

3294 MEGAFORCE COMPANY LIMITED

2019Q2 Consolidated Financial Report

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	882,436	1,468,140	1,172,429
1136	Current financial assets at amortised cost	843,395	0	322,672
1170	Accounts receivable, net	1,272,430	1,471,141	1,258,321
1181	Accounts receivable due from related parties	532	532	0
130X	Current inventories	585,501	646,062	611,247
1476	Other current financial assets	48,324	21,683	85,395
1479	Other current assets, others	66,282	71,355	72,333
11XX	Total current assets	3,698,900	3,678,913	3,522,397
	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	14,367	17,111	18,912
1600	Property, plant and equipment	940,819	945,949	977,197
1755	Right-of-use assets	255,109	0	0
1780	Intangible assets	37,693	36,181	40,211
1840	Deferred tax assets	76,404	75,696	83,238
1900	Other non-current assets	26,120	103,803	91,768
1980	Other non-current financial assets	12,087	13,589	13,020
1990	Other non-current assets, others	14,033	90,214	78,748
15XX	Total non-current assets	1,351,012	1,179,240	1,211,826
1XXX	Total assets	5,049,912	4,858,153	4,734,223
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	908,917	692,395	787,485
2130	Current contract liabilities	50,499	44,263	85,697
2170	Accounts payable	474,371	555,436	454,970
2200	Other payables	471,204	558,514	600,016
2230	Current tax liabilities	25,575	35,117	16,632
2280	Current lease liabilities	55,523	0	0
2322	Long-term borrowings, current portion	105,000	75,000	24,000
2360	Net defined benefit liability, current	19,000	19,000	15,648
2399	Other current liabilities, others	25,235	26,844	23,619
21XX	Total current liabilities	2,135,324	2,006,569	2,008,067
	Non-current liabilities			
2540	Non-current portion of non-current borrowings	238,000	254,000	126,000

2570	Deferred tax liabilities	11,334	11,229	283
2580	Non-current lease liabilities	154,005	0	0
2600	Other non-current liabilities	109,338	125,646	130,978
2640	Net defined benefit liability, non-current	108,841	125,153	130,172
2670	Other non-current liabilities, others	497	493	806
25XX	Total non-current liabilities	512,677	390,875	257,261
2XXX	Total liabilities	2,648,001	2,397,444	2,265,328
	Equity			
	Equity attributable to owners of parent			
	Share capital			
3110	Ordinary share	1,320,159	1,320,159	1,320,159
3100	Total capital stock	1,320,159	1,320,159	1,320,159
3200	Total capital surplus	830,624	831,950	831,822
3300	Total retained earnings	165,746	259,461	165,418
3400	Total other equity interest	72,098	33,778	133,462
31XX	Total equity attributable to owners of parent	2,388,627	2,445,348	2,450,861
36XX	Non-controlling interests	13,284	15,361	18,034
3XXX	Total equity	2,401,911	2,460,709	2,468,895
3X2X	Total liabilities and equity	5,049,912	4,858,153	4,734,223

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Statement of Comprehensive Income					
Code	Accounting Title	2019/4/1To6/30	2018/4/1To6/30	2019/1/1To6/30	2018/1/1To6/30
4000	Total operating revenue	1,188,639	1,076,546	2,128,051	2,126,813
5000	Total operating costs	1,034,063	971,050	1,919,798	1,952,971
5950	Gross profit (loss) from operations	154,576	105,496	208,253	173,842
	Operating expenses				
6100	Selling expenses	25,289	23,417	49,737	48,041
6200	Administrative expenses	91,624	92,910	181,733	180,803
6300	Research and development expenses	32,733	30,459	60,995	55,466
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(406)	(535)	(210)	(2,116)
6000	Total operating expenses	149,240	146,251	292,255	282,194
6900	Net operating income (loss)	5,336	(40,755)	(84,002)	(108,352)
	Non-operating income and expenses				
7100	Interest income	11,797	7,124	23,053	8,212
7020	Other gains and losses, net	18,206	19,773	21,845	15,051
7050	Finance costs, net	5,385	3,327	10,846	5,945
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(714)	(1,088)	(3,016)	(1,088)
7000	Total non-operating income and expenses	23,904	22,482	31,036	16,230
7900	Profit (loss) from continuing operations before tax	29,240	(18,273)	(52,966)	(92,122)
7950	Total tax expense (income)	15,611	6,881	14,112	3,058
8000	Profit (loss) from continuing operations	13,629	(25,154)	(67,078)	(95,180)
	Other comprehensive income				
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(42,560)	(19,205)	38,476	14,938
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	0	0	0	0
8300	Other comprehensive income, net	(42,560)	(19,205)	38,476	14,938
8500	Total comprehensive income	(28,931)	(44,359)	(28,602)	(80,242)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	15,323	(24,580)	(63,351)	(93,462)
8620	Profit (loss), attributable to non-controlling interests	(1,694)	(574)	(3,727)	(1,718)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	(27,078)	(43,708)	(25,031)	(78,595)
8720	Comprehensive income, attributable to non-controlling interests	(1,853)	(651)	(3,571)	(1,647)
9750	Total basic earnings per share	0.12	(0.19)	(0.48)	(0.71)
9850	Total diluted earnings per share	0.12	(0.19)	(0.48)	(0.71)

