

3294 MEGAFORCE COMPANY LIMITED

2020Q1 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet

Code	Accounting Title	2020/3/31	2019/12/31	2019/3/31
	Assets			
	Current assets			
1100	Cash and cash equivalents	963,705	1,678,634	787,242
1136	Current financial assets at amortised cost	845,480	-	854,236
1170	Accounts receivable, net	896,221	1,525,920	1,137,292
1180	Accounts receivable due from related parties, net	-	211	371
1210	Other receivables due from related parties	-	8	-
130X	Current inventories	438,243	417,944	600,289
1476	Other current financial assets	41,048	37,250	20,615
1479	Other current assets, others	115,541	66,666	71,577
11XX	Total current assets	3,300,238	3,726,633	3,471,622
	Non-current assets			
1510	Non-current financial assets at fair value through profit or loss	30,000	30,000	-
1517	Non-current financial assets at fair value through other comprehensive income	12,692	500	500
1550	Investments accounted for using equity method	21,319	35,550	14,809
1600	Property, plant and equipment	1,148,262	872,549	974,224
1755	Right-of-use assets	199,718	222,806	273,317
1780	Intangible assets	36,461	37,528	39,021
1840	Deferred tax assets	130,345	130,957	77,386
1980	Other non-current financial assets	13,710	13,853	12,500
1990	Other non-current assets, others	21,973	128,376	52,671
15XX	Total non-current assets	1,614,480	1,472,119	1,444,428
1XXX	Total assets	4,914,718	5,198,752	4,916,050
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	936,000	954,404	783,911
2130	Current contract liabilities	20,370	16,989	45,137
2170	Accounts payable	319,961	462,540	434,409
2200	Other payables	391,003	574,531	418,491
2230	Current tax liabilities	3,996	3,764	19,284
2280	Current lease liabilities	41,880	41,387	57,911
2320	Long-term liabilities, current portion	164,000	109,000	90,000
2360	Net defined benefit liability, current	19,248	19,248	19,000
2399	Other current liabilities, others	34,858	26,238	24,174
21XX	Total current liabilities	1,931,316	2,208,101	1,892,317
	Non-current liabilities			
2540	Non-current portion of non-current borrowings	541,000	304,000	268,000
2580	Non-current lease liabilities	131,430	142,047	172,226
2570	Deferred tax liabilities	90,421	90,449	11,479

2640	Net defined benefit liability, non-current	92,755	104,198	110,383
2670	Other non-current liabilities, others	869	475	504
25XX	Total non-current liabilities	856,475	641,169	562,592
2XXX	Total liabilities	2,787,791	2,849,270	2,454,909
	Equity			
	Equity attributable to owners of parent			
3100	Capital stock	1,320,159	1,320,159	1,320,159
3200	Capital surplus	830,450	830,450	830,559
3300	Retained earnings	105,507	260,941	180,787
3400	Other equity interest	(139,936)	(73,815)	114,499
31XX	Total equity attributable to owners of parent	2,116,180	2,337,735	2,446,004
36XX	Non-controlling interests	10,747	11,747	15,137
3XXX	Total equity	2,126,927	2,349,482	2,461,141
3X2X	Total liabilities and equity	4,914,718	5,198,752	4,916,050

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Statement of Comprehensive Income

Code	Accounting Title	2020/1/1To3/31	2019/1/1To3/31
4000	Total operating revenue	613,866	939,412
5000	Total operating costs	628,038	885,735
5950	Gross profit (loss) from operations	(14,172)	53,677
	Operating expenses		
6100	Selling expenses	18,639	24,448
6200	Administrative expenses	96,250	90,109
6300	Research and development expenses	32,462	28,262
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(1,024)	196
6000	Total operating expenses	146,327	143,015
6900	Net operating loss	(160,499)	(89,338)
	Non-operating income and expenses		
7100	Interest income	10,128	11,256
7020	Other gains and losses, net	(4,003)	3,639
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	(2,121)	(2,302)
7050	Finance costs, net	(6,208)	(5,461)
7000	Total non-operating income and expenses	(2,204)	7,132
7900	Loss from continuing operations before tax	(162,703)	(82,206)
7950	Total tax income	(6,393)	(1,499)
8000	Loss from continuing operations	(156,310)	(80,707)
	Other comprehensive income		
	Components of other comprehensive income that will be reclassified to profit or loss		
8361	Exchange differences on translation	(66,245)	81,036
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-
8300	Other comprehensive income, net	(66,245)	81,036
8500	Total comprehensive income	(222,555)	329
	Loss, attributable to:		
8610	Loss, attributable to owners of parent	(155,434)	(78,674)
8620	Loss, attributable to non-controlling interests	(876)	(2,033)
8000	Loss from continuing operations	(156,310)	(80,707)
	Comprehensive income attributable to:		
8710	Comprehensive income, attributable to owners of parent	(221,555)	2,047
8720	Comprehensive income, attributable to non-controlling interests	(1,000)	(1,718)
8500	Total comprehensive income	(222,555)	329
9750	Total basic earnings per share	(1.18)	(0.60)
9850	Total diluted earnings per share	(1.18)	(0.60)

