus			
3200	Total capital surplus	797,949	765,121	756,764
	Retained earnings			
3310	Legal reserve	3,471,062	3,059,406	3,059,406
3320	Special reserve	141,843	141,843	141,843
3350	Unappropriated retained earnings (accumulated deficit)	6,996,221	9,674,705	8,209,988
3300	Total retained earnings	10,609,126	12,875,954	11,411,237
	Other equity interest			
3400	Total other equity interest	3,323,180	2,494,677	2,789,799
3500	Treasury shares	(184,763)	(184,763)	(184,763)
31XX	Total equity attributable to owners of parent	27,360,475	26,998,388	25,820,436
36XX	Non-controlling interests	11,581,385	10,631,803	10,366,535
3XXX	Total equity	38,941,860	37,630,191	36,186,971
3X2X	Total liabilities and equity	50,766,666	46,544,943	46,016,919
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	5,947,000	5,947,000	5,664,000

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

Statement of Comprehensive Income

Code	Accounting Title	2020/4/1To6/30	2019/4/1To6/30	2020/1/1To6/30	2019/1/1To6/30
	Operating revenue				
4000	Total operating revenue	2,710,365	2,024,633	4,757,903	3,253,332
	Operating costs				
	Cost of sales				
5110	Total cost of sales	1,766,962	1,698,882	3,456,340	2,726,267
5000	Total operating costs	1,766,962	1,698,882	3,456,340	2,726,267
5900	Gross profit (loss) from operations	943,403	325,751	1,301,563	527,065
5950	Gross profit (loss) from operations	943,403	325,751	1,301,563	527,065
	Operating expenses				
6100	Selling expenses	131,320	157,123	256,277	228,859
6200	Administrative expenses	88,627	95,567	198,810	147,345
6300	Research and development expenses	9,904	10,241	18,587	21,162
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	407	(13,002)	652	(14,325)
6000	Total operating expenses	230,258	249,929	474,326	383,041
6900	Net operating income (loss)	713,145	75,822	827,237	144,024
	Non-operating income and expenses				
	Interest income				
7100	Total interest income	3,939	4,062	9,784	7,574
	Other income				
7010	Total other income	130,431	2,892	151,061	3,332
	Other gains and losses				
7020	Other gains and losses, net	1,920	843	(1,139)	567,440
	Finance costs				
7050	Finance costs, net	16,251	15,083	32,226	27,126
	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	630,920	249,974	763,239	686,917
7000	Total non-operating income and expenses	750,959	242,688	890,719	1,238,137
7900	Profit (loss) from continuing operations before tax	1,464,104	318,510	1,717,956	1,382,161
	Tax expense (income)				
7951	Current tax expense (income)	36,249	83,432	69,795	96,928
7950	Total tax expense (income)	36,249	83,432	69,795	96,928
8000	Profit (loss) from continuing operations	1,427,855	235,078	1,648,161	1,285,233
8200	Profit (loss)	1,427,855	235,078	1,648,161	1,285,233
	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	2,425,448	522,912	1,654,463	1,194,998
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	435,616	112,857	313,837	758,527
8310	Components of other comprehensive income that will not be reclassified to profit or loss	2,861,064	635,769	1,968,300	1,953,525
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(79,489)	(37,379)	(124,477)	74,108

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	(137,160)	(74,127)	(179,494)	79,622
8360	Components of other comprehensive income that will be reclassified to profit or loss	(216,649)	(111,506)	(303,971)	153,730
8300	Total other comprehensive income	2,644,415	524,263	1,664,329	2,107,255
8500	Total comprehensive income	4,072,270	759,341	3,312,490	3,392,488
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	1,034,274	259,612	1,253,446	1,309,712
8620	Profit (loss), attributable to non-controlling interests	393,581	(24,534)	394,715	(24,479)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	2,667,404	499,101	2,096,843	3,130,477
8720	Comprehensive income, attributable to non-controlling interests	1,404,866	260,240	1,215,647	262,011
	Basic earnings per share				
9710	Basic earnings (loss) per share from continuing operations	0.94	0.24	1.14	1.19
9750	Total basic earnings per share	0.94	0.24	1.14	1.19
	Diluted earnings per share				
9810	Diluted earnings (loss) per share from continuing operations	0.94	0.24	1.14	1.19
9850	Total diluted earnings per share	0.94	0.24	1.14	1.19

