

3294 MEGAFORCE COMPANY LIMITED

2019Q1 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet

Code	Accounting Title	2019/3/31	2018/12/31	2018/3/31
	Assets			
	Current assets			
1100	Cash and cash equivalents	787,242	1,468,140	1,259,076
1110	Current financial assets at fair value through profit or loss	0	0	104,421
1136	Current financial assets at amortised cost	854,236	0	0
1170	Accounts receivable, net	1,137,292	1,471,141	1,296,475
1180	Accounts receivable due from related parties, net	371	532	0
130X	Current inventories	600,289	646,062	632,807
1470	Other current assets	92,192	93,038	134,500
1476	Other current financial assets	20,615	21,683	74,209
1479	Other current assets, others	71,577	71,355	60,291
11XX	Total current assets	3,471,622	3,678,913	3,427,279
	Non-current assets			
1517	Non-current financial assets at fair value through other comprehensive income	500	500	500
1550	Investments accounted for using equity method	14,809	17,111	0
1600	Property, plant and equipment	974,224	945,949	1,016,274
1755	Right-of-use assets	273,317	0	0
1780	Intangible assets	39,021	36,181	41,677
1840	Deferred tax assets	77,386	75,696	83,624
1900	Other non-current assets	65,171	103,803	75,149
1980	Other non-current financial assets	12,500	13,589	11,634
1990	Other non-current assets, others	52,671	90,214	63,515
15XX	Total non-current assets	1,444,428	1,179,240	1,217,224
1XXX	Total assets	4,916,050	4,858,153	4,644,503
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	783,911	692,395	696,784
2130	Current contract liabilities	45,137	44,263	59,188
2170	Accounts payable	434,409	555,436	462,362
2200	Other payables	418,491	558,514	510,574
2230	Current tax liabilities	19,284	35,117	15,233
2280	Current lease liabilities	57,911	0	0
2300	Other current liabilities	133,174	120,844	63,031
2320	Long-term liabilities, current portion	90,000	75,000	24,000
2360	Net defined benefit liability, current	19,000	19,000	15,648

2399	Other current liabilities, others	24,174	26,844	23,383
21XX	Total current liabilities	1,892,317	2,006,569	1,807,172
	Non-current liabilities			
2540	Non-current portion of non-current borrowings	268,000	254,000	132,000
2570	Deferred tax liabilities	11,479	11,229	284
2580	Non-current lease liabilities	172,226	0	0
2600	Other non-current liabilities	110,887	125,646	131,923
2640	Net defined benefit liability, non-current	110,383	125,153	131,113
2670	Other non-current liabilities, others	504	493	810
25XX	Total non-current liabilities	562,592	390,875	264,207
2XXX	Total liabilities	2,454,909	2,397,444	2,071,379
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3100	Total capital stock	1,320,159	1,320,159	1,319,749
3200	Total capital surplus	830,559	831,950	831,521
3300	Total retained earnings	180,787	259,461	250,582
3400	Total other equity interest	114,499	33,778	152,590
31XX	Total equity attributable to owners of parent	2,446,004	2,445,348	2,554,442
36XX	Non-controlling interests	15,137	15,361	18,682
3XXX	Total equity	2,461,141	2,460,709	2,573,124
3X2X	Total liabilities and equity	4,916,050	4,858,153	4,644,503

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Statement of Comprehensive Income			
Code	Accounting Title	2019/1/1To3/31	2018/1/1To3/31
4000	Total operating revenue	939,412	1,050,267
5000	Total operating costs	885,735	981,921
5950	Gross profit (loss) from operations	53,677	68,346
	Operating expenses		
6100	Selling expenses	24,448	24,624
6200	Administrative expenses	90,109	87,893
6300	Research and development expenses	28,262	25,007
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	196	(1,581)
6000	Total operating expenses	143,015	135,943
6900	Net operating income (loss)	(89,338)	(67,597)
	Non-operating income and expenses		
7100	Interest income	11,256	1,088
7020	Other gains and losses, net	3,639	(4,722)
7050	Finance costs, net	5,461	2,618
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(2,302)	0
7000	Total non-operating income and expenses	7,132	(6,252)
7900	Loss from continuing operations before tax	(82,206)	(73,849)
7950	Total tax expense (income)	(1,499)	(3,823)
8000	Loss from continuing operations	(80,707)	(70,026)
	Other comprehensive income		
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	81,036	34,143
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	0	0
8360	Components of other comprehensive income that will be reclassified to profit or loss	81,036	34,143
8500	Total comprehensive income	329	(35,883)
	Profit (loss), attributable to:		
8610	Profit (loss), attributable to owners of parent	(78,674)	(68,882)
8620	Profit (loss), attributable to non-controlling interests	(2,033)	(1,144)
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	2,047	(34,887)
8720	Comprehensive income, attributable to non-controlling interests	(1,718)	(996)
9750	Total basic earnings per share	(0.60)	(0.52)
9850	Total diluted earnings per share	(0.60)	(0.52)

