

3294 MEGAFORCE COMPANY LIMITED

2019Q3 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet

Code	Accounting Title	2019/9/30	2018/12/31	2018/9/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	937,056	1,468,140	1,006,067
1136	Current financial assets at amortised cost	714,513	0	321,980
1170	Accounts receivable, net	1,724,307	1,471,141	1,563,753
1181	Accounts receivable due from related parties, net	71	532	0
130X	Current inventories	562,303	646,062	644,611
1470	Other current assets	109,409	93,038	87,006
1476	Other current financial assets	43,790	21,683	13,877
1479	Other current assets, others	65,619	71,355	73,129
11XX	Total current assets	4,047,659	3,678,913	3,623,417
	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	13,155	17,111	18,493
1600	Property, plant and equipment	901,212	945,949	945,375
1755	Right-of-use assets	229,047	0	0
1780	Intangible assets	39,235	36,181	37,756
1840	Deferred tax assets	74,191	75,696	80,196
1900	Other non-current assets	51,232	103,803	99,698
1980	Other non-current financial assets	11,998	13,589	12,851
1990	Other non-current assets, others	39,234	90,214	86,847
15XX	Total non-current assets	1,308,572	1,179,240	1,182,018
1XXX	Total assets	5,356,231	4,858,153	4,805,435
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	905,000	692,395	647,553
2130	Current contract liabilities	38,034	44,263	60,425
2170	Accounts payable	616,331	555,436	591,806
2200	Other payables	563,178	558,514	562,356
2230	Current tax liabilities	71,145	35,117	33,499
2280	Current lease liabilities	61,403	0	0
2300	Other current liabilities	239,405	120,844	99,975
2320	Long-term liabilities, current portion	188,000	75,000	60,000
2360	Net defined benefit liability, current	19,000	19,000	15,648
2399	Other current liabilities, others	32,405	26,844	24,327
21XX	Total current liabilities	2,494,496	2,006,569	1,995,614
	Non-current liabilities			

2540	Non-current portion of non-current borrowings	240,000	254,000	284,000
2570	Deferred tax liabilities	11,005	11,229	273
2580	Non-current lease liabilities	129,536	0	0
2600	Other non-current liabilities	107,782	125,646	129,720
2640	Net defined benefit liability, non-current	107,299	125,153	129,231
2670	Other non-current liabilities, others	483	493	489
25XX	Total non-current liabilities	488,323	390,875	413,993
2XXX	Total liabilities	2,982,819	2,397,444	2,409,607
	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	830,667	831,950	831,886
3300	Total retained earnings	236,725	259,461	211,665
3400	Total other equity interest	(26,740)	33,778	13,784
31XX	Total equity attributable to owners of parent	2,360,811	2,445,348	2,377,494
36XX	Non-controlling interests	12,601	15,361	18,334
3XXX	Total equity	2,373,412	2,460,709	2,395,828
3X2X	Total liabilities and equity	5,356,231	4,858,153	4,805,435

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Statement of Comprehensive Income					
Code	Accounting Title	2019/7/1 To9/30	2018/7/1 To9/30	2019/1/1 To9/30	2018/1/1 To9/30
4000	Total operating revenue	1,565,450	1,386,805	3,693,501	3,513,618
5000	Total operating costs	1,275,767	1,174,690	3,195,565	3,127,661
5950	Gross profit (loss) from operations	289,683	212,115	497,936	385,957
	Operating expenses				
6100	Selling expenses	27,192	25,113	76,929	73,154
6200	Administrative expenses	106,370	104,373	288,103	285,176
6300	Research and development expenses	30,982	29,875	91,977	85,341
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	126	(34)	(84)	(2,150)
6000	Total operating expenses	164,670	159,327	456,925	441,521
6900	Net operating income (loss)	125,013	52,788	41,011	(55,564)
	Non-operating income and expenses				
7010	Total other income	9,630	6,708	32,683	14,920
7020	Other gains and losses, net	8,426	15,326	30,271	30,377
7050	Finance costs, net	5,484	3,659	16,330	9,604
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(940)	(419)	(3,956)	(1,507)
7000	Total non-operating income and expenses	11,632	17,956	42,668	34,186
7900	Profit (loss) from continuing operations before tax	136,645	70,744	83,679	(21,378)
7950	Total tax expense (income)	66,005	25,106	80,117	28,164
8000	Profit (loss) from continuing operations	70,640	45,638	3,562	(49,542)
	Other comprehensive income				
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(99,185)	(120,253)	(60,709)	(105,315)
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	(99,185)	(120,253)	(60,709)	(105,315)
8500	Total comprehensive income	(28,545)	(74,615)	(57,147)	(154,857)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	70,979	46,247	7,628	(47,215)
8620	Profit (loss), attributable to non-controlling interests	(339)	(609)	(4,066)	(2,327)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	(27,859)	(73,431)	(52,890)	(152,026)
8720	Comprehensive income, attributable to non-controlling interests	(686)	(1,184)	(4,257)	(2,831)
9750	Total basic earnings per share	0.54	0.35	0.06	(0.36)
9850	Total diluted earnings per share	0.54	0.35	0.06	(0.36)