Unit: NT\$ thousands

Statements of Cash Flows				
Code	Accounting Title	2020/1/1To6/30	2019/1/1To6/30	
	Cash flows from (used in) operating activities, indirect method			
A00010	Profit (loss) from continuing operations before tax	1,717,956	1,382,161	
A10000	Profit (loss) before tax	1,717,956	1,382,161	
	Adjustments			
	Adjustments to reconcile profit (loss)			
A20100	Depreciation expense	154,856	148,260	
A20200	Amortization expense	7,229	7,143	
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	652	(14,325)	
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	219	(1,933)	
A20900	Interest expense	32,226	27,126	
A21200	Interest income	(9,784)	(7,574)	
A21300	Dividend income	(813,749)	(2,507)	
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(767,299)	(686,917)	
A22500	Loss (gain) on disposal of property, plan and equipment	715	11	
A22700	Loss (gain) on disposal of investment properties	(60)	0	
A23100	Loss (gain) on disposal of investments	0	(551,654)	
A23700	Impairment loss on non-financial assets	2,400	0	
A29900	Other adjustments to reconcile profit (loss)	(67)	(10)	
A20010	Total adjustments to reconcile profit (loss)	(1,392,662)	(1,082,380)	
	Changes in operating assets and liabilities			
	Changes in operating assets			
A31125	Decrease (increase) in contract assets	(439,151)	(184,770)	

A31130	Decrease (increase) in notes receivable	14,052	38,646
A31150	Decrease (increase) in accounts receivable	197,628	12,995
A31180	Decrease (increase) in other receivable	(70,915)	73,212
A31200	Adjustments for decrease (increase) in inventories	(23,250)	(96,527)
A31240	Adjustments for decrease (increase) in other current assets	28,776	15,855
A31990	Decrease (increase) in other operating assets	438	(45)
A31000	Total changes in operating assets	(292,422)	(140,634)
	Changes in operating liabilities		
A32125	Increase (decrease) in contract liabilities	382,292	(11,837)
A32130	Increase (decrease) in notes payable	(18,131)	(273)
A32150	Increase (decrease) in accounts payable	54,228	111,618
A32180	Increase (decrease) in other payable	(92,744)	8,314
A32200	Increase (decrease) in provisions	(512)	649
A32230	Adjustments for increase (decrease) in other current liabilities	3,674	(14,330)
A32240	Increase (decrease) in net defined benefit liability	(164)	(9,472)
A32000	Total changes in operating liabilities	328,643	84,669
A30000	Total changes in operating assets and liabilities	36,221	(55,965)
A20000	Total adjustments	(1,356,441)	(1,138,345)
A33000	Cash inflow (outflow) generated from operations	361,515	243,816
A33100	Interest received	9,772	7,558
A33200	Dividends received	127,762	857,164
A33300	Interest paid	(33,236)	(27,007)
A33500	Income taxes refund (paid)	(48,878)	14,341
AAAA	Net cash flows from (used in) operating activities	416,935	1,095,872
	Cash flows from (used in) investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(1,003,573)	(206,324)
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	4,500	19,191
B00040	Acquisition of financial assets at amortised cost	0	(9)
B00100	Acquisition of financial assets at fair value through profit or loss	(11,617)	(377,699)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	194,331	306,209
B01900	Proceeds from disposal of investments accounted for using equity method	161	0
B02700	Acquisition of property, plant and equipment	(36,829)	(61,354)
B02800	Proceeds from disposal of property, plant and equipment	1,363	71
B03800	Decrease in refundable deposits	35,516	56,452
B04500	Acquisition of intangible assets	(7,176)	0
B05000	Net cash inflows from business combination	0	216,494
B05400	Acquisition of investment properties	(1,118)	(82)
B05500	Proceeds from disposal of investment properties	333	0
B06700	Increase in other non-current assets	(17,686)	(35,285)
BBBB	Net cash flows from (used in) investing activities	(841,795)	(82,336)
	Cash flows from (used in) financing activities		

C00100	Increase in short-term loans	0	5,000
C00200	Decrease in short-term loans	(100,000)	0
C00500	Increase in short-term notes and bills payable	299,521	0
C00600	Decrease in short-term notes and bills payable	0	(447,821)
C01600	Proceeds from long-term debt	800,000	300,000
C01700	Repayments of long-term debt	(400,000)	(300,000)
C03000	Increase in guarantee deposits received	0	84
C03100	Decrease in guarantee deposits received	(5,380)	0
C04020	Payments of lease liabilities	(18,284)	(20,553)
C04400	Decrease in other non-current liabilities	0	(2,935)
C05800	Change in non-controlling interests	(365)	0
CCCC	Net cash flows from (used in) financing activities	575,492	(466,225)
DDDD	Effect of exchange rate changes on cash and cash equivalents	(48,441)	(5,849)
EEEE	Net increase (decrease) in cash and cash equivalents	102,191	541,462
E00100	Cash and cash equivalents at beginning of period	1,758,023	707,098
E00200	Cash and cash equivalents at end of period	1,860,214	1,248,560
E00210	Cash and cash equivalents reported in the statement of financial position	1,860,214	1,248,560

