

3294 MEGAFORCE COMPANY LIMITED

2020Q2 Consolidated Financial Report

Unit: NT\$ thousands

Balance Sheet				
Code	Accounting Title	2020/6/30	2019/12/31	2019/6/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	1,715,754	1,678,634	882,436
1136	Current financial assets at amortised cost	100,550	-	843,395
1170	Accounts receivable, net	1,314,259	1,525,920	1,272,430
1180	Accounts receivable due from related parties, net	-	211	532
1210	Other receivables due from related parties	-	8	-
130X	Current inventories	498,949	417,944	585,501
1476	Other current financial assets	11,749	37,250	48,324
1479	Other current assets, others	88,815	66,666	66,282
11XX	Total current assets	3,730,076	3,726,633	3,698,900
	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	20,917	35,550	14,367
1600	Property, plant and equipment	1,104,999	872,549	940,819
1755	Right-of-use assets	186,638	222,806	255,109
1780	Intangible assets	37,860	37,528	37,693
1840	Deferred tax assets	129,260	130,957	76,404
1980	Other non-current financial assets	13,211	13,853	12,087
1990	Other non-current assets, others	17,220	128,376	14,033
15XX	Total non-current assets	1,552,797	1,472,119	1,351,012
1XXX	Total assets	5,282,873	5,198,752	5,049,912
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	1,052,270	954,404	908,917
2130	Current contract liabilities	40,374	16,989	50,499
2170	Accounts payable	448,654	462,540	474,371
2200	Other payables	534,698	574,531	471,204
2220	Other payables to related parties	536	-	-
2230	Current tax liabilities	25,879	3,764	25,575
2280	Current lease liabilities	39,165	41,387	55,523
2322	Long-term liabilities, current portion	164,000	109,000	105,000
2360	Net defined benefit liability, current	19,248	19,248	19,000
2399	Other current liabilities, others	51,217	26,238	25,235
21XX	Total current liabilities	2,376,041	2,208,101	2,135,324
	Non-current liabilities			
2540	Non-current portion of non-current borrowings	525,000	304,000	238,000

2570	Deferred tax liabilities	90,371	90,449	11,334
2580	Non-current lease liabilities	120,343	142,047	154,005
2640	Net defined benefit liability, non-current	91,312	104,198	108,841
2670	Other non-current liabilities, others	861	475	497
25XX	Total non-current liabilities	827,887	641,169	512,677
2XXX	Total liabilities	3,203,928	2,849,270	2,648,001
	Equity			
	Equity attributable to owners of parent			
3100	Total ordinary share	1,320,159	1,320,159	1,320,159
3200	Total capital surplus	829,808	830,450	830,624
3300	Total retained earnings	105,046	260,941	165,746
3400	Total other equity interest	(187,039)	(73,815)	72,098
31XX	Total equity attributable to owners of parent	2,067,974	2,337,735	2,388,627
36XX	Non-controlling interests	10,971	11,747	13,284
3XXX	Total equity	2,078,945	2,349,482	2,401,911
3X2X	Total liabilities and equity	5,282,873	5,198,752	5,049,912

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Statement of Comprehensive Income

Code	Accounting Title	2020/4/1To6/30	2019/4/1To6/30	2020/1/1To6/30	2019/1/1To6/30
4000	Total operating revenue	1,139,513	1,188,639	1,753,379	2,128,051
5000	Total operating costs	925,320	1,034,063	1,553,358	1,919,798
5950	Gross profitfrom operations	214,193	154,576	200,021	208,253
	Operating expenses				
6100	Selling expenses	21,128	25,289	39,767	49,737
6200	Administrative expenses	87,686	91,624	183,936	181,733
6300	Research and development expenses	37,589	32,733	70,051	60,995
6450	Impairment loss (impairment gain and reversal of impairmentloss) determined in accordance with IFRS 9	1,181	(406)	157	(210)
6000	Total operating expenses	147,584	149,240	293,911	292,255
6900	Net operating income (loss)	66,609	5,336	(93,890)	(84,002)
	Non-operating income and expenses				
7100	Interest income	4,491	11,797	14,619	23,053
7020	Other gains and losses, net	8,562	18,206	4,559	21,845
7060	Share of loss of associates and joint ventures accounted forusing equity method, net	(947)	(714)	(3,068)	(3,016)
7510	Finance costs, net	(5,850)	(5,385)	(12,058)	(10,846)
7000	Total non-operating income and expenses	6,256	23,904	4,052	31,036
7900	Profit (loss) from continuing operations before tax	72,865	29,240	(89,838)	(52,966)
7950	Total tax expense	33,916	15,611	27,523	14,112
8000	Profit (loss) from continuing operations	38,949	13,629	(117,361)	(67,078)
8300	Other comprehensive income				
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(47,871)	(42,560)	(114,199)	38,476
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	545	-	628	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	Total other comprehensive income	(47,326)	(42,560)	(113,571)	38,476
8500	Total comprehensive income	(8,377)	(28,931)	(230,932)	(28,602)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	39,144	15,323	(116,290)	(63,351)
8620	Loss, attributable to non-controlling interests	(195)	(1,694)	(1,071)	(3,727)
8000	Profit (loss) from continuing operations	38,949	13,629	(117,361)	(67,078)
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	(7,959)	(27,078)	(229,514)	(25,031)
8720	Comprehensive income, attributable to non-controlling interests	(418)	(1,853)	(1,418)	(3,571)
8500	Total comprehensive income	(8,377)	(28,931)	(230,932)	(28,602)
9750	Total basic earnings per share	0.30	0.12	(0.88)	(0.48)
9850	Total diluted earnings per share	0.30	0.12	(0.88)	(0.48)