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Statements of Cash Flows

Accounting Title	2019/1/1To3/31	2018/1/1To3/31
Cash flows from (used in) operating activities, indirect method		
Loss from continuing operations before tax	(82,206)	(73,849)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	67,622	57,527
Amortization expense	1,114	3,845
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	196	(1,581)
Net gain on financial assets or liabilities at fair value through profit or loss	0	(559)
Interest expense	5,461	2,618
Interest income	(11,256)	(1,088)
Share-based payments	66	66
Share of loss of associates and joint ventures accounted for using equity method	2,302	0
Loss on disposal of property, plan and equipment	(72)	47
Property, plan and equipment transferred to expenses	41	26
Total adjustments to reconcile profit	65,474	60,901
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease in accounts receivable	364,168	555,640
Decrease in accounts receivable due from related parties	161	0
Decrease in inventories	58,970	16,687
Decrease in other current assets	7,724	8,951
Decrease in other financial assets	1,342	251
Total changes in operating assets	432,365	581,529
Changes in operating liabilities		
Increase in contract liabilities	71	0
Decrease in accounts payable	(133,812)	(161,117)
Decrease in other payable	(138,482)	(276,681)
Increase in other current liabilities	(3,294)	24,424
Decrease in net defined benefit liability	(14,770)	(10,791)
Total changes in operating liabilities	(290,287)	(424,165)
Total changes in operating assets and liabilities	142,078	157,364
Total adjustments	207,552	218,265
Cash inflow generated from operations	125,346	144,416
Income taxes paid	(20,854)	(41,734)
Net cash flows from operating activities	104,492	102,682
Cash flows from (used in) investing activities		
Acquisition of financial assets at amortised cost	(853,683)	0
Acquisition of financial assets at fair value through profit or loss	0	(150,220)

Proceeds from disposal of financial assets at fair value through profit or loss	0	46,647
Acquisition of property, plant and equipment	(70,423)	(25,086)
Proceeds from disposal of property, plant and equipment	72	326
Acquisition of intangible assets	(2,797)	(452)
Increase in other financial assets	0	(2,899)
Decrease in other financial assets	4,053	143
Interest received	8,731	1,035
Net cash flows used in investing activities	(914,047)	(130,506)
Cash flows from (used in) financing activities		
Increase in short-term loans	703,436	816,999
Decrease in short-term loans	(611,473)	(533,170)
Proceeds from long-term debt	195,000	0
Repayments of long-term debt	(166,000)	(6,000)
Payments of lease liabilities	(17,924)	0
Exercise of employee share options	0	7,300
Interest paid	(4,177)	(2,478)
Change in non-controlling interests	37	2,373
Net cash flows from financing activities	98,899	285,024
Effect of exchange rate changes on cash and cash equivalents	29,758	12,505
Net Increase in cash and cash equivalents	(680,898)	269,705
Cash and cash equivalents at beginning of period	1,468,140	989,371
Cash and cash equivalents at end of period	787,242	1,259,076

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Statements of Change in Equity

	3110	3100	3200	3310	3350	3300	3410	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	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity

Last year's Statements of Change in Equity

Equity at beginning of period	1,315,129	1,315,129	829,909	19,579	299,885	319,464	118,595	118,595	2,583,097	16,171	2,599,268
Profit (loss)					(68,882)	(68,882)			(68,882)	(1,144)	(70,026)
Other comprehensive income							33,995	33,995	33,995	148	34,143
Total comprehensive income					(68,882)	(68,882)	33,995	33,995	(34,887)	(996)	(35,883)
Changes in ownership interests in subsidiaries			(1,068)						(1,068)	1,134	66
Share-based payments	4,620	4,620	2,680						7,300		7,300
Changes in non-controlling interests										2,373	2,373
Total increase (decrease) in equity	4,620	4,620	1,612		(68,882)	(68,882)	33,995	33,995	(28,655)	2,511	(26,144)
Equity at end of period	1,319,749	1,319,749	831,521	19,579	231,003	250,582	152,590	152,590	2,554,442	18,682	2,573,124

Statements of Change in Equity

Equity at beginning of period	1,320,159	1,320,159	831,950	41,234	218,227	259,461	33,778	33,778	2,445,348	15,361	2,460,709
Profit (loss)					(78,674)	(78,674)			(78,674)	(2,033)	(80,707)
Other comprehensive income							80,721	80,721	80,721	315	81,036
Total comprehensive income					(78,674)	(78,674)	80,721	80,721	2,047	(1,718)	329
Changes in ownership interests in subsidiaries			(1,391)						(1,391)	1,457	66
Changes in non-controlling interests										37	37
Total increase (decrease) in equity			(1,391)		(78,674)	(78,674)	80,721	80,721	656	(224)	432
Equity at end of period	1,320,159	1,320,159	830,559	41,234	139,553	180,787	114,499	114,499	2,446,004	15,137	2,461,141