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Accounting Title	2019/1/1To6/30	2018/1/1To6/30
Cash flows from (used in) operating activities, indirect method		
Loss from continuing operations before tax	(52,966)	(92,122)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	134,759	113,682
Amortization expense	3,225	7,843
Expected credit gain / Provision (reversal of provision) for bad debt expense	(210)	(2,116)
Net gain on financial assets or liabilities at fair value through profit or loss	0	(337)
Interest expense	10,846	5,945
Interest income	(23,053)	(8,212)
Share-based payments	131	132
Share of loss of associates and joint ventures accounted for using equity method	3,016	1,088
Gain (loss) on disposal of property, plan and equipment	(2,028)	52
Property, plan and equipment transferred to expenses	281	26
Loss on disposal of other assets	100	0
Total adjustments to reconcile profit	127,067	118,103
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease in accounts receivable	215,601	589,520
Decrease in inventories	68,248	35,288
Decrease (increase) in other current assets	19,830	(850)
Increase in other financial assets	(6,533)	(35,468)
Total changes in operating assets	297,146	588,490
Changes in operating liabilities		
Increase in contract liabilities	5,888	0
Decrease in accounts payable	(89,295)	(166,552)
Decrease in other payable	(105,022)	(230,339)
Decrease (increase) in other current liabilities	(1,992)	52,392
Decrease in net defined benefit liability	(16,312)	(11,732)
Total changes in operating liabilities	(206,733)	(356,231)
Total changes in operating assets and liabilities	90,413	232,259
Total adjustments	217,480	350,362
Cash inflow generated from operations	164,514	258,240
Income taxes paid	(36,985)	(50,423)
Net cash flows from (used in) operating activities	127,529	207,817
Cash flows from (used in) investing activities		
Acquisition of financial assets at amortised cost	(1,370,174)	(429,404)
Proceeds from repayments of financial assets at amortised cost	518,367	106,001

Acquisition of financial assets at fair value through profit or loss	0	(46,022)
Proceeds from disposal of financial assets at fair value through profit or loss	0	46,647
Acquisition of investments accounted for using equity method	0	(20,000)
Acquisition of property, plant and equipment	(67,255)	(80,815)
Proceeds from disposal of property, plant and equipment	2,101	368
Acquisition of intangible assets	(3,598)	(2,725)
Increase in other financial assets	(11,520)	0
Decrease in other financial assets	0	21,294
Interest received	14,248	6,164
Net cash flows used in investing activities	(917,831)	(398,492)
Cash flows from (used in) financing activities		
Increase in short-term loans	1,921,945	2,008,864
Decrease in short-term loans	(1,704,448)	(1,636,315)
Proceeds from long-term debt	195,000	0
Repayments of long-term debt	(181,000)	(12,000)
Payments of lease liabilities	(37,485)	0
Exercise of employee share options	0	7,947
Interest paid	(8,382)	(5,684)
Change in non-controlling interests	37	2,374
Net cash flows from financing activities	185,667	365,186
Effect of exchange rate changes on cash and cash equivalents	18,931	8,547
Net increase (decrease) in cash and cash equivalents	(585,704)	183,058
Cash and cash equivalents at beginning of period	1,468,140	989,371
Cash and cash equivalents at end of period	882,436	1,172,429

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Statements of Change in Equity

	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
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
Legal reserve appropriated				79	(79)	0			0		0
Cash dividends of ordinary share					(30,364)	(30,364)			(30,364)		(30,364)
Profit (loss)					(63,351)	(63,351)			(63,351)	(3,727)	(67,078)
Other comprehensive income					0	0	38,320	38,320	38,320	156	38,476
Total comprehensive income					(63,351)	(63,351)	38,320	38,320	(25,031)	(3,571)	(28,602)
Changes in ownership interests in subsidiaries	0	0	(1,326)	0	0	0	0	0	(1,326)	1,457	131
Changes in non-controlling interests			0		0	0			0	37	37
Total increase (decrease) in equity	0	0	(1,326)	79	(93,794)	(93,715)	38,320	38,320	(56,721)	(2,077)	(58,798)
Equity at end of period	1,320,159	1,320,159	830,624	41,313	124,433	165,746	72,098	72,098	2,388,627	13,284	2,401,911

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
Legal reserve appropriated				21,655	(21,655)	0			0		0
Cash dividends of ordinary share				0	(60,584)	(60,584)			(60,584)		(60,584)
Profit (loss)					(93,462)	(93,462)			(93,462)	(1,718)	(95,180)
Other comprehensive income					0	0	14,867	14,867	14,867	71	14,938
Total comprehensive income					(93,462)	(93,462)	14,867	14,867	(78,595)	(1,647)	(80,242)
Changes in ownership interests in subsidiaries	0	0	(1,004)	0	0	0	0	0	(1,004)	1,136	132
Share-based payments	5,030	5,030	2,917	0	0	0	0	0	7,947	0	7,947
Changes in non-controlling interests			0		0	0			0	2,374	2,374
Total increase (decrease) in equity	5,030	5,030	1,913	21,655	(175,701)	(154,046)	14,867	14,867	(132,236)	1,863	(130,373)
Equity at end of period	1,320,159	1,320,159	831,822	41,234	124,184	165,418	133,462	133,462	2,450,861	18,034	2,468,895