

3294 MEGAFORCE COMPANY LIMITED

2023Q1 Consolidated Financial Report

Unit: NT\$ thousands

| Balance Sheet | | | | |
|---------------|---|-----------|------------|-----------|
| Code | Accounting Title | 2023/3/31 | 2022/12/31 | 2022/3/31 |
| | Assets | | | |
| | Current assets | | | |
| 1100 | Cash and cash equivalents | 1,307,964 | 1,756,579 | 913,950 |
| 1110 | Current financial assets at fair value through profit or loss | 357,223 | - | 960,940 |
| 1170 | Accounts receivable, net | 997,055 | 1,387,041 | 1,456,116 |
| 130X | Current inventories | 447,658 | 496,691 | 649,204 |
| 1476 | Other current financial assets | 8,469 | 4,868 | 3,301 |
| 1479 | Other current assets, others | 82,068 | 66,435 | 96,855 |
| 11XX | Total current assets | 3,200,437 | 3,711,614 | 4,080,366 |
| | Non-current assets | | | |
| 1510 | Non-current financial assets at fair value through profit or loss | - | - | 40,603 |
| 1517 | Non-current financial assets at fair value through other comprehensive income | 21,460 | 21,460 | 6,495 |
| 1600 | Property, plant and equipment | 971,795 | 999,601 | 1,073,702 |
| 1755 | Right-of-use assets | 172,891 | 193,271 | 204,668 |
| 1780 | Intangible assets | 63,601 | 62,338 | 62,632 |
| 1840 | Deferred tax assets | 142,437 | 141,778 | 200,288 |
| 1980 | Other non-current financial assets | 17,605 | 16,955 | 16,873 |
| 1990 | Other non-current assets, others | 15,085 | 8,259 | 20,409 |
| | Total non-current assets | 1,404,874 | 1,443,662 | 1,625,670 |
| | Total assets | 4,605,311 | 5,155,276 | 5,706,036 |
| | Liabilities and equity | | | |
| | Liabilities | | | |
| | Current liabilities | | | |
| 2100 | Current borrowings | 859,000 | 1,020,000 | 1,100,000 |
| 2120 | Current financial liabilities at fair value through profit or loss | 138 | 285 | - |
| 2130 | Current contract liabilities | 71,991 | 59,229 | 62,519 |
| 2170 | Accounts payable | 288,382 | 450,232 | 482,437 |
| 2200 | Other payables | 409,141 | 539,041 | 552,458 |
| 2230 | Current tax liabilities | 23,558 | 21,697 | 19,938 |
| 2280 | Current lease liabilities | 43,935 | 52,448 | 49,185 |
| 2321 | Bonds payable, current portion | 29,010 | 28,907 | - |
| 2322 | Long-term borrowings, current portion | 91,826 | 114,764 | 83,434 |
| 2360 | Net defined benefit liability, current | 6,000 | 6,000 | 12,252 |
| 2399 | Other current liabilities, others | 22,514 | 21,964 | 35,338 |
| | Total current liabilities | 1,845,495 | 2,314,567 | 2,397,561 |
| | Non-current liabilities | | | |
| 2500 | Non-current financial liabilities at fair value through profit or loss | - | - | 345 |
| 2530 | Bonds payable | - | - | 28,598 |
| 2540 | Non-current portion of non-current borrowings | 371,424 | 363,236 | 515,674 |

| Code | Accounting Title | 2023/3/31 | 2022/12/31 | 2022/3/31 |
|------|---|-----------|------------|-----------|
| 2570 | Deferred tax liabilities | 75,200 | 75,190 | 103,587 |
| 2580 | Non-current lease liabilities | 97,775 | 107,408 | 113,327 |
| 2640 | Net defined benefit liability, non-current | 43,749 | 45,055 | 59,281 |
| 2670 | Other non-current liabilities, others | 405 | 402 | 406 |
| | Total non-current liabilities | 588,553 | 591,291 | 821,218 |
| | Total liabilities | 2,434,048 | 2,905,858 | 3,218,779 |
| | Equity | | | |
| | Equity attributable to owners of parent | | | |
| 3100 | Share Capital | 1,320,159 | 1,320,159 | 1,320,159 |
| 3200 | Capital surplus | 830,473 | 830,582 | 830,637 |
| 3300 | Retained earnings | 2,198 | 107,321 | 242,817 |
| 3400 | Other equity interest | 45,865 | 20,375 | 74,996 |
| 3500 | Treasury shares | (44,905) | (44,905) | (2,046) |
| | Total equity attributable to owners of parent | 2,153,790 | 2,233,532 | 2,466,563 |
| 36XX | Non-controlling interests | 17,473 | 15,886 | 20,694 |
| | Total equity | 2,171,263 | 2,249,418 | 2,487,257 |
| | Total liabilities and equity | 4,605,311 | 5,155,276 | 5,706,036 |

