

3294 MEGAFORCE COMPANY LIMITED
2019Q4Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet

Code	Accounting Title	2019/12/31	2018/12/31
	Assets		
	Current assets		
1100	Cash and cash equivalents	1,678,634	1,468,140
1170	Accounts receivable, net	1,525,920	1,471,141
1180	Accounts receivable due from related parties, net	211	532
1210	Other receivables due from related parties	8	-
130X	Current inventories	417,944	646,062
1476	Other current financial assets	37,250	21,683
1479	Other current assets, others	66,666	71,355
11XX	Total current assets	3,726,633	3,678,913
	Non-current assets		
1510	Non-current financial assets at fair value through profit or loss	30,000	-
1517	Non-current financial assets at fair value through other comprehensive income	500	500
1550	Investments accounted for using equity method	35,550	17,111
1600	Property, plant and equipment	872,549	945,949
1755	Right-of-use assets	222,806	-
1780	Intangible assets	37,528	36,181
1840	Deferred tax assets	130,957	75,696
1980	Other non-current financial assets	13,853	13,589
1990	Other non-current assets, others	128,376	90,214
15XX	Total non-current assets	1,472,119	1,179,240
1XXX	Total assets	5,198,752	4,858,153
	Liabilities and equity		
	Liabilities		
	Current liabilities		
2100	Current borrowings	954,404	692,395
2130	Current contract liabilities	16,989	44,263
2170	Accounts payable	462,540	555,436
2200	Other payables	574,531	558,514
2230	Current tax liabilities	3,764	35,117
2280	Current lease liabilities	41,387	-
2320	Long-term liabilities, current portion	109,000	75,000
2360	Net defined benefit liability, current	19,248	19,000
2399	Other current liabilities, others	26,238	26,844
21XX	Total current liabilities	2,208,101	2,006,569
	Non-current liabilities		
2540	Non-current portion of non-current borrowings	304,000	254,000
2580	Non-current lease liabilities	142,047	-
2570	Deferred tax liabilities	90,449	11,229
2640	Net defined benefit liability, non-current	104,198	125,153

2670	Other non-current liabilities, others	475	493
25XX	Total non-current liabilities	641,169	390,875
2XXX	Total liabilities	2,849,270	2,397,444
	Equity		
	Equity attributable to owners of parent		
3100	Capital stock	1,320,159	1,320,159
3200	Capital surplus	830,450	831,950
3300	Retained earnings	260,941	259,461
3400	Other equity interest	(73,815)	33,778
31XX	Total equity attributable to owners of parent	2,337,735	2,445,348
36XX	Non-controlling interests	11,747	15,361
3XXX	Total equity	2,349,482	2,460,709
3X2X	Total liabilities and equity	5,198,752	4,858,153

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Statement of Comprehensive Income			
Code	Accounting Title	2019/1/1To12/31	2018/1/1To12/31
4000	Operating revenue	5,000,238	4,825,632
5000	Operating costs	4,325,408	4,248,422
5950	Gross profitfrom operations	674,830	577,210
	Operating expenses		
6100	Selling expenses	101,542	99,508
6200	Administrative expenses	388,733	367,260
6300	Research and development expenses	127,629	115,878
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	212	(3,163)
6000	Total operating expenses	618,116	579,483
6900	Net operating income (loss)	56,714	(2,273)
	Non-operating income and expenses		
7100	Interest income	42,295	18,990
7020	Other gains and losses, net	31,342	45,561
7060	Share of loss of associates and joint ventures accounted for using equity method, net	(5,657)	(2,889)
7050	Finance costs, net	(22,001)	(13,512)
7000	Total non-operating income and expenses	45,979	48,150
7900	Profitfrom continuing operations before tax	102,693	45,877
7950	Total tax expense (income)	76,871	49,750
8000	Profit (loss) from continuing operations	25,822	(3,873)
	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	1,312	(212)
8360	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	(107,987)	(85,244)
8300	Other comprehensive income, net	(106,675)	(85,456)
8500	Total comprehensive income	(80,853)	(89,329)
	Profit (loss), attributable to:		
8610	Profit, attributable to owners of parent	30,532	793
8620	Profit (loss), attributable to non-controlling interests	(4,710)	(4,666)
8000	Profit (loss) from continuing operations	25,822	(3,873)
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	(75,749)	(84,236)
8720	Comprehensive income, attributable to non-controlling interests	(5,104)	(5,093)
8500	Total comprehensive income	(80,853)	(89,329)
9750	Total basic earnings per share	0.23	0.01
9850	Total diluted earnings per share	0.23	0.01