Unit: NT\$ thousands

Unit: HK\$ thousand

Statements of Change in Equity																
		3110	3150	3100	3200	3310	3320	3350	3300	3410	3420	3400	3500	31XX	36XX	3XXX
		Ordinary share	Stock dividend to be distributed	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
A1	Equity at beginning of period	11,047,399	0	11,047,399	765,121	3,059,406	141,843	9,674,705	12,875,954	(384,933)	2,879,610	2,494,677	(184,763)	26,998,388	10,631,803	37,630,191
B1	Legal reserve appropriated					411,656		(411,656)	0					0		0
B5	Cash dividends of ordinary share							(1,767,584)	(1,767,584)					(1,767,584)		(1,767,584)
B9	Stock dividends of ordinary share		1,767,584	1,767,584				(1,767,584)	(1,767,584)					0		0
C7	Changes in equity of associates and joint ventures accounted for using equity method				32,828			14,894	14,894		(14,894)	(14,894)		32,828		32,828
D1	Profit (loss)							1,253,446	1,253,446					1,253,446	394,715	1,648,161
D3	Other comprehensive income									(296,268)	1,139,665	843,397		843,397	820,932	1,664,329
D5	Total comprehensive income							1,253,446	1,253,446	(296,268)	1,139,665	843,397		2,096,843	1,215,647	3,312,490
O1	Changes in non-controlling interests														(266,065)	(266,065)
Y1	Total increase (decrease) in equity	0	1,767,584	1,767,584	32,828	411,656	0	(2,678,484)	(2,266,828)	(296,268)	1,124,771	828,503	0	362,087	949,582	1,311,669
Z1	Equity at end of period	11,047,399	1,767,584	12,814,983	797,949	3,471,062	141,843	6,996,221	10,609,126	(681,201)	4,004,381	3,323,180	(184,763)	27,360,475	11,581,385	38,941,860

Unit: NT\$ thousands

Last year's Statements of Change in Equity																
		3110	3150	3100	3200	3310	3320	3350	3300	3410	3420	3400	3500	31XX	36XX	3XXX
		Ordinary share	Stock dividend to be distributed	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
A1	Equity at beginning of period	10,521,332	0	10,521,332	766,253	2,811,777	141,843	8,015,257	10,968,877	(195,325)	2,491,349	2,296,024	(2,393)	24,550,093	70,509	24,620,602
B1	Legal reserve appropriated					247,629		(247,629)	0					0		0
B5	Cash dividends of ordinary share							(1,683,413)	(1,683,413)					(1,683,413)		(1,683,413)
B9	Stock dividends of ordinary share		526,067	526,067				(526,067)	(526,067)					0		0
C7	Changes in equity of associates and joint ventures accounted for using equity method				(9,489)			(1,712)	(1,712)					(11,201)		(11,201)
D1	Profit (loss)							1,309,712	1,309,712					1,309,712	(24,479)	1,285,233
D3	Other comprehensive income									153,528	1,667,237	1,820,765		1,820,765	286,490	2,107,255
D5	Total comprehensive income							1,309,712	1,309,712	153,528	1,667,237	1,820,765		3,130,477	262,011	3,392,488
L5	Acquisition of company's share by subsidiaries recognized as treasury share												(182,370)	(182,370)		(182,370)
M3	Disposal of subsidiaries or investments accounted for using equity method							1,278,836	1,278,836	16,850	(1,278,836)	(1,261,986)		16,850		16,850
O1	Changes in non-controlling interests														10,034,015	10,034,015
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income							65,004	65,004		(65,004)	(65,004)		0		0
Y1	Total increase (decrease) in equity	0	526,067	526,067	(9,489)	247,629	0	194,731	442,360	170,378	323,397	493,775	(182,370)	1,270,343	10,296,026	11,566,369
Z1	Equity at end of period	10,521,332	526,067	11,047,399	756,764	3,059,406	141,843	8,209,988	11,411,237	(24,947)	2,814,746	2,789,799	(184,763)	25,820,436	10,366,535	36,186,971