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| Statement of Comprehensive Income | | | | |
|-----------------------------------|--|----------------|----------------|--|
| Code | Accounting Title | 2023/1/1To3/31 | 2022/1/1To3/31 | |
| 4000 | Operating revenue | 831,250 | 1,235,931 | |
| 5000 | Operating costs | 791,592 | 1,124,977 | |
| | Gross profit from operations | 39,658 | 110,954 | |
| | Operating expenses | | | |
| 6100 | Selling expenses | 22,234 | 23,522 | |
| 6200 | Administrative expenses | 74,514 | 82,745 | |
| 6300 | Research and development expenses | 38,308 | 32,547 | |
| 6450 | Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9 | (207) | 541 | |
| | Total operating expenses | 134,849 | 139,355 | |
| | Net operating loss | (95,191) | (28,401) | |
| | Non-operating income and expenses | | | |
| 7100 | Interest income | 4,699 | 3,058 | |
| 7020 | Other gains and losses, net | 11,693 | 11,496 | |
| 7050 | Finance costs, net | (6,844) | (5,954) | |
| 7000 | Total non-operating income and expenses | 9,548 | 8,600 | |
| 7900 | Loss from continuing operations before tax | (85,643) | (19,801) | |
| 7950 | Total tax expense | 20,870 | 23,042 | |
| | Loss from continuing operations | (106,513) | (42,843) | |
| 8300 | Other comprehensive income | | | |
| 8310 | 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 | - | (624) | |
| 8349 | Income tax related to components of other comprehensive income that will not be reclassified to profit or loss | - | - | |
| 8310 | Components of other comprehensive income that will not be reclassified to profit or loss | - | (624) | |
| | Components of other comprehensive income that will be reclassified to profit or loss | | | |
| 8361 | Exchange differences on translation | 28,358 | 139,709 | |
| 8399 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | - | - | |
| 8360 | Components of other comprehensive income that will be reclassified to profit or loss | 28,358 | 139,709 | |
| 8300 | Total other comprehensive income | 28,358 | 139,085 | |
| 8500 | Total comprehensive income | (78,155) | 96,242 | |
| | Loss, attributable to: | | | |
| 8610 | Loss, attributable to owners of parent | (105,011) | (41,901) | |
| 8620 | Loss, attributable to non-controlling interests | (1,502) | (942) | |
| | Loss from continuing operations | (106,513) | (42,843) | |
| | Comprehensive income attributable to: | | | |
| 8710 | Comprehensive income, attributable to owners of parent | (79,521) | 96,768 | |
| 8720 | Comprehensive income, attributable to non-controlling interests | 1,366 | (526) | |
| | Total comprehensive income | (78,155) | 96,242 | |
| 9750 | Total basic earnings per share | (0.81) | (0.32) | |
| 9850 | Total diluted earnings per share | (0.81) | (0.32) | |

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Unit: NT\$ thousands

| Statements of Cash Flows | | | |
|--|----------------|----------------|--|
| Accounting Title | 2023/1/1To3/31 | 2022/1/1To3/31 | |
| Cash flows from (used in) operating activities, indirect method | | | |
| Loss from continuing operations before tax | (85,643) | (19,801) | |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation expense | 60,432 | 57,794 | |
| Amortization expense | 820 | 1,057 | |
| Expected credit loss (gain) | (207) | 541 | |
| Net gain on financial assets or liabilities at fair value through profit or loss | (2,609) | (3,439) | |
| Interest expense | 6,844 | 5,954 | |
| Interest income | (4,699) | (3,058) | |
| Loss (gain) on disposal of property, plan and equipment | (196) | 34 | |
| Other adjustments to reconcile profit | (482) | - | |
| Total adjustments to reconcile profit (loss) | 59,903 | 58,883 | |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Decrease in accounts receivable | 397,913 | 229,425 | |
| Adjustments for decrease in inventories | 51,784 | 31,523 | |
| Adjustments for decrease (increase) in other current assets | (7,211) | 2,106 | |
| Decrease (increase) in other financial assets | (360) | 230 | |
| Increase in other operating assets | (137) | (96) | |
| Total changes in operating assets | 441,989 | 263,188 | |
| Changes in operating liabilities | | | |
| Increase (decrease) in contract liabilities | 12,448 | (2,008) | |
| Decrease in accounts payable | (164,910) | (73,804) | |
| Decrease in other payable | (131,400) | (104,154) | |
| Adjustments for increase in other current liabilities | 393 | 2,320 | |
| Decrease in net defined benefit liability | (1,306) | (4,753) | |
| Total changes in operating liabilities | (284,775) | (182,399) | |
| Total changes in operating assets and liabilities | 157,214 | 80,789 | |
| Total adjustments | 217,117 | 139,672 | |
| Cash inflow generated from operations | 131,474 | 119,871 | |
| Income taxes paid | (26,174) | (70,566) | |
| Net cash flows from operating activities | 105,300 | 49,305 | |
| Cash flows from (used in) investing activities | | | |
| Acquisition of financial assets at fair value through profit or loss | (355,846) | (923,303) | |
| Acquisition of property, plant and equipment | (13,488) | (32,125) | |
| Proceeds from disposal of property, plant and equipment | 251 | - | |
| Acquisition of intangible assets | (2,080) | (150) | |
| Increase in other financial assets | (398) | (2,060) | |

