

3294 MEGAFORCE COMPANY LIMITED

2018Q4 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet

Code	Accounting Title	2018/12/31	2017/12/31
	Assets		
	Current assets		
1100	Cash and cash equivalents	1,468,140	989,371
1170	Accounts receivable, net	1,471,141	1,834,894
1180	Accounts receivable due from related parties, net	532	0
130X	Current inventories	646,062	643,736
1470	Other current assets	93,038	136,069
1476	Other current financial assets	21,683	71,134
1479	Other current assets, others	71,355	64,935
11XX	Total current assets	3,678,913	3,604,070
	Non-current assets		
1517	Non-current financial assets at fair value through other comprehensive income	500	0
1523	Non-current available-for-sale financial assets	0	500
1550	Investments accounted for using equity method	17,111	0
1600	Property, plant and equipment	945,949	997,932
1780	Intangible assets	36,181	45,175
1840	Deferred tax assets	75,696	82,812
1900	Other non-current assets	103,803	68,566
1980	Other non-current financial assets	13,589	11,574
1990	Other non-current assets, others	90,214	56,992
15XX	Total non-current assets	1,179,240	1,194,985
1XXX	Total assets	4,858,153	4,799,055
	Liabilities and equity		
	Liabilities		
	Current liabilities		
2100	Current borrowings	692,395	412,223
2130	Current contract liabilities	44,263	0
2170	Accounts payable	555,436	617,823
2200	Other payables	558,514	734,152
2230	Current tax liabilities	35,117	57,314
2300	Other current liabilities	120,844	97,287
2320	Long-term liabilities, current portion	75,000	24,000
2322	Long-term borrowings, current portion	75,000	24,000
2360	Net defined benefit liability, current	19,000	15,648
2399	Other current liabilities, others	26,844	57,639
21XX	Total current liabilities	2,006,569	1,918,799
	Non-current liabilities		
2540	Non-current portion of non-current borrowings	254,000	138,000
2570	Deferred tax liabilities	11,229	282

2600	Other non-current liabilities	125,646	142,706
2640	Net defined benefit liability, non-current	125,153	141,904
2670	Other non-current liabilities, others	493	802
25XX	Total non-current liabilities	390,875	280,988
2XXX	Total liabilities	2,397,444	2,199,787
	Equity		
	Equity attributable to owners of parent		
3100	Share capital	1,320,159	1,315,129
3200	Capital surplus	831,950	829,909
3300	Retained earnings	259,461	319,464
3400	Other equity interest	33,778	118,595
31XX	Total equity attributable to owners of parent	2,445,348	2,583,097
36XX	Non-controlling interests	15,361	16,171
3XXX	Total equity	2,460,709	2,599,268
3X2X	Total liabilities and equity	4,858,153	4,799,055

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Statement of Comprehensive Income

Code	Accounting Title	2018/1/1To12/31	2017/1/1To12/31
4000	Operating revenue	4,825,632	5,384,067
5000	Operating costs	4,248,422	4,537,751
5900	Gross profit from operations	577,210	846,316
5950	Gross profit from operations	577,210	846,316
	Operating expenses		
6100	Selling expenses	99,508	105,066
6200	Administrative expenses	367,260	420,276
6300	Research and development expenses	115,878	113,795
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(3,163)	0
6000	Total operating expenses	579,483	639,137
6900	Net operating income (loss)	(2,273)	207,179
	Non-operating income and expenses		
7100	Interest income	18,990	8,073
7020	Other gains and losses	45,561	43,746
7050	Finance costs	13,512	12,363
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(2,889)	0
7000	Total non-operating income and expenses	48,150	39,456
7900	Profit from continuing operations before tax	45,877	246,635
7950	Tax expense	49,750	42,576
8000	Profit (loss) from continuing operations	(3,873)	204,059
8200	Profit (loss)	(3,873)	204,059
	Other comprehensive income		
	Components of other comprehensive income that will not be reclassified to profit or loss		
8311	Gains (losses) on remeasurements of defined benefit plans	(212)	3,000
8310	Components of other comprehensive income that will not be reclassified to profit or loss	(212)	3,000
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	(85,244)	(30,620)
8362	Unrealised gains (losses) on valuation of available-for-sale financial assets	0	4,830
8360	Components of other comprehensive income that will be reclassified to profit or loss	(85,244)	(25,790)
8300	Total other comprehensive income	(85,456)	(22,790)
8500	Total comprehensive income	(89,329)	181,269
	Profit (loss), attributable to:		
8610	Profit, attributable to owners of parent	793	216,554
8620	Profit (loss), attributable to non-controlling interests	(4,666)	(12,495)
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	(84,236)	193,983
8720	Comprehensive income, attributable to non-controlling interests	(5,093)	(12,714)
9750	Basic earnings per share	0.006	1.66
9850	Diluted earnings per share	0.006	1.65

