

# 3294 MEGAFORCE COMPANY LIMITED

## 2020Q3 Consolidated Financial Report

Unit: NT\$ thousands

### Balance Sheet

Code	Accounting Title	2020/9/30	2019/12/31	2019/9/30
	Assets			
	Current assets			
1100	Cash and cash equivalents	1,000,556	1,678,634	937,056
1110	Current financial assets at fair value through profit or loss	128,439	-	-
1136	Current financial assets at amortised cost	513,228	-	714,513
1170	Accounts receivable, net	1,865,378	1,525,920	1,724,307
1180	Accounts receivable due from related parties, net	-	211	71
1210	Other receivables due from related parties	-	8	-
130X	Current inventories	612,891	417,944	562,303
1476	Other current financial assets	25,249	37,250	43,790
1479	Other current assets, others	99,803	66,666	65,619
11XX	Total current assets	4,245,544	3,726,633	4,047,659
	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	18,709	35,550	13,155
1600	Property, plant and equipment	1,093,920	872,549	901,212
1755	Right-of-use assets	179,046	222,806	229,047
1780	Intangible assets	36,992	37,528	39,235
1840	Deferred tax assets	130,437	130,957	74,191
1980	Other non-current financial assets	15,038	13,853	11,998
1990	Other non-current assets, others	10,499	128,376	39,234
15XX	Total non-current assets	1,527,333	1,472,119	1,308,572
1XXX	Total assets	5,772,877	5,198,752	5,356,231
	Liabilities and equity			
	Liabilities			
	Current liabilities			
2100	Current borrowings	1,097,470	954,404	905,000
2130	Current contract liabilities	49,735	16,989	38,034
2170	Accounts payable	680,979	462,540	616,331
2200	Other payables	652,914	574,531	563,178
2220	Other payables to related parties	1,912	-	-
2230	Current tax liabilities	55,201	3,764	71,145
2280	Current lease liabilities	37,238	41,387	61,403
2322	Long-term borrowings, current portion	164,000	109,000	188,000
2360	Net defined benefit liability, current	39,391	19,248	19,000
2399	Other current liabilities, others	24,581	26,238	32,405
21XX	Total current liabilities	2,803,421	2,208,101	2,494,496

	Non-current liabilities			
2500	Non-current financial liabilities at fair value through profit or loss	564	-	-
2530	Bonds payable	27,980	-	-
2540	Non-current portion of non-current borrowings	409,000	304,000	240,000
2570	Deferred tax liabilities	90,425	90,449	11,005
2580	Non-current lease liabilities	114,091	142,047	129,536
2640	Net defined benefit liability, non-current	69,726	104,198	107,299
2670	Other non-current liabilities, others	871	475	483
25XX	Total non-current liabilities	712,657	641,169	488,323
2XXX	Total liabilities	3,516,078	2,849,270	2,982,819
	Equity			
	Equity attributable to owners of parent			
3100	Total Share Capital	1,320,159	1,320,159	1,320,159
3200	Total capital surplus	831,284	830,450	830,667
3300	Total retained earnings	216,841	260,941	236,725
3400	Total other equity interest	(123,790)	(73,815)	(26,740)
31XX	Total equity attributable to owners of parent	2,244,494	2,337,735	2,360,811
36XX	Non-controlling interests	12,305	11,747	12,601
3XXX	Total equity	2,256,799	2,349,482	2,373,412
3X2X	Total liabilities and equity	5,772,877	5,198,752	5,356,231

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Statement of Comprehensive Income					
Code	Accounting Title	2020/7/1To9/30	2019/7/1To9/30	2020/1/1To9/30	2019/1/1To9/30
4000	Total operating revenue	1,633,098	1,565,450	3,386,477	3,693,501
5000	Total operating costs	1,287,050	1,275,767	2,840,408	3,195,565
5950	Gross profit from operations	346,048	289,683	546,069	497,936
	Operating expenses				
6100	Selling expenses	23,117	27,192	62,884	76,929
6200	Administrative expenses	103,226	106,370	287,162	288,103
6300	Research and development expenses	36,215	30,982	106,266	91,977
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	844	126	1,001	(84)
6000	Total operating expenses	163,402	164,670	457,313	456,925
6900	Net operating income	182,646	125,013	88,756	41,011
	Non-operating income and expenses				
7100	Interest income	6,511	9,630	21,130	32,683
7020	Other gains and losses, net	(20,679)	8,426	(16,120)	30,271
7060	Share of loss of associates and joint ventures accounted for using equity method, net	(1,584)	(940)	(4,652)	(3,956)
7510	Finance costs, net	(6,062)	(5,484)	(18,120)	(16,330)
7000	Total non-operating income and expenses	(21,814)	11,632	(17,762)	42,668
7900	Profit from continuing operations before tax	160,832	136,645	70,994	83,679
7950	Total tax expense	47,942	66,005	75,465	80,117
8000	Profit (loss) from continuing operations	112,890	70,640	(4,471)	3,562
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	64,112	(99,185)	(50,087)	(60,709)
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	(624)	-	4	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
8300	Total other comprehensive income	63,488	(99,185)	(50,083)	(60,709)
8500	Total comprehensive income	176,378	(28,545)	(54,554)	(57,147)
	Profit (loss), attributable to:				
8610	Profit (loss), attributable to owners of parent	111,795	70,979	(4,495)	7,628
8620	Profit (loss), attributable to non-controlling interests	1,095	(339)	24	(4,066)
8000	Profit (loss) from continuing operations	112,890	70,640	(4,471)	3,562
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	175,044	(27,859)	(54,470)	(52,890)
8720	Comprehensive income, attributable to non-controlling interests	1,334	(686)	(84)	(4,257)
8500	Total comprehensive income	176,378	(28,545)	(54,554)	(57,147)
9750	Total basic earnings per share	0.85	0.54	(0.03)	0.06
9850	Total diluted earnings per share	0.85	0.54	(0.03)	0.06