| Accounting Title | 2023/1/1To3/31 | 2022/1/1To3/31 |
|--|----------------|----------------|
| Interest received | 1,469 | 3,943 |
| Net cash flows used in investing activities | (370,092) | (953,695) |
| Cash flows from (used in) financing activities | | |
| Increase in short-term loans | 799,000 | 1,420,000 |
| Decrease in short-term loans | (960,000) | (1,440,000) |
| Repayments of long-term debt | (14,750) | (20,463) |
| Payments of lease liabilities | (13,917) | (23,774) |
| Payments to acquire treasury shares | - | (2,046) |
| Interest paid | (6,217) | (5,166) |
| Net cash flows used in financing activities | (195,884) | (71,449) |
| Effect of exchange rate changes on cash and cash equivalents | 12,061 | 47,932 |
| Net decrease in cash and cash equivalents | (448,615) | (927,907) |
| Cash and cash equivalents at beginning of period | 1,756,579 | 1,841,857 |
| Cash and cash equivalents at end of period | 1,307,964 | 913,950 |

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Last year's Statements of Change in Equity

| | Equity attributable to owners of parent | | | | | | | | | | | Total equity |
|-------------------------------|---|-----------------|---------------|-----------------|----------------------------------|-------------------------|---|---|-----------------|---|---------------------------|--------------|
| | Retained earnings | | | | | | Other equity interest | | | Total equity attributable to owners of parent | Non-controlling interests | |
| | Ordinary share | Capital surplus | Legal reserve | Special reserve | Unappropriated retained earnings | Total retained earnings | Exchange differences on translation of foreign financial statements | Unrealised losses on financial assets measured at fair value through other comprehensive income | Treasury shares | | | |
| Equity at beginning of period | 1,320,159 | 830,637 | 55,622 | 45,952 | 183,144 | 284,718 | (52,620) | (11,053) | - | 2,371,841 | 21,220 | 2,393,061 |
| Loss | - | - | - | - | (41,901) | (41,901) | - | - | - | (41,901) | (942) | (42,843) |
| Other comprehensive income | - | - | - | - | - | - | 139,293 | (624) | - | 138,669 | 416 | 139,085 |
| Total comprehensive income | - | - | - | - | (41,901) | (41,901) | 139,293 | (624) | - | 96,768 | (526) | 96,242 |
| Purchase of treasury shares | - | - | - | - | - | - | - | - | (2,046) | (2,046) | - | (2,046) |
| Equity at end of period | 1,320,159 | 830,637 | 55,622 | 45,952 | 141,243 | 242,817 | 86,673 | (11,677) | (2,046) | 2,466,563 | 20,694 | 2,487,257 |

Statements of Change in Equity

| | | | | | | | | | | | | |
|--|-----------|---------|--------|--------|-----------|-----------|--------|----------|----------|-----------|---------|-----------|
| Equity at beginning of period | 1,320,159 | 830,582 | 57,306 | 63,673 | (13,658) | 107,321 | 32,567 | (12,192) | (44,905) | 2,233,532 | 15,886 | 2,249,418 |
| Loss | - | - | - | - | (105,011) | (105,011) | - | - | - | (105,011) | (1,502) | (106,513) |
| Other comprehensive income | - | - | - | - | - | - | 25,490 | - | - | 25,490 | 2,868 | 28,358 |
| Total comprehensive income | - | - | - | - | (105,011) | (105,011) | 25,490 | - | - | (79,521) | 1,366 | (78,155) |
| Changes in ownership interests in subsidiaries | - | (109) | - | - | (112) | (112) | - | - | - | (221) | 221 | - |
| Equity at end of period | 1,320,159 | 830,473 | 57,306 | 63,673 | (118,781) | 2,198 | 58,057 | (12,192) | (44,905) | 2,153,790 | 17,473 | 2,171,263 |