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Statements of Cash Flows

Accounting Title	2020/1/1To6/30	2019/1/1To6/30
Cash flows from (used in) operating activities, indirect method		
Loss from continuing operations before tax	(89,838)	(52,966)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	122,302	134,759
Amortization expense	1,868	3,225
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	157	(210)
Net gain on financial assets at fair value through profit or loss	(5,642)	-
Interest expense	12,058	10,846
Interest income	(14,619)	(23,053)
Share-based payments	-	131
Share of loss of associates and joint ventures accounted for using equity method	3,068	3,016
Gain on disposal of property, plan and equipment	(239)	(2,028)
Property, plan and equipment transferred to expenses	1,001	281
Loss (gain) on disposal of other assets	(1,056)	100
Total adjustments to reconcile profit	118,898	127,067
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease in accounts receivable	189,882	215,601
Decrease in accounts receivable due from related parties	211	-
Decrease in other receivable due from related parties	8	-
Decrease (increase) in inventories	(93,338)	68,248
Decrease (increase) in other financial assets	1,876	(6,533)
Decrease in other current assets	1,752	19,830
Total changes in operating assets	100,391	297,146
Changes in operating liabilities		
Increase in contract liabilities	23,849	5,888
Decrease in accounts payable	(4,480)	(89,295)
Decrease in other payable	(49,852)	(105,022)
Increase in other payable to related parties	536	-
Increase (decrease) in other current liabilities	26,909	(1,992)
Decrease in net defined benefit liability	(12,886)	(16,312)
Total changes in operating liabilities	(15,924)	(206,733)
Total changes in operating assets and liabilities	84,467	90,413
Total adjustments	203,365	217,480
Cash inflow generated from operations	113,527	164,514
Income taxes paid	(36,097)	(36,985)
Net cash flows from operating activities	77,430	127,529

Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through profit or loss	(734,802)	-
Proceeds from disposal of financial assets at fair value through profit or loss	734,588	-
Acquisition of financial assets at amortised cost	(926,712)	(1,370,174)
Proceeds from repayments of financial assets at amortised cost	797,277	518,367
Acquisition of property, plant and equipment	(292,254)	(67,255)
Proceeds from disposal of property, plant and equipment	2,535	2,101
Acquisition of intangible assets	(742)	(3,598)
Decrease (Increase) in other financial assets	23,466	(11,520)
Interest received	6,792	14,248
Net cash flows used in investing activities	(389,852)	(917,831)
Cash flows from (used in) financing activities		
Increase in short-term loans	2,797,668	1,921,945
Decrease in short-term loans	(2,700,019)	(1,704,448)
Proceeds from long-term debt	557,000	195,000
Repayments of long-term debt	(281,000)	(181,000)
Payments of lease liabilities	(20,314)	(37,485)
Increase in other non-current liabilities	400	-
Change in non-controlling interests	-	37
Interest paid	(10,249)	(8,382)
Net cash flows from financing activities	343,486	185,667
Effect of exchange rate changes on cash and cash equivalents	6,056	18,931
Net increase (decrease) in cash and cash equivalents	37,120	(585,704)
Cash and cash equivalents at beginning of period	1,678,634	1,468,140
Cash and cash equivalents reported in the statement of financial position	1,715,754	882,436

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

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
Legal reserve appropriated	-	-	3,053	-	(3,053)	-	-	-	-	-
Special reserve appropriated	-	-	-	73,815	(73,815)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(39,605)	(39,605)	-	(39,605)	-	(39,605)
Loss	-	-	-	-	(116,290)	(116,290)	-	(116,290)	(1,071)	(117,361)
Other comprehensive income	-	-	-	-	-	-	(113,224)	(113,224)	(347)	(113,571)
Total comprehensive income	-	-	-	-	(116,290)	(116,290)	(113,224)	(229,514)	(1,418)	(230,932)
Changes in ownership interests in subsidiaries	-	(642)	-	-	-	-	-	(642)	642	-
Equity at end of period	1,320,159	829,808	44,366	73,815	(13,135)	105,046	(187,039)	2,067,974	10,971	2,078,945