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Statements of Cash Flows		
Accounting Title	2020/1/1To3/31	2019/1/1To3/31
Cash flows from (used in) operating activities, indirect method		
Loss from continuing operations before tax	(162,703)	(82,206)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	62,485	67,622
Amortization expense	944	1,114
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(1,024)	196
Interest expense	6,208	5,461
Interest income	(10,128)	(11,256)
Share-based payments	-	66
Share of loss of associates and joint ventures accounted for using equity method	2,121	2,302
Gain on disposal of property, plan and equipment	(75)	(72)
Property, plan and equipment transferred to expenses	1,001	41
Gain on disposal of other assets	(1,056)	-
Total adjustments to reconcile profit	60,476	65,474
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease in accounts receivable	623,165	364,168
Decrease in accounts receivable due from related parties	211	161
Decrease (increase) in inventories	(26,190)	58,970
Decrease in other financial assets	3,741	1,342
Decrease in other current assets	25	7,724
Total changes in operating assets	600,952	432,365
Changes in operating liabilities		
Increase in contract liabilities	3,582	71
Decrease in accounts payable	(138,606)	(133,812)
Decrease in other payable	(167,661)	(138,482)
Increase (decrease) in other current liabilities	9,905	(3,294)
Decrease in net defined benefit liability	(11,443)	(14,770)
Total changes in operating liabilities	(304,223)	(290,287)
Total changes in operating assets and liabilities	296,729	142,078
Total adjustments	357,205	207,552
Cash inflow generated from operations	194,502	125,346
Income taxes paid	(48,714)	(20,854)
Net cash flows from operating activities	145,788	104,492
Cash flows from (used in) investing activities		
Acquisition of financial assets at amortised cost	(926,712)	(853,683)
Proceeds from repayments of financial assets at amortised cost	55,803	-

Acquisition of property, plant and equipment	(271,143)	(70,423)
Proceeds from disposal of property, plant and equipment	2,352	72
Acquisition of intangible assets	-	(2,797)
Increase (decrease) in other financial assets	(2,080)	4,053
Interest received	3,393	8,731
Net cash flows used in investing activities	(1,138,387)	(914,047)
Cash flows from (used in) financing activities		
Increase in short-term loans	1,225,397	703,436
Decrease in short-term loans	(1,244,018)	(611,473)
Proceeds from long-term debt	507,000	195,000
Repayments of long-term debt	(215,000)	(166,000)
Payments of lease liabilities	(8,926)	(17,924)
Increase in other non-current liabilities	400	-
Proceeds from issuing shares	-	37
Interest paid	(5,022)	(4,177)
Net cash flows from financing activities	259,831	98,899
Effect of exchange rate changes on cash and cash equivalents	17,839	29,758
Net decrease in cash and cash equivalents	(714,929)	(680,898)
Cash and cash equivalents at beginning of period	1,678,634	1,468,140
Cash and cash equivalents at end of period	963,705	787,242

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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	1,320,159	831,950	41,234	218,227	259,461	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	315	81,036
Total comprehensive income	-	-	-	(78,674)	(78,674)	80,721	2,047	(1,718)	329
Changes in non-controlling interests	-	-	-	-	-	-	-	37	37
Changes in ownership interests in subsidiaries	-	(1,391)	-	-	-	-	(1,391)	1,457	66
Equity at end of period	1,320,159	830,559	41,234	139,553	180,787	114,499	2,446,004	15,137	2,461,141

Statements of Change in Equity

Equity at beginning of period	1,320,159	830,450	41,313	219,628	260,941	(73,815)	2,337,735	11,747	2,349,482
Profit (loss)	-	-	-	(155,434)	(155,434)	-	(155,434)	(876)	(156,310)
Other comprehensive income	-	-	-	-	-	(66,121)	(66,121)	(124)	(66,245)
Total comprehensive income	-	-	-	(155,434)	(155,434)	(66,121)	(221,555)	(1,000)	(222,555)
Equity at end of period	1,320,159	830,450	41,313	64,194	105,507	(139,936)	2,116,180	10,747	2,126,927