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Statements of Cash Flows

Accounting Title	2018/1/1 To12/31	2017/1/1 To12/31
Cash flows from (used in) operating activities, indirect method		
Profit from continuing operations before tax	45,877	246,635
Profit before tax	45,877	246,635
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	217,620	232,465
Amortization expense	13,236	10,604
Expected credit gain / Provision (reversal of provision) for bad debt expense	(3,163)	0
Net gain on financial assets or liabilities at fair value through profit or loss	(337)	0
Interest expense	13,512	12,363
Interest income	(18,990)	(8,073)
Share-based payments	264	84
Share of loss of associates and joint ventures accounted for using equity method	2,889	0
Gain on disposal of property, plan and equipment	(953)	(5,255)
Property, plan and equipment transferred to expenses	1,732	176
Gain on disposal of investments	(14,379)	(55,035)
Impairment loss on financial assets	0	10,532
Total adjustments to reconcile profit	211,431	197,861
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in accounts receivable	345,765	(244,950)
Decrease (increase) in accounts receivable due from related parties	(532)	0
Increase in inventories	(15,428)	(59,405)
Increase in other current assets	(6,947)	(35,536)
Increase in other financial assets	(4,149)	(512)
Total changes in operating assets	318,709	(340,403)
Changes in operating liabilities		
Increase (decrease) in accounts payable	(55,226)	87,032
Increase (decrease) in other payable	(155,187)	162,461
Increase (decrease) in other current liabilities	15,953	(19,257)
Decrease in net defined benefit liability	(13,611)	(11,911)
Total changes in operating liabilities	(208,071)	218,325
Total changes in operating assets and liabilities	110,638	(122,078)
Total adjustments	322,069	75,783
Cash inflow generated from operations	367,946	322,418
Income taxes paid	(55,740)	(34,078)
Net cash flows from operating activities	312,206	288,340
Cash flows from (used in) investing activities		

Acquisition of financial assets at amortised cost	(898,706)	0
Proceeds from disposal of financial assets at amortised cost	896,151	0
Acquisition of financial assets at fair value through profit or loss	(46,022)	0
Proceeds from disposal of financial assets at fair value through profit or loss	46,647	0
Acquisition of available-for-sale financial assets	0	(500)
Acquisition of investments accounted for using equity method	(20,000)	0
Decrease in prepayments for investments	0	7,064
Proceeds from disposal of subsidiaries	0	49,148
Acquisition of property, plant and equipment	(233,497)	(88,980)
Proceeds from disposal of property, plant and equipment	1,625	15,368
Acquisition of intangible assets	(3,622)	(10,998)
Increase in other financial assets	0	(20,611)
Decrease in other financial assets	51,602	0
Increase in other non-current assets	0	(2,552)
Interest received	10,935	8,083
Net cash flows used in investing activities	(194,887)	(43,978)
Cash flows from (used in) financing activities		
Increase in short-term loans	4,170,845	3,322,459
Decrease in short-term loans	(3,891,266)	(3,463,117)
Proceeds from long-term debt	215,000	180,000
Repayments of long-term debt	(48,000)	(55,500)
Increase in other non-current liabilities	0	9
Decrease in other non-current liabilities	(288)	0
Cash dividends paid	(60,580)	(41,675)
Proceeds from issuing shares	3,852	9,050
Exercise of employee share options	7,947	20,205
Interest paid	(13,204)	(12,906)
Change in non-controlling interests	(714)	0
Net cash flows from (used in) financing activities	383,592	(41,475)
Effect of exchange rate changes on cash and cash equivalents	(22,142)	2,485
Net increase in cash and cash equivalents	478,769	205,372
Cash and cash equivalents at beginning of period	989,371	783,999
Cash and cash equivalents at end of period	1,468,140	989,371
Cash and cash equivalents reported in the statement of financial position	1,468,140	989,371

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Statements of Change in Equity

	3110	3100	3200	3310	3350	3300	3410	3425	3400	31XX	36XX	3XXX
	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	1,315,129	1,315,129	829,909	19,579	299,885	319,464	118,595	0	118,595	2,583,097	16,171	2,599,268
Legal reserve appropriated				21,655	(21,655)	0				0		0
Cash dividends of ordinary share			4		(60,584)	(60,584)				(60,580)		(60,580)
Profit (loss)					793	793				793	(4,666)	(3,873)
Other comprehensive income					(212)	(212)	(84,817)		(84,817)	(85,029)	(427)	(85,456)
Total comprehensive income					581	581	(84,817)		(84,817)	(84,236)	(5,093)	(89,329)
Changes in ownership interests in subsidiaries			(880)							(880)	431	(449)
Share-based payments	5,030	5,030	2,917							7,947		7,947
Changes in non-controlling interests											3,852	3,852
Total increase (decrease) in equity	5,030	5,030	2,041	21,655	(81,658)	(60,003)	(84,817)	0	(84,817)	(137,749)	(810)	(138,559)
Equity at end of period	1,320,159	1,320,159	831,950	41,234	218,227	259,461	33,778	0	33,778	2,445,348	15,361	2,460,709

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Last year's Statements of Change in Equity												
	3110	3100	3200	3310	3350	3300	3410	3425	3400	31XX	36XX	3XXX
	Ordinary share	Total share capital	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	1,302,344	1,302,344	819,095	7,835	133,750	141,585	148,996	(4,830)	144,166	2,407,190	35,199	2,442,389
Legal reserve appropriated				11,744	(11,744)	0				0		0
Cash dividends of ordinary share					(41,675)	(41,675)				(41,675)		(41,675)
Profit (loss)					216,554	216,554				216,554	(12,495)	204,059
Other comprehensive income					3,000	3,000	(30,401)	4,830	(25,571)	(22,571)	(219)	(22,790)
Total comprehensive income					219,554	219,554	(30,401)	4,830	(25,571)	193,983	(12,714)	181,269
Changes in ownership interests in subsidiaries			3,394							3,394	(3,310)	84
Share-based payments	12,785	12,785	7,420							20,205		20,205
Changes in non-controlling interests											(3,004)	(3,004)
Total increase (decrease) in equity	12,785	12,785	10,814	11,744	166,135	177,879	(30,401)	4,830	(25,571)	175,907	(19,028)	156,879
Equity at end of period	1,315,129	1,315,129	829,909	19,579	299,885	319,464	118,595	0	118,595	2,583,097	16,171	2,599,268