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## 2020Q3 Consolidated Financial Report

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### Statements of Cash Flows

Accounting Title	2020/1/1To9/30	2019/1/1To9/30
Cash flows from (used in) operating activities, indirect method		
Profit from continuing operations before tax	70,994	83,679
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	180,840	200,757
Amortization expense	2,887	4,765
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	1,001	(84)
Net gain on financial assets or liabilities at fair value through profit or loss	(8,019)	-
Interest expense	18,120	16,330
Interest income	(21,130)	(32,683)
Share-based payments	-	176
Share of loss of associates and joint ventures accounted for using equity method	4,652	3,956
Gain on disposal of property, plan and equipment	(239)	(2,814)
Property, plan and equipment transferred to expenses	1,001	298
Loss (gain) on disposal of other assets	(2,360)	76
Total adjustments to reconcile profit	176,753	190,777
Changes in operating assets and liabilities		
Changes in operating assets		
Increase in accounts receivable	(340,635)	(276,152)
Decrease in accounts receivable due from related parties	211	461
Decrease in other receivable due from related parties	8	-
Decrease (increase) in inventories	(198,758)	77,419
Decrease in other financial assets	5,304	4,310
Decrease (increase) in other current assets	(10,161)	14,735
Total changes in operating assets	(544,031)	(179,227)
Changes in operating liabilities		
Increase (decrease) in contract liabilities	32,707	(5,999)
Increase in accounts payable	218,554	67,759
Increase in other payable	96,967	16,932
Increase in other payable to related parties	1,912	-
Increase (decrease) in other current liabilities	(511)	5,957
Decrease in net defined benefit liability	(14,329)	(17,854)
Total changes in operating liabilities	335,300	66,795
Total changes in operating assets and liabilities	(208,731)	(112,432)
Total adjustments	(31,978)	78,345
Cash inflow generated from operations	39,016	162,024
Income taxes paid	(53,899)	(51,527)
Net cash flows from (used in) operating activities	(14,883)	110,497

Cash flows from (used in) investing activities		
Acquisition of financial assets at amortised cost	(1,433,556)	(2,201,702)
Proceeds from repayments of financial assets at amortised cost	900,346	1,468,442
Acquisition of financial assets at fair value through profit or loss	(1,377,621)	-
Proceeds from disposal of financial assets at fair value through profit or loss	1,255,133	-
Increase in prepayments for investments	-	(4,421)
Acquisition of property, plant and equipment	(306,952)	(111,628)
Proceeds from disposal of property, plant and equipment	2,535	3,164
Acquisition of intangible assets	(876)	(6,750)
Decrease (increase) in other financial assets	6,906	(23,701)
Interest received	9,597	13,884
Net cash flows used in investing activities	(944,488)	(862,712)
Cash flows from (used in) financing activities		
Increase in short-term loans	3,987,137	2,960,947
Decrease in short-term loans	(3,844,289)	(2,747,822)
Proceeds from issuing bonds	30,000	-
Proceeds from long-term debt	557,000	295,000
Repayments of long-term debt	(397,000)	(196,000)
Payments of lease liabilities	(29,659)	(48,241)
Increase in other non-current liabilities	400	-
Cash dividends paid	(39,605)	(30,363)
Change in non-controlling interests	-	37
Interest paid	(15,644)	(12,912)
Net cash flows from financing activities	248,340	220,646
Effect of exchange rate changes on cash and cash equivalents	32,953	485
Net decrease in cash and cash equivalents	(678,078)	(531,084)
Cash and cash equivalents at beginning of period	1,678,634	1,468,140
Cash and cash equivalents at end of period	1,000,556	937,056

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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	-	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)	(191)	(60,709)
Total comprehensive income	-	-	-	-	7,628	7,628	(60,518)	(52,890)	(4,257)	(57,147)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	37	37
Changes in ownership interests in subsidiaries	-	(1,284)	-	-	-	-	-	(1,284)	1,460	176
Equity at end of period	1,320,159	830,667	41,313	-	195,412	236,725	(26,740)	2,360,811	12,601	2,373,412

### 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)
Profit (loss)	-	-	-	-	(4,495)	(4,495)	-	(4,495)	24	(4,471)
Other comprehensive income	-	-	-	-	-	-	(49,975)	(49,975)	(108)	(50,083)
Total comprehensive income	-	-	-	-	(4,495)	(4,495)	(49,975)	(54,470)	(84)	(54,554)
Due to recognition of equity component of convertible bonds (preference share) issued	-	1,476	-	-	-	-	-	1,476	-	1,476
Changes in ownership interests in subsidiaries	-	(642)	-	-	-	-	-	(642)	642	-
Equity at end of period	1,320,159	831,284	44,366	73,815	98,660	216,841	(123,790)	2,244,494	12,305	2,256,799