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Statements of Cash Flows		
Accounting Title	2019/1/1To12/31	2018/1/1To12/31
Cash flows from (used in) operating activities, indirect method		
Profit from continuing operations before tax	102,693	45,877
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	265,742	217,620
Amortization expense	5,382	13,236
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	212	(3,163)
Net gainon financial assets or liabilities at fair value through profit or loss	-	(337)
Interest expense	22,001	13,512
Interest income	(42,295)	(18,990)
Share-based payments	(48)	264
Share of lossof associates and joint ventures accounted for using equity method	5,657	2,889
Gainon disposal of property, plan and equipment	(2,191)	(953)
Property, plan and equipment transferred to expenses	332	1,732
Gainon disposal of other assets	(891)	-
Gainon disposal of investments	-	(14,379)
Total adjustments to reconcile profit	253,901	211,431
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in accounts receivable	(103,356)	345,765
Decrease (increase) in accounts receivable due from related parties	321	(532)
Decrease (increase) in other receivable due from related parties	(8)	-
Decrease (increase) in inventories	214,706	(15,428)
Increasein other current financial assets	(2,090)	(4,149)
Decrease (increase) in other current assets	15,301	(6,947)
Increasein other non-current financial assets	(44)	-
Total changes in operating assets	124,830	318,709
Changes in operating liabilities		
Decreasein contract liabilities	(26,843)	-
Decreasein accounts payable	(77,108)	(55,226)
Increase (decrease) in other payable	28,120	(155,187)
Increasein other current liabilities	114	15,953
Decreasein net defined benefit liability	(19,395)	(13,611)
Total changes in operating liabilities	(95,112)	(208,071)
Total changes in operating assets and liabilities	29,718	110,638
Total adjustments	283,619	322,069
Cash inflow generated from operations	386,312	367,946
Income taxespaid	(94,612)	(55,740)
Net cash flows fromoperating activities	291,700	312,206
Cash flows from (used in) investing activities		
Acquisition of financial assets at amortised cost	(2,579,265)	(898,706)
Proceeds from repayments of financial assets at amortised cost	2,555,700	896,151
Acquisition of financial assets at fair value through profit or loss	(30,000)	(46,022)
Proceeds from disposal of financial assets at fair value through profit or loss	-	46,647
Acquisition of investments accounted for using equity method	(24,559)	(20,000)

Acquisition of property, plant and equipment	(229,543)	(233,497)
Proceeds from disposal of property, plant and equipment	3,164	1,625
Acquisition of intangible assets	(5,674)	(3,622)
Increase (decrease) in other current financial assets	(13,431)	53,676
Decrease in other non-current financial assets	(275)	(2,074)
Interest received	16,299	10,935
Net cash flows used in investing activities	(307,584)	(194,887)
Cash flows from (used in) financing activities		
Increase in short-term loans	4,362,278	4,170,845
Decrease in short-term loans	(4,099,531)	(3,891,266)
Proceeds from long-term debt	395,000	215,000
Repayments of long-term debt	(311,000)	(48,000)
Payments of lease liabilities	(62,378)	-
Decrease in other non-current liabilities	-	(288)
Cash dividends paid	(30,363)	(60,580)
Proceeds from issuing shares	37	3,852
Exercise of employee share options	-	7,947
Interest paid	(17,580)	(13,204)
Change in non-controlling interests	-	(714)
Net cash flows from financing activities	236,463	383,592
Effect of exchange rate changes on cash and cash equivalents	(10,085)	(22,142)
Net increase in cash and cash equivalents	210,494	478,769
Cash and cash equivalents at beginning of period	1,468,140	989,371
Cash and cash equivalents at end of period	1,678,634	1,468,140

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Last year's Statements of Change in Equity

			Equity attributable to owners of parent						
			Retained earnings			Other equity interest			
	Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Equity at beginning of period	1,315,129	829,909	19,579	299,885	319,464	118,595	2,583,097	16,171	2,599,268
Legal reserve appropriated	-	-	21,655	(21,655)	-	-	-	-	-
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)	(85,029)	(427)	(85,456)
Total comprehensive income	-	-	-	581	581	(84,817)	(84,236)	(5,093)	(89,329)
Changes in non-controlling interests	-	-	-	-	-	-	-	3,852	3,852
Changes in ownership interests in subsidiaries	-	(880)	-	-	-	-	(880)	431	(449)
Share-based payments	5,030	2,917	-	-	-	-	7,947	-	7,947
Equity at end of period	1,320,159	831,950	41,234	218,227	259,461	33,778	2,445,348	15,361	2,460,709

Statements of Change in Equity

Equity at beginning of period	1,320,159	831,950	41,234	218,227	259,461	33,778	2,445,348	15,361	2,460,709
Legal reserve appropriated	-	-	79	(79)	-	-	-	-	-
Cash dividends of ordinary share	-	1	-	(30,364)	(30,364)	-	(30,363)	-	(30,363)
Profit (loss)	-	-	-	30,532	30,532	-	30,532	(4,710)	25,822
Other comprehensive income	-	-	-	1,312	1,312	(107,593)	(106,281)	(394)	(106,675)
Total comprehensive income	-	-	-	31,844	31,844	(107,593)	(75,749)	(5,104)	(80,853)
Changes in non-controlling interests	-	-	-	-	-	-	-	37	37
Changes in ownership interests in subsidiaries	-	(1,501)	-	-	-	-	(1,501)	1,453	(48)
Equity at end of period	1,320,159	830,450	41,313	219,628	260,941	(73,815)	2,337,735	11,747	2,349,482