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Statements of Cash Flows		
Accounting Title	2019/1/1To9/30	2018/1/1To9/30
Cash flows from (used in) operating activities, indirect method		
Profit (loss) from continuing operations before tax	83,679	(21,378)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	200,757	166,825
Amortization expense	4,765	11,371
Expected credit gain / Provision (reversal of provision) for bad debt expense	(84)	(2,150)
Net gain on financial assets or liabilities at fair value through profit or loss	0	(337)
Interest expense	16,330	9,604
Interest income	(32,683)	(14,920)
Share-based payments	176	198
Share of loss of associates and joint ventures accounted for using equity method	3,956	1,507
Loss on disposal of property, plan and equipment	(2,814)	(633)
Property, plan and equipment transferred to expenses	298	26
Loss on disposal of other assets	76	0
Gain on disposal of investments	0	(14,379)
Total adjustments to reconcile profit	190,777	157,112
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in accounts receivable	(276,152)	240,605
Decrease in accounts receivable due from related parties	461	0
Decrease (increase) in inventories	77,419	(17,508)
Decrease (increase) in other current assets	14,735	(7,353)
Decrease in other financial assets	4,310	1,581
Total changes in operating assets	(179,227)	217,325
Changes in operating liabilities		
Decrease in contract liabilities	(5,999)	0
Increase (decrease) in accounts payable	67,759	(14,442)
Increase (decrease) in other payable	16,932	(143,820)
Increase in other current liabilities	5,957	29,709
Decrease in net defined benefit liability	(17,854)	(12,673)
Total changes in operating liabilities	66,795	(141,226)
Total changes in operating assets and liabilities	(112,432)	76,099
Total adjustments	78,345	233,211
Cash inflow generated from operations	162,024	211,833
Income taxes refund (paid)	(51,527)	(52,078)
Net cash flows from (used in) operating activities	110,497	159,755
Cash flows from (used in) investing activities		

Acquisition of financial assets at amortised cost	(2,201,702)	(720,802)
Proceeds from repayments of financial assets at amortised cost	1,468,442	389,468
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)
Increase in prepayments for investments	(4,421)	0
Acquisition of property, plant and equipment	(111,628)	(183,370)
Proceeds from disposal of property, plant and equipment	3,164	1,053
Acquisition of intangible assets	(6,750)	(3,622)
Increase in other financial assets	(23,701)	0
Decrease in other financial assets	0	56,157
Interest received	13,884	9,489
Net cash flows from (used in) investing activities	(862,712)	(471,002)
Cash flows from (used in) financing activities		
Increase in short-term loans	2,960,947	3,207,300
Decrease in short-term loans	(2,747,822)	(2,973,498)
Proceeds from long-term debt	295,000	200,000
Repayments of long-term debt	(196,000)	(18,000)
Payments of lease liabilities	(48,241)	0
Decrease in other non-current liabilities	0	(288)
Cash dividends paid	(30,363)	(60,580)
Exercise of employee share options	0	7,947
Interest paid	(12,912)	(9,246)
Change in non-controlling interests	37	3,852
Net cash flows from financing activities	220,646	357,487
Effect of exchange rate changes on cash and cash equivalents	485	(29,544)
Net increase (decrease) in cash and cash equivalents	(531,084)	16,696
Cash and cash equivalents at beginning of period	1,468,140	989,371
Cash and cash equivalents at end of period	937,056	1,006,067

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Last year's 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	1,315,129	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			4		(60,584)	(60,584)			(60,580)		(60,580)
Profit (loss)					(47,215)	(47,215)			(47,215)	(2,327)	(49,542)
Other comprehensive income							(104,811)	(104,811)	(104,811)	(504)	(105,315)
Total comprehensive income					(47,215)	(47,215)	(104,811)	(104,811)	(152,026)	(2,831)	(154,857)
Changes in ownership interests in subsidiaries			(944)						(944)	1,142	198
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	1,977	21,655	(129,454)	(107,799)	(104,811)	(104,811)	(205,603)	2,163	(203,440)
Equity at end of period	1,320,159	1,320,159	831,886	41,234	170,431	211,665	13,784	13,784	2,377,494	18,334	2,395,828

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
Legal reserve appropriated				79	(79)	0			0		0
Cash dividends of ordinary share			1		(30,364)	(30,364)			(30,363)		(30,363)
Profit (loss)					7,628	7,628			7,628	(4,066)	3,562
Other comprehensive income							(60,518)	(60,518)	(60,518)	(191)	(60,709)
Total comprehensive income					7,628	7,628	(60,518)	(60,518)	(52,890)	(4,257)	(57,147)
Changes in ownership interests in subsidiaries			(1,284)						(1,284)	1,460	176
Changes in non-controlling interests										37	37
Total increase (decrease) in equity	0	0	(1,283)	79	(22,815)	(22,736)	(60,518)	(60,518)	(84,537)	(2,760)	(87,297)
Equity at end of period	1,320,159	1,320,159	830,667	41,313	195,412	236,725	(26,740)	(26,740)	2,360,811	12